



Legislation Text

File #: Res 1118-2007, **Version:** *

Res. No. 1118

Resolution calling upon the New York State Legislature to adopt and the Governor to sign legislation which would allow credit unions, savings banks, savings and loan associations and federal savings associations to accept and secure deposits from municipal corporations.

By Council Members Weprin, Brewer, Fidler, Gennaro, James, Liu, Mendez, Nelson, Sanders Jr., Sears, Stewart, Vann, Arroyo and Jackson

Whereas, Credit unions, savings banks, savings and loan associations, and federal savings associations were originally established to promote the encouragement of thrift by mutuality of ownership; and

Whereas, These thrift institutions which for the most part are locally owned play an active role in the community by encouraging personal savings through savings accounts and homeownership through mortgage lending; and

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

Whereas, Thrift institutions, pursuant to Section 237 of the State Banking Law and Section 10 of the General Municipal Law, are specifically prohibited from accepting deposits of public moneys; and

Whereas, As a result, commercial banks enjoy a virtual monopoly over the deposits of State and local funds in New York State; and

Whereas, The majority of 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; and

Whereas, Senate Bill Nos. 3664, 4054, 4071 and Assembly Bill Nos. 6511, 6856, 7030 seek to amend applicable State Law to allow other financial institutions, in addition to commercial banks, to accept municipal deposits; and

Whereas, By enacting such legislation to permit the deposit of municipal funds in such institutions, the State will be helping local and State governments by expanding their financial options, while at the same time keeping these important thrift institutions viable and successful in their communities; now, therefore, be it

Resolved, That the Council of the City of New York calls upon the New York State Legislature to adopt and the Governor to sign legislation which would allow credit unions, savings banks, savings and loan associations and federal savings associations to accept and secure deposits from municipal corporations.

AB
LS# 3869
10/10/07