STATE OF NEW YORK

9947

IN ASSEMBLY

February 27, 2020

Introduced by M. of A. ZEBROWSKI -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to clarifying the definition of "community bank institution", expanding eligible deposits to a community bank institution under the community bank deposit program and requiring an annual report by the state comptroller and the commissioner of taxation and finance on the efficacy on the community bank deposit program

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

Section 1. Section 86 of the banking law, as amended by chapter 274 of the laws of 2007, is amended to read as follows:

§ 86. Eligibility. 1. For purposes of this article, the term "community bank institution" shall mean any state or federally chartered banking institution and shall include any bank, trust company, savings bank or savings and loan association with less than ten billion dollars in assets that is headquartered in this state and whose predominant retail and commercial banking operations serve residents and businesses of this state, as determined by the superintendent in his or her sole discretion and pursuant to such rules and regulations as the superintendent deems necessary to implement and administer these provisions.

2. To be eligible to receive deposits, or to renew existing deposits under this program, a [~~bank, trust company, savings bank or savings and loan association: (a) must be chartered under the provisions of this chapter and (b)~~] community bank institution:

(a) must have a current CRA rating of satisfactory or better. The superintendent shall, if requested by the state comptroller or the commissioner of taxation and finance, confirm whether a particular banking institution meets the criteria specified in this section; and

(b) meet any additional criteria established by the comptroller and the commissioner of taxation and finance to determine eligibility for participation in the program. Such criteria may include an institution's loan to deposit ratio, its record of small business lending, and the impact such deposits would have on an area's economic activity. [~~2. A~~

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

LBD14970-01-0

~~federal bank, trust company, savings bank or savings and loan association may also be eligible to receive deposits, or to renew existing deposits, under this program if: (a) its principal office is located in this state; (b) it has a current CRA rating of satisfactory or better; and (c) it meets any additional criteria established by the comptroller and the commissioner of taxation and finance to determine eligibility for participation in the program. Such criteria may include an institution's loan to deposit ratio, its record of small business lending, and the impact such deposits would have on an area's economic activity.~~]

§ 2. Subdivision 2 of section 87 of the banking law, as amended by chapter 495 of the laws of 2013, is amended and a new subdivision 5 is added to read as follows:

2. The maximum amount of funds which the state comptroller and the commissioner of taxation and finance may deposit under this program shall not exceed [~~two~~] **three** hundred [~~fifty~~] million dollars each. [~~The maximum amount of funds on deposit at a community banking institution shall not exceed twenty million dollars.~~]

5. The comptroller and the commissioner of taxation and finance shall annually submit a joint report to the governor, the temporary president of the senate, the speaker of the assembly, the chair of the senate finance committee, the chair of the assembly ways and means committee, the chair of the senate standing committee on banks, and the chair of the assembly standing committee on banks on the efficacy of the community bank deposit program, including information on the number of qualified community banking institutions, the number of community banking institutions which have received deposits, the size of each participating community bank, the number and amount of such deposits and the percentage of total state funds deposited in such institutions under this program.

§ 3. This act shall take effect on the one hundred twentieth day after it shall have become a law. Effective immediately the addition, amendment and/or repeal of any rule or regulation necessary for the implementation of this act on its effective date are authorized to be made and completed on or before such date.