

STATE OF NEW YORK

727

2019-2020 Regular Sessions

IN SENATE

(Prefiled)

January 9, 2019

Introduced by Sens. MONTGOMERY, BROOKS, COMRIE, HOYLMAN, PARKER, SANDERS, STAVISKY -- 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 including credit unions and federal credit unions within provisions regarding banking development district program

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

1 Section 1. Subdivision 5 of section 96-d of the banking law, as added
2 by chapter 526 of the laws of 1998, paragraph (a) as amended by chapter
3 328 of the laws of 1999, paragraph (b) as further amended by section 104
4 of part A of chapter 62 of the laws of 2011, is amended to read as
5 follows:

6 5. (a) Notwithstanding the provisions of subdivision two of section
7 two hundred thirty-seven of this chapter; for the purposes of this
8 section, paragraph c of subdivision two of section ten of the general
9 municipal law, subdivision six of section one hundred five of the state
10 finance law and section four hundred eighty-five-f of the real property
11 tax law, any reference to a bank, trust company or national bank shall
12 be deemed to include a savings bank, savings and loan association,
13 federal savings and loan association ~~[or]~~, federal savings bank, credit
14 union or federal credit union; provided, however, that such provisions
15 of law do not grant a savings bank, savings and loan association, feder-
16 al savings and loan association ~~[or]~~, federal savings bank, a credit
17 union or a federal credit union eligibility to accept municipal or
18 public funds or municipal or public moneys other than for the limited
19 purposes of the establishment of a branch in a banking development
20 district pursuant to this section. Any such municipal or public funds or
21 moneys shall be deposited only at the branch established pursuant to
22 this section, and any municipal funds or moneys may be deposited only by

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

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1 the sponsoring municipality in which the branch and banking development
2 district are located; provided further that any such municipal or public
3 funds or moneys shall be subject to the same requirements which apply to
4 municipal or public funds or moneys deposited in a bank, trust company
5 or national bank and shall also be subject to the provisions of section
6 one hundred five of the state finance law or section ten of the general
7 municipal law relating to such deposits.

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

14 § 2. Paragraph (f) of subdivision 1 of section 451-a of the banking
15 law, as amended by chapter 153 of the laws of 2015, is amended and a new
16 paragraph (g) is added to read as follows:

17 (f) Any incorporated or unincorporated organization composed princi-
18 pally of persons eligible to membership in the credit union and that
19 organization's employees~~[.]~~; or

20 (g) Any person or organization located within a local community,
21 neighborhood, or rural district where there is a demonstrated need for
22 banking services as determined by the superintendent.

23 § 3. This act shall take effect January 1, 2021; provided, that the
24 amendments to subdivision 5 of section 96-d of the banking law made by
25 section one of this act shall not affect the repeal of such subdivision
26 and shall be deemed to be repealed therewith as provided in section 4 of
27 chapter 526 of the laws of 1998, as amended.