

A 6923-A Towns Same as [S 3724-A](#) FOLEY, [S 50037](#) RULES

Departmental Bill # 62

Banking Department (Internal # 7 - 2009)

Banking Law

TITLE....Extends the effectiveness of certain provisions of sections 12-a and 42 of the banking law

03/17/09 referred to banks

05/12/09 amend (t) and recommit to banks

05/12/09 print number 6923a

05/19/09 reported referred to codes

06/02/09 reported referred to rules

06/03/09 reported

06/03/09 rules report cal.62

06/03/09 ordered to third reading rules cal.62

06/04/09 passed assembly

06/04/09 delivered to senate

06/04/09 REFERRED TO BANKS

06/30/09 SUBSTITUTED FOR S3724A

06/30/09 3RD READING CAL.630

06/30/09 PASSED SENATE

07/09/09 VOTE RECONSIDERED - RESTORED TO THIRD READING

07/09/09 REPASSED SENATE

07/09/09 RETURNED TO ASSEMBLY

07/10/09 delivered to governor

07/11/09 signed chap.122

S3724-A FOLEY Same as [A 6923-A](#) Towns, [S 50037](#) RULES

ON FILE: 05/22/09 Banking Law

TITLE....Extends the effectiveness of certain provisions of sections 12-a and 42 of the banking law

03/30/09 REFERRED TO BANKS

05/20/09 AMEND (T) AND RECOMMIT TO BANKS

05/20/09 PRINT NUMBER 3724A

06/03/09 1ST REPORT CAL.630

06/04/09 2ND REPORT CAL.

06/08/09 ADVANCED TO THIRD READING

06/30/09 SUBSTITUTED BY A6923A

A06923 Towns AMEND=A

03/17/09 referred to banks

05/12/09 amend (t) and recommit to banks

05/12/09 print number 6923a

05/19/09 reported referred to codes

06/02/09 reported referred to rules

06/03/09 reported

06/03/09 rules report cal.62

06/03/09 ordered to third reading rules cal.62

06/04/09 passed assembly

06/04/09 delivered to senate

06/04/09 REFERRED TO BANKS

06/30/09 SUBSTITUTED FOR S3724A

06/30/09 3RD READING CAL.630

06/30/09 PASSED SENATE

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07/09/09 REPASSED SENATE

07/09/09 RETURNED TO ASSEMBLY

07/10/09 delivered to governor

07/11/09 signed chap.122

S50037 RULES Same as [A 6923-A](#) Towns, [S 3724-A](#) FOLEY

Governor Program #

ON FILE: 06/23/09 Banking Law

TITLE....Extends the effectiveness of certain provisions of sections 12-a and 42 of the banking law

06/23/09 REFERRED TO RULES

STATE OF NEW YORK

6923--A

2009-2010 Regular Sessions

IN ASSEMBLY

March 17, 2009

Introduced by M. of A. TOWNS -- (at request of the Banking Department)
-- read once and referred to the Committee on Banks -- committee
discharged, bill amended, ordered reprinted as amended and recommitted
to said committee

AN ACT to amend chapter 322 of the laws of 2007, amending the banking law relating to the power of banks, private bankers, trust companies, savings banks, savings and loan associations, credit unions and foreign banking corporations to exercise the rights of national banks, federal savings associations, federal credit unions and federal branches and agencies of foreign banks, in relation to extending the effectiveness of certain provisions of such chapter; and to amend chapter 3 of the laws of 1997, amending the banking law and the insurance law relating to authorizing the banking board to permit banks and trust companies to exercise the rights of national banks, in relation to extending the effectiveness of certain provisions of such chapter

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

1 Section 1. Section 6 of chapter 322 of the laws of 2007, amending the
2 banking law relating to the power of banks, private bankers, trust
3 companies, savings banks, savings and loan associations, credit unions
4 and foreign banking corporations to exercise the rights of national
5 banks, federal savings associations, federal credit unions and federal
6 branches and agencies of foreign banks, is amended to read as follows:
7 § 6. This act shall take effect immediately; provided, however that
8 sections one, two, three and four of this act shall take effect Septem-
9 ber 1, 2007; and provided further that sections one, two, three and four
10 of this act shall expire and be deemed repealed September 10, [~~2009~~]
11 2011; and provided further that any federally permitted powers approved
12 under section three of this act shall remain in full force and effect on
13 and after such repeal date and shall not be affected by such repeal.

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

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1 § 2. Section 7 of chapter 3 of the laws of 1997, amending the banking
2 law and the insurance law relating to authorizing the banking board to
3 permit banks and trust companies to exercise the rights of national

4 banks, as amended by chapter 322 of the laws of 2007, is amended to read
5 as follows:

6 § 7. This act shall take effect immediately provided that section two
7 of this act shall take effect on the thirtieth day after it shall have
8 become a law and shall apply to violations prescribed in section 44 of
9 the banking law that occur on or after such date; and provided further
10 that sections one, three, four and five shall expire and be deemed
11 repealed September 10, [~~2009~~ 2011]; and provided further that any rules
12 and regulations promulgated pursuant to sections one, three, four and
13 five shall remain in full force and effect on and after such expiration
14 date and shall not be affected by such expiration date.

15 § 3. This act shall take effect immediately.

NEW YORK STATE ASSEMBLY
MEMORANDUM IN SUPPORT OF LEGISLATION
submitted in accordance with Assembly Rule III, Sec 1(f)

BILL NUMBER: A6923A

SPONSOR: Towns

TITLE OF BILL: An act to amend chapter 322 of the laws of 2007, amending the banking law relating to the power of banks, private bankers, trust companies, savings banks, savings and loan associations, credit unions and foreign banking corporations to exercise the rights of national banks, federal savings associations, federal credit unions and federal branches and agencies of foreign banks, in relation to extending the effectiveness of certain provisions of such chapter; and to amend chapter 3 of the laws of 1997, amending the banking law and the insurance law relating to authorizing the banking board to permit banks and trust companies to exercise the rights of national banks, in relation to extending the effectiveness of certain provisions of such chapter

PURPOSE OR GENERAL IDEA OF BILL:

This bill would extend the sunset provisions now applicable to Banking Law §12-a, which expanded the authority of New York banks to exercise the powers of their federal counterparts, and Insurance Law §2123 (e) and (f), which contain provisions regulating the sale of insurance products at banking institutions.

SUMMARY OF SPECIFIC PROVISIONS:

Currently, Banking Law § 12-a and provisions of Insurance Law § 2123 and 2502 sunset on September 10, 2009. This bill would extend these sunset provisions to September 10, 2011.

EFFECTS OF PRESENT LAW WHICH THIS BILL WOULD ALTER:

Banking Law § 12-a was added to the Banking Law effective September 1, 2007, among other things, expand the authority of state banks to exercise the powers of their federal counterparts. Section 12-a is scheduled to expire on September 10, 2009.

Insurance Law § 2123 and 2502 were also added in 1997, to regulate insurance activities of banks granted under the wildcard authority. They were amended in the laws of 2008 to expand the type of banking organizations to which they apply.

JUSTIFICATION:

A critical recent piece in efforts to enhance the New York banking charter was the enactment in 2007 of Banking Law § 12-a, which expanded the authority of New York banks, thrifts and credits unions, as well as the

New York branches of foreign banks, to exercise the powers of their federal counterparts as authorized in a resolution adopted by the Banking Board. The purpose of this legislation is to ensure that state-chartered financial institutions are not placed at a competitive disadvantage compared to their federal counterparts, by creating a mechanism to allow state-chartered institutions to exercise the powers of their counterparts with appropriate oversight and controls.

PRIOR LEGISLATIVE HISTORY:

This bill is new.

EFFECTIVE DATE:

This bill would become effective immediately.

LAWS OF NEW YORK, 2009

CHAPTER 122

AN ACT to amend chapter 322 of the laws of 2007, amending the banking law relating to the power of banks, private bankers, trust companies, savings banks, savings and loan associations, credit unions and foreign banking corporations to exercise the rights of national banks, federal savings associations, federal credit unions and federal branches and agencies of foreign banks, in relation to extending the effectiveness of certain provisions of such chapter; and to amend chapter 3 of the laws of 1997, amending the banking law and the insurance law relating to authorizing the banking board to permit banks and trust companies to exercise the rights of national banks, in relation to extending the effectiveness of certain provisions of such chapter

Became a law July 11, 2009, with the approval of the Governor. Passed by a majority vote, three-fifths being present in the Assembly and a majority being present in the Senate.

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

Section 1. Section 6 of chapter 322 of the laws of 2007, amending the banking law relating to the power of banks, private bankers, trust companies, savings banks, savings and loan associations, credit unions and foreign banking corporations to exercise the rights of national banks, federal savings associations, federal credit unions and federal branches and agencies of foreign banks, is amended to read as follows:

§ 6. This act shall take effect immediately; provided, however that sections one, two, three and four of this act shall take effect September 1, 2007; and provided further that sections one, two, three and four of this act shall expire and be deemed repealed September 10, [~~2009~~ 2011]; and provided further that any federally permitted powers approved under section three of this act shall remain in full force and effect on and after such repeal date and shall not be affected by such repeal.

§ 2. Section 7 of chapter 3 of the laws of 1997, amending the banking law and the insurance law relating to authorizing the banking board to permit banks and trust companies to exercise the rights of national banks, as amended by chapter 322 of the laws of 2007, is amended to read as follows:

§ 7. This act shall take effect immediately provided that section two of this act shall take effect on the thirtieth day after it shall have become a law and shall apply to violations prescribed in section 44 of the banking law that occur on or after such date; and provided further that sections one, three, four and five shall expire and be deemed repealed September 10, [~~2009~~ 2011]; and provided further that any rules and regulations promulgated pursuant to sections one, three, four and five shall remain in full force and effect on and after such expiration date and shall not be affected by such expiration date.

§ 3. This act shall take effect immediately.

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

Pursuant to the authority vested in us by section 70-b of the Public Officers Law, we hereby jointly certify that this slip copy of this session law was printed under our direction and, in accordance with such section, is entitled to be read into evidence.

MALCOLM A. SMITH
Temporary President of the Senate

SHELDON SILVER
Speaker of the Assembly
