STATE OF NEW YORK

6700

2017-2018 Regular Sessions

IN SENATE

June 13, 2017

Introduced by Sen. HAMILTON -- read twice and ordered printed, and when printed to be committed to the Committee on Rules

AN ACT to amend the banking law, in relation to the banking development district program; to amend chapter 526 of the laws of 1998, amending the banking law relating to participation in the banking development districts program, in relation to the effectiveness thereof

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. Subdivision 2 of section 96-d of the banking law, as added by chapter 204 of the laws of 1997, is amended to read as follows:

2. A local government, in conjunction with a bank, trust company or national bank, may submit an application to the superintendent for the designation of a banking development district. The superintendent shall issue a determination on such an application within sixty days of receiving such application. If an application is approved, the superintendent shall transmit notification of [~~such approval~~] **the designation of a banking development district** to the local government, the bank, trust company or national bank, the state comptroller, the commissioner of taxation and finance, the commissioner of the department of economic development, the temporary president of the senate and the speaker of the assembly. **The designation of a banking development district shall be valid for fourteen years. Prior to the expiration of a banking development district designation, the superintendent may extend the designation for one or more additional five or ten year periods.**

§ 2. Section 4 of chapter 526 of the laws of 1998, amending the banking law relating to participation in the banking development districts program, as amended by chapter 46 of the laws of 2016, is amended to read as follows:

§ 4. This act shall take effect on the first day of January next succeeding the date on which it shall have become a law and **section three of this act** shall remain in effect until January 1, 2023 when upon

EXPLANATION--Matter in ***italics*** (underscored) is new; matter in brackets [-] is old law to be omitted.

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such date it shall expire and be deemed repealed; provided however that any branch established prior to the expiration and repeal of **section three of** this act by a savings bank, savings and loan association, federal savings bank or federal savings and loan association in a banking development district pursuant to this act shall continue to operate in accordance with this act and remain eligible for all the rights and privileges authorized by this act.

§ 3. Subdivision 5 of section 96-d of the banking law, as added by chapter 526 of the laws of 1998, paragraph (a) as amended by chapter 328 of the laws of 1999 and paragraph (b) as further amended by section 104 of part A of chapter 62 of the laws of 2011, is amended to read as follows:

5. (a) Notwithstanding the provisions of subdivision two of section two hundred thirty-seven of this chapter; for the purposes of this section, paragraph c of subdivision two of section ten of the general municipal law, subdivision six of section one hundred five of the state finance law and section four hundred eighty-five-f of the real property tax law, any reference to a bank, trust company or national bank shall be deemed to include a savings bank, savings and loan association, federal savings and loan association [~~or~~], federal savings bank**, credit union, or federal credit union**; provided, however, that such provisions of law do not grant a savings bank, savings and loan association, federal savings and loan association [~~or~~], federal savings bank**, credit union, or federal credit union** eligibility to accept municipal or public funds or municipal or public moneys other than for the limited purposes of the establishment of a branch in a banking development district pursuant to this section. Any such municipal or public funds or moneys shall be deposited only at the branch established pursuant to this section, and any municipal funds or moneys may be deposited only by the sponsoring municipality in which the branch and banking development district are located; provided further that any such municipal or public funds or moneys shall be subject to the same requirements which apply to municipal or public funds or moneys deposited in a bank, trust company or national bank and shall also be subject to the provisions of section one hundred five of the state finance law or section ten of the general municipal law relating to such deposits.

(b) Notwithstanding any other provision of law, the superintendent of financial services shall promulgate rules and regulations to authorize the participation of savings banks, savings and loan associations, federal savings banks [~~and~~], federal savings and loan associations**, credit unions, and federal credit unions** in the program established pursuant to this section.

§ 4. This act shall take effect immediately; provided, however, that the amendments to subdivision 5 of section 96-d of the banking law made by section three of this act shall not affect the repeal of such subdivision and shall be deemed repealed therewith.