

# STATE OF NEW YORK

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2120

2019-2020 Regular Sessions

## IN SENATE

January 22, 2019

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Introduced by Sens. SANDERS, MONTGOMERY -- read twice and ordered printed, and when printed to be committed to the Committee on Banks

AN ACT to amend the banking law, in relation to the banking development district program; and 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:

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

3 2. A local government, in conjunction with a bank, trust company or  
4 national bank, may submit an application to the superintendent for the  
5 designation of a banking development district. The superintendent shall  
6 issue a determination on such an application within sixty days of  
7 receiving such application. If an application is approved, the super-  
8 intendent shall transmit notification of [~~such approval~~] the designation  
9 of a banking development district to the local government, the bank,  
10 trust company or national bank, the state comptroller, the commissioner  
11 of taxation and finance, the commissioner of the department of economic  
12 development, the temporary president of the senate and the speaker of  
13 the assembly. The designation of a banking development district shall be  
14 valid for fourteen years. Prior to the expiration of a banking develop-  
15 ment district designation, the superintendent may extend the designation  
16 for one or more additional five or ten year periods.

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

21 § 4. This act shall take effect on the first day of January next  
22 succeeding the date on which it shall have become a law and section  
23 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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1 such date it shall expire and be deemed repealed; provided however that  
2 any branch established prior to the expiration and repeal of section  
3 three of this act by a savings bank, savings and loan association,  
4 federal savings bank or federal savings and loan association in a bank-  
5 ing development district pursuant to this act shall continue to operate  
6 in accordance with this act and remain eligible for all the rights and  
7 privileges authorized by this act.

8 § 3. Subdivisions 5 and 6 of section 96-d of the banking law, subdivi-  
9 sion 5 as added by chapter 526 of the laws of 1998, paragraph (a) of  
10 subdivision 5 as amended by chapter 328 of the laws of 1999, paragraph  
11 (b) of subdivision 5 as further amended by section 104 of part A of  
12 chapter 62 of the laws of 2011 and subdivision 6 as amended by chapter  
13 330 of the laws of 2009, are amended to read as follows:

14 5. (a) Notwithstanding the provisions of subdivision two of section  
15 two hundred thirty-seven of this chapter; for the purposes of this  
16 section, paragraph c of subdivision two of section ten of the general  
17 municipal law, subdivision six of section one hundred five of the state  
18 finance law and section four hundred eighty-five-f of the real property  
19 tax law, any reference to a bank, trust company or national bank shall  
20 be deemed to include a savings bank, savings and loan association,  
21 federal savings and loan association [~~or~~], federal savings bank, credit  
22 union, or federal credit union; provided, however, that such provisions  
23 of law do not grant a savings bank, savings and loan association, feder-  
24 al savings and loan association [~~or~~], federal savings bank, credit  
25 union, or federal credit union eligibility to accept municipal or public  
26 funds or municipal or public moneys other than for the [~~limited~~  
27 ~~purposes~~] sole purpose of the establishment of a branch in a banking  
28 development district pursuant to this section; provided, however, no  
29 credit union or federal credit union may accept municipal funds or  
30 moneys from a municipal corporation in excess of the standard share  
31 insurance amount per share owner as set by the national credit union  
32 administration. Any such municipal or public funds or moneys shall be  
33 deposited only at the branch established pursuant to this section, and  
34 any municipal funds or moneys may be deposited only by the sponsoring  
35 municipality in which the branch and banking development district are  
36 located; provided further that any such municipal or public funds or  
37 moneys shall be subject to the same requirements which apply to municip-  
38 al or public funds or moneys deposited in a bank, trust company or  
39 national bank and shall also be subject to the provisions of section one  
40 hundred five of the state finance law or section ten of the general  
41 municipal law relating to such deposits.

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

48 6. For the purposes of this section, nothing shall preclude a bank,  
49 trust company or national bank from seeking approval to establish one or  
50 more branches in an existing banking development district where it or  
51 another bank has or is authorized to have a branch. The department shall  
52 have the authority to approve any bank, trust company or national bank  
53 for participation in the banking development district program, and any  
54 branch approved pursuant to this section shall operate in accordance  
55 with this section and is eligible for all the rights and privileges  
56 authorized by this section; provided however, an application for partic-

1 ipation in the banking development district program submitted by a cred-  
2 it union or federal credit union may be approved by the superintendent  
3 only upon a finding that: (a) the application meets the criteria estab-  
4 lished herein and by rule, (b) the banking development district for  
5 which the application is submitted has an unmet need for financial  
6 services as determined by the superintendent, and (c) that no applica-  
7 tion by a bank, trust company or national bank, other than a credit  
8 union or federal credit union has a pending application before the  
9 superintendent that, in the opinion of the superintendent, will fulfill  
10 the unmet need for such services.

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