

STATE OF NEW YORK

6079

2019-2020 Regular Sessions

IN SENATE

May 16, 2019

Introduced by Sens. SANDERS, ROBACH -- 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 credit unions, savings banks, savings and loan
associations and federal savings associations to accept and secure
deposits from municipal corporations

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

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

4 d. "Bank" shall mean a bank as defined by the banking law or a
5 national banking association located and authorized to do business in
6 New York; a credit union as defined by the banking law or a federal
7 credit union located and authorized to do business in New York which has
8 its principal office in a location described in paragraph (a) of subdivi-
9 vision thirty-eight of section four hundred fifty-four of the banking
10 law, or a branch office in a location described in paragraph (b) of
11 subdivision thirty-eight of section four hundred fifty-four of the bank-
12 ing law; or a savings bank as defined by the banking law, a savings and
13 loan association as defined by the banking law or a federal savings
14 association located and authorized to do business in New York which has
15 its principal office in a location described in paragraph (a) of subdivi-
16 vision two of section two hundred thirty-seven of the banking law, or a
17 branch office in a location described in paragraph (b) of subdivision
18 two of section two hundred thirty-seven of the banking law.

19 § 2. Section 454 of the banking law is amended by adding a new subdivi-
20 vision 38 to read as follows:

21 38. (a) To accept deposits for credit to a local government, as
22 defined in paragraph a of subdivision one of section ten of the general

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

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1 municipal law, at its principal office where such credit union maintains
2 its principal office within the jurisdiction of such local government.

3 (b) To accept deposits for credit to a local government, as defined in
4 paragraph a of subdivision one of section ten of the general municipal
5 law, at its branch office where such credit union maintains a branch
6 office within the jurisdiction of such local government.

7 § 3. The banking law is amended by adding a new section 454-a to read
8 as follows:

9 § 454-a. Deposits of public money with credit unions; security. A
10 credit union may accept deposits of public money subject to the limita-
11 tions provided in subdivision thirty-eight of section four hundred
12 fifty-four of this article. Such credit union shall pledge assets or
13 furnish other security satisfactory in form and amount to the depositor,
14 for the repayment of monies held in the name of such depositor, when
15 required to be secured by applicable law, decree or regulation.

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

18 2. [~~No savings bank shall accept any deposit for credit to any municipi-~~
19 ~~pal corporation.~~] (a) A savings bank which maintains its principal
20 office within the jurisdiction of a local government, as defined in
21 paragraph a of subdivision one of section ten of the general municipal
22 law, may accept deposits at such principal office for credit to such
23 local government.

24 (b) A savings bank which maintains a branch office within the juris-
25 isdiction of a local government, as defined in paragraph a of subdivision
26 one of section ten of the general municipal law, may accept deposits at
27 such branch office for credit to such local government.

28 § 5. Section 234 of the banking law is amended by adding a new subdi-
29 vision 27 to read as follows:

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

36 § 6. Section 383 of the banking law is amended by adding a new subdi-
37 vision 18 to read as follows:

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

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