

# STATE OF NEW YORK

9574

## IN ASSEMBLY

January 21, 2026

Introduced by M. of A. ANDERSON -- (at request of the State Comptroller)  
-- read once and referred to the Committee on Banks

AN ACT to amend the state finance law, in relation to a deposit placement program for the Banking Development District Program

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

1 Section 1. The opening paragraph of subdivision 2 of section 105 of  
2 the state finance law, as amended by chapter 154 of the laws of 1953, is  
3 amended to read as follows:

4 [~~Every~~] Except as otherwise provided in this section, every bank,  
5 trust company and industrial bank designated for the deposit of state  
6 moneys under the provisions of this section shall, before deposits are  
7 made:

8 § 2. Subdivision 3 of section 105 of the state finance law, as amended  
9 by chapter 154 of the laws of 1953, is amended and a new subdivision 7  
10 is added to read as follows:

11 3. Notwithstanding any other general or special law, and except as  
12 otherwise provided in this section, no bonds, notes or other obli-  
13 gations[~~, except as above described,~~] shall be accepted as security for  
14 moneys deposited pursuant to this section or section one hundred six of  
15 this [~~chapter~~] article. No general or special law which in substance or  
16 in effect authorizes or requires the deposit of specified bonds, notes  
17 or other obligations with any public officer or body of this state for  
18 any purpose for which the deposit of bonds or other obligations of this  
19 state may be authorized or required, shall be construed to authorize or  
20 require the acceptance of such bonds, notes or other obligations as  
21 security for moneys deposited pursuant to this section or section one  
22 hundred six of this [~~chapter~~] article.

23 7. a. For the purposes of this subdivision, the term "participating  
24 bank" shall mean a bank, trust company, or national bank, as set forth  
25 in section ninety-six-d of the banking law, that:

26 (1) is approved by the department of financial services to establish  
27 and/or operate a branch in a banking development district established  
28 pursuant to section ninety-six-d of the banking law;

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

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1 (2) is designated by the comptroller as a depository for the banking  
2 development district program as created by section ninety-six-d of the  
3 banking law; and

4 (3) is a minority depository institution or has less than ten billion  
5 dollars in assets.

6 b. In lieu of a security bond, letter of credit, check, or other secu-  
7 rity as prescribed by this section, a participating bank may, in the  
8 discretion of the comptroller and the commissioner of taxation and  
9 finance, arrange for the redeposit of moneys, in whole or in part,  
10 through a deposit placement program, that meets all of the following  
11 conditions:

12 (1) the participating bank shall arrange for the redeposit of the  
13 moneys into deposit accounts with one or more banking institutions, as  
14 defined in section nine-r of the banking law, for the account of the  
15 state, and serve as custodian for the state with respect to the moneys  
16 redeposited into such deposit accounts;

17 (2) moneys held by a participating bank pending redeposit pursuant to  
18 subparagraph one of this paragraph that are in excess of the amount  
19 insured by the federal deposit insurance corporation or the national  
20 credit union administration shall be secured in accordance with subdivi-  
21 sion two or four of this section;

22 (3) the full amount of the moneys redeposited into deposit accounts  
23 pursuant to subparagraph one of this paragraph, plus accrued interest,  
24 if any, shall be insured by the federal deposit insurance corporation or  
25 the national credit union administration; and

26 (4) at the same time that the moneys are redeposited pursuant to  
27 subparagraph one of this paragraph, a participating bank receives an  
28 amount of deposits from customers of other financial institutions pursu-  
29 ant to the deposit placement program that are at least equal to the  
30 amount of money redeposited by a participating bank.

31 c. The comptroller may promulgate rules and regulations regarding the  
32 deposit placement program, set forth in paragraph b of this subdivision,  
33 including contract requirements establishing the duration and moneys  
34 allowable under the program on a per institution basis, as well as  
35 reporting requirements regarding the impacts of such reciprocal deposits  
36 on a participating bank's lending activities and business.

37 d. Nothing in this subdivision shall be construed to permit the use of  
38 a deposit placement program for deposits of moneys for any other purpose  
39 or program other than for amounts expressly authorized by this subdivi-  
40 sion and in connection with the banking development district program.

41 § 3. This act shall take effect immediately.