

STATE OF NEW YORK

2902

2021-2022 Regular Sessions

IN SENATE

January 26, 2021

Introduced by Sens. KAVANAGH, SALAZAR -- 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 low income
credit unions in the banking development district program

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

1 Section 1. Subdivision 5 of section 96-d of the banking law, as
2 amended by chapter 629 of the laws of 2019, is amended to read as
3 follows:

4 5. (a) Notwithstanding the provisions of subdivision two of section
5 two hundred thirty-seven of this chapter; for the purposes of this
6 section, paragraph c of subdivision two of section ten of the general
7 municipal law, subdivision six of section one hundred five of the state
8 finance law and section four hundred eighty-five-f of the real property
9 tax law, any reference to a bank, trust company or national bank shall
10 be deemed to include a savings bank, savings and loan association,
11 federal savings and loan association, federal savings bank, credit
12 union, or federal credit union or, in cities having a population of one
13 million or more persons, any low income credit union as designated by
14 section four hundred fifty-a of this chapter or any federal credit union
15 that has been designated a low income credit union by the National Cred-
16 it Union Administration; provided, however, that such provisions of law
17 do not grant a savings bank, savings and loan association, federal
18 savings and loan association, federal savings bank, credit union, or
19 federal credit union or, in cities having a population of one million or
20 more persons, any low income credit union as designated by section four
21 hundred fifty-a of this chapter or any federal credit union that has
22 been designated a low income credit union by the National Credit Union
23 Administration eligibility to accept municipal or public funds or munic-
24 ipal or public moneys other than for the limited purposes of the estab-
25 lishment of a branch in a banking development district pursuant to this

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

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1 section. Any such municipal or public funds or moneys shall be deposited
2 only at the branch established pursuant to this section, and any municipi-
3 pal funds or moneys may be deposited only by the sponsoring municipality
4 in which the branch and banking development district are located;
5 provided further that any such municipal or public funds or moneys shall
6 be subject to the same requirements which apply to municipal or public
7 funds or moneys deposited in a bank, trust company or national bank and
8 shall also be subject to the provisions of section one hundred five of
9 the state finance law or section ten of the general municipal law relat-
10 ing to such deposits.

11 (b) Notwithstanding any other provision of law, the superintendent of
12 financial services shall promulgate rules and regulations to authorize
13 the participation of savings banks, savings and loan associations,
14 federal savings banks, federal savings and loan associations, credit
15 unions, and federal credit unions or, in cities having a population of
16 one million or more persons, any low income credit union as designated
17 by section four hundred fifty-a of this chapter or any federal credit
18 union that has been designated a low income credit union by the National
19 Credit Union Administration in the program established pursuant to this
20 section.

21 § 2. This act shall take effect immediately, provided, however, that
22 the amendments to subdivision 5 of section 96-d of the banking law made
23 by section one of this act shall not affect the repeal of such subdivi-
24 sion and shall be deemed repealed therewith.