New York Legislation Pertaining to the Collection of Deposits

	City or Municipal	State or Court	Banking Development District (BDD)	New York State Community Deposit Program (NYSCDP)
Transaction Deposit	General Municipal Law § 10 & 11	State Finance Law § 98-a & 105(2)(b)(23)	State Finance Law § 98-a & 105(2)(b)(23) State Bank Law § 96-d	State Finance Law § 8 State Bank Law § 85, 86, 87
Non-Transaction Deposit	General Municipal Law § 10 & 11	State Finance Law § 98-a	State Finance Law § 98-a & 105(2)(b)(23) State Bank Law § 96-d	State Finance Law § 8 State Bank Law § 85, 86, 87
Pertinent Regulations	**General Municipal Law § 10 & 11** (c) In lieu of or in addition to the deposit of eligible securities, the officers making a deposit may, in the case of an irrevocable letter of credit issued in favor of the local government by a Federal Home Loan Bank whose commercial paper and other unsecured short-term debt obligations are rated in the highest rating category by at least one nationally recognized statistical rating organization, accept such letter of credit payable to such local government as security for the payment of one hundred percent of the aggregate amount of public deposits from such officers and the agreed upon interest, if any. The terms and conditions of any eligible surety bond shall be approved by the governing board.	**State Finance Law § 98-a** Investment of general funds, bond proceeds & other funds not immediately required. . . Any certificate of deposit shall be fully secured by the issuer thereof depositing with the comptroller stocks, bonds, or notes of any county, town, city, village, fire district or school district of this state issued pursuant to law and maturing within five years from the date of issuance of such certificate of deposit, bonds or notes or direct or guaranteed obligation of the United States of America or its agencies or of the state of New York or bonds and notes issued for any of the corporate purposes of the municipal assistance corporation for the city of New York in an amount equal to the amount of such certificate of deposit. (No FHLBNY L/C for this.) **State Finance Law § 105(2)(b)(23)** (2) Every bank, trust company and industrial bank designated for the deposit of state moneys under the provisions of this section shall, before deposits are made: (b) In lieu of such surety bond, with the permission of the comptroller and the commissioner of taxation and finance, deposit with the comptroller outstanding unmatured: (23) irrevocable letters of credit issued by a federal home loan bank.	**State Finance Law § 98-a** Investment of general funds, bond proceeds & other funds not immediately required. . . 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(No FHLBNY L/C for this.) **State Finance Law § 105(2)(b)(23)** (2) Every bank, trust company and industrial bank designated for the deposit of state moneys under the provisions of this section shall, before deposits are made: (b) In lieu of such surety bond, with the permission of the comptroller and the commissioner of taxation and finance, deposit with the comptroller outstanding unmatured: (23) irrevocable letters of credit issued by a federal home loan bank. **State Bank Law § 96-d** **Banking Development Districts** . . . 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.	**State Finance Law § 8** Section 8. Duties of the comptroller: comptroller shall supervise the administration of all the funds paid into any court of record or ordered to be so paid by a judgment, order or decree of any such court of record, and/or paid to the public administrator of any county and/or to the county treasurer of any county to whom letters of administration have been or shall be granted, or to any other administrator having the custody of funds payable to the state comptroller pursuant to the provisions of section two thousand two hundred twenty-two of the surrogate's court procedure act. **State Bank Law § 85, 86, 87** **New York State Community Deposit Program** **§ 85. Community Bank Deposit Program** In recognition of the economic benefits and stimulus which result from the placement of deposits in local banks, the community bank deposit program is hereby created to authorize and encourage the state comptroller and the commissioner of taxation and finance to deposit a portion of the funds under their control into community banking institutions. **§ 86. Eligibility** 1. To be eligible to receive deposits, or to renew existing deposits under this program, a bank, trust company, savings bank or savings and loan association: (a) must be chartered under the provisions of this chapter and (b) must have a current CRA rating of satisfactory or better. The superintendent shall, if requested by the state comptroller or the commissioner of taxation and finance, confirm whether a particular banking institution meets the criteria specified in this section. 2. A federal bank, trust company, savings bank or savings and loan association may also be eligible to receive deposits, or to renew existing deposits, under this program if: (a) its principal office is located in this state; (b) it has a current CRA rating of satisfactory or better; and (c) it meets any additional criteria established by the comptroller and the commissioner of taxation and finance to determine eligibility for participation in the program. Such criteria may include an institution's loan to deposit ratio, its record of small business lending, and the impact such deposits would have on an area's economic activity. **§ 87. Deposits** 1. Notwithstanding any provisions of law to the contrary, the state comptroller and the commissioner of taxation and finance shall, for the purposes of administering moneys in accordance with the provisions of sections ninety-eight-a and one hundred five of the state finance law, give consideration to depositing funds into those community banking institutions which are deemed eligible to receive deposits pursuant to section eighty-six of this article. 2. The maximum amount of funds which the state comptroller and the commissioner of taxation and finance may deposit under this program shall not exceed two hundred fifty million dollars each. 3. Notwithstanding any provision of law to the contrary, any deposits made pursuant to this article shall be made at rates, and for such periods of time, as may be agreed to by the state comptroller or the commissioner of taxation and finance and the eligible community banking institution. 4. Any deposits made pursuant to this article may be secured by an irrevocable letter of credit issued by a federal home loan bank.