STATE OF NEW YORK

5806

2019-2020 Regular Sessions

IN SENATE

May 15, 2019

Introduced by Sen. MAYER -- read twice and ordered printed, and when printed to be committed to the Committee on Local Government

AN ACT to amend the general municipal law and the banking law, in relation to allowing certain entities to accept and secure deposits from municipal corporations

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

Section 1. Paragraph d of subdivision 1 of section 10 of the general municipal law, as amended by chapter 623 of the laws of 1998, is amended to read as follows:

d. "Bank" shall mean a bank as defined by the banking law or a national banking association located and authorized to do business in New York**; or a savings bank, savings and loan association, credit union, national bank, federal savings association, federal credit union, or out-of-state bank, as such terms are defined in the banking law, in each case having a principal or branch office in this state and insured by the Federal Deposit Insurance Corporation, the National Credit Union Share Insurance Fund, or a successor to the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund**.

§ 2. Section 454 of the banking law is amended by adding a new subdivision 38 to read as follows:

38. To accept deposits for credit to a local government, as defined in paragraph a of subdivision one of section ten of the general municipal law provided that such credit union shall pledge assets or furnish other security satisfactory in form and amount to the depositor, for the repayment of monies held in the name of such depositor, when required to be secured by applicable law, decree or regulation.

§ 3. Subdivision 2 of section 237 of the banking law, as amended by chapter 360 of the laws of 1984, is amended to read as follows:

2. [~~No savings bank shall accept any deposit for credit to any municipal corporation~~] **A savings bank may accept deposits for credit to any**

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

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municipal corporation, provided that such savings bank shall pledge assets or furnish other security satisfactory in form and amount to the depositor, for the repayment of monies held in the name of such depositor, when required to be secured by applicable law, decree or regulation.

§ 4. Section 234 of the banking law is amended by adding a new subdivision 27 to read as follows:

27. Pursuant to subdivision two of section two hundred thirty-seven of this article, to pledge assets or furnish other security satisfactory in form and amount to the depositor, for the repayment of monies held in the name of such depositor, when required to be secured by applicable law, decree or regulation and to exercise the powers contained in section ninety-six-b of this chapter.

§ 5. Section 383 of the banking law is amended by adding a new subdivision 18 to read as follows:

18. Pursuant to subdivision two of section two hundred thirty-seven of this chapter, to pledge assets or furnish other security satisfactory in form and amount to the depositor, for the repayment of monies held in the name of such depositor, when required to be secured by applicable law, decree or regulation and to exercise the powers contained in section ninety-six-b of this chapter.

§ 6. This act shall take effect on the ninetieth day after it shall have become a law.