



Legislation Text

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Res. No. 1152

Resolution calling upon the New York State Legislature to amend all applicable laws to allow local governments to deposit public funds in credit unions and thrift institutions.

By Council Members McCaffrey, Malave-Dilan, Espada, Fisher, Koslowitz, Lopez, Marshall, Moskowitz, Quinn and Reed; also Council Members DiBrienza, Eisland, Harrison, Michels, Rivera, Robinson, Rodriguez and Stabile.

Whereas, The General Municipal Law of the State of New York requires that local governments designate one or more banks or trust companies for the deposit of public funds; and

Whereas, Many states and large cities throughout the United States expressly allow for the deposit of public funds in credit unions, savings banks, and savings and loan associations (hereinafter referred to as "thrift institutions"); and

Whereas, The State of New York remains one of the few states where banks and trust companies are granted the ability to maintain a virtual monopoly over municipal deposits; and

Whereas, The policy of allowing municipal deposits to be deposited only in banks and trust companies contradicts the fundamental principles of a fair and competitive market; and

Whereas, Many of the banks where the City of New York chooses to deposit public funds have withdrawn from low-income and working class neighborhoods, leaving credit unions and thrift institutions as the sole method of banking for these residents and their communities; and

Whereas, Like banks, credit unions are insured by the National Credit Union Insurance Fund, a federal agency comparable to the Federal Deposit Insurance Company; and

Whereas, By amending the applicable State law to permit the deposit of City funds in credit unions and thrift institutions, the State will be helping the City to improve and insure its financial strength while at the same time assist low-income and working class residents by keeping these important financial institutions viable and successful in their communities; now, therefore be it

Resolved, That the Council calls upon the New York State legislature to amend all applicable state law to allow local governments to deposit public funds in credit unions and thrift institutions.

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