

STATE OF NEW YORK

6323

2021-2022 Regular Sessions

IN SENATE

April 21, 2021

Introduced by Sen. GAUGHRAN -- 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, in relation to authorized investments for local governments

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

1 Section 1. The opening paragraph of subparagraph 2 of paragraph a and
2 subparagraph 2 of paragraph b of subdivision 3 of section 11 of the
3 general municipal law, the opening paragraph of subparagraph 2 of para-
4 graph a as amended by section 1 of part W of chapter 406 of the laws of
5 1999 and subparagraph 2 of paragraph b as amended by chapter 130 of the
6 laws of 1998, are amended to read as follows:
7 notwithstanding any other provision of general, special or local law,
8 any city having a population of one million or more and any county may
9 also make investments in the following:
10 (2) Such obligations, unless registered or inscribed in the name of
11 the local government, shall be purchased through, delivered to and held
12 in the custody of a bank or trust company or, with respect to the city
13 of New York and counties, a reputable dealer in such obligations as
14 shall be designated by the state comptroller, in this state. Such obli-
15 gations shall be purchased, sold or presented for redemption or payment
16 by such bank or trust company or dealer in obligations only in accord-
17 ance with prior written authorization from the officer authorized to
18 make the investment. All such transactions shall be confirmed in writing
19 to the local government by the bank or trust company. All obligations
20 held in the custody of a bank or trust company pursuant to this para-
21 graph shall be held by such bank or trust company pursuant to a written
22 custodial agreement as set forth in paragraph a of subdivision three of
23 section ten of this article.

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

LBD10942-01-1

1 § 2. Paragraph b of subdivision 3 of section 11 of the general municipi-
2 pal law, as amended by chapter 548 of the laws of 1997, is amended to
3 read as follows:

4 b. Such obligations, unless registered or inscribed in the name of the
5 local government, shall be purchased through, delivered to and held in
6 the custody of a bank or trust company or, with respect to the city of
7 New York and counties, a reputable dealer in such obligations as shall
8 be designated by the state comptroller, in this state. Such obligations
9 shall be purchased, sold or presented for redemption or payment by such
10 bank or trust company or dealer in obligations only in accordance with
11 prior written authorization from the officer authorized to make the
12 investment. All such transactions shall be confirmed in writing to the
13 local government by the bank or trust company. All obligations held in
14 the custody of a bank or trust company pursuant to this paragraph shall
15 be held by such bank or trust company pursuant to a written custodial
16 agreement as set forth in paragraph a of subdivision three of section
17 ten of this article.

18 § 3. This act shall take effect immediately, provided however the
19 amendments to subdivision 3 of section 11 of the general municipal law
20 made by section one of this act shall be subject to the expiration and
21 reversion of such subdivision pursuant to section 2 of chapter 130 of
22 the laws of 1998, as amended, when upon such date the provisions of
23 section two of this act shall take effect.