§ 96-d. Banking development districts. 1. There is hereby created a banking development district program, the purpose of which is to encourage the establishment of bank branches in geographic locations where there is a demonstrated need for banking services. The superintendent of financial services shall, in consultation with the department of economic development, promulgate rules and regulations, after public hearing and comment, which set forth the criteria for the establishment of banking development districts. Such criteria shall include, but not be limited to, the following:

(a) the location, number, and proximity of sites where banking services are available within the district;

(b) the identification of consumer needs for banking services within the district;

(c) the economic viability and local credit needs of the community within the district;

(d) the existing commercial development within the district;

(e) the impact additional banking services would have on potential economic development in the district;

(f) whether a community is identified as unbanked or underbanked by the superintendent; and

(g) such other criteria which the superintendent in his or her discretion shall identify as appropriate.

2. A local government, in conjunction with a bank, trust company or national bank, may submit an application to the superintendent for the designation of a banking development district. The superintendent shall issue a determination on such an application within sixty days of receiving such application. If an application is approved, the superintendent shall transmit notification of the designation of a banking development district to the local government, the bank, trust company or national bank, the state comptroller, the commissioner of taxation and finance, the commissioner of the department of economic development, the temporary president of the senate and the speaker of the assembly. The designation of a banking development district shall be valid for fourteen years. Prior to the expiration of a banking development district designation, the superintendent may extend the designation for one or more additional five or ten year periods.

2-a. Notwithstanding any other provision of law, an application may be submitted by a local government in conjunction with a bank, trust company or national bank which has already opened a bank branch within such area. In considering the criteria authorized pursuant to subdivision one of this section, the superintendent shall also take into account the importance and benefits of preserving the banking services offered by the existing branch.

3. The establishment of a branch in a banking development district by a bank, trust company or national bank shall be subject to all applicable state and federal laws regarding the establishment of branch offices, including the provisions of section one hundred five of this article, provided however that the branch application fee required pursuant to section twenty-nine of this chapter shall be waived for any such branch. A bank or trust company may submit an application to open a branch office simultaneously with the submission of the application for the designation of a banking development district.

4. For the purposes of this section, the term "local government" shall mean a county, town, city or village.

* 5. (a) Notwithstanding the provisions of subdivision two of section two hundred thirty-seven of this chapter; for the purposes of this section, paragraph c of subdivision two of section ten of the general municipal law, subdivision six of section one hundred five of the state finance law and section four hundred eighty-five-f of the real property tax law, any reference to a bank, trust company or national bank shall be deemed to include a savings bank, savings and loan association, federal savings and loan association, federal savings bank, credit union, or federal credit union; provided, however, that such provisions of law do not grant a savings bank, savings and loan association, federal savings and loan association, federal savings bank, credit union, or federal credit union eligibility to accept municipal or public funds or municipal or public moneys other than for the limited purposes of the establishment of a branch in a banking development district pursuant to this section. Any such municipal or public funds or moneys shall be deposited only at the branch established pursuant to this

section, and any municipal funds or moneys may be deposited only by the sponsoring municipality in which the branch and banking development district are located; provided further that any such municipal or public funds or moneys shall be subject to the same requirements which apply to municipal or public funds or moneys deposited in a bank, trust company or national bank and shall also be subject to the provisions of section one hundred five of the state finance law or section ten of the general municipal law relating to such deposits.

(b) Notwithstanding any other provision of law, the superintendent of financial services shall promulgate rules and regulations to authorize the participation of savings banks, savings and loan associations, federal savings banks, federal savings and loan associations, credit unions, and federal credit unions in the program established pursuant to this section.

* NB Repealed January 1, 2029

6. For the purposes of this section, nothing shall preclude a bank, trust company or national bank from seeking approval to establish one or more branches in an existing banking development district where it or another bank has or is authorized to have a branch. The department shall have the authority to approve any bank, trust company or national bank for participation in the banking development district program, and any branch approved pursuant to this section shall operate in accordance with this section and is eligible for all the rights and privileges authorized by this section.