

2011 New York State Legislative Year in Review

The 2011 legislative session was uncharacteristically productive. Governor Andrew Cuomo and the legislature worked together to implementing several new laws. Here is a brief recap of some of the highlights:

- A [2% Property Tax Cap](#) limits the annual increase in the overall amount of property taxes collected by a local government or a school district. Property tax increases for individual homeowners could vary as properties are reassessed.
- New York State became the 6th state in the nation to legalize same sex marriage.
- [Restructured Tax Brackets](#)
- Creation of the [New York State Department of Financial Services](#)

Several bills of interest were also signed into law:

Home Office Protection for Bank Holding Companies (A.8157 Abbate/S.5004 Griffo) was an IBANYS priority and was signed into law as Chapter 449 of the Laws of 2011. The law corrects the definition of bank holding company as it applies to home office protection and restores home office protections to one bank holding company.

Wild Card (A.8156 Lancman/S.4612-A Griffo) was signed into law as Chapter 448 of the Laws of 2011. The bill establishes time limits for the determination of wild card applications. It ends the ability of the Banking Department to shelve a decision on a wild card application and requires that determination be rendered.

After several amendments, **Information Subpoenas (S.4530-B Saland/A.6875-B Lentol)** was signed into law as Chapter 342 of the Laws of 2011. The bill is directed at controlling the unfettered insurance of information subpoenas. It mandates that, where a judgment creditor of their agent sends more than 50 information subpoenas a month, the judgment creditor or their agent must maintain records. Those records would need proceed and specify the grounds for their reasonable belief that the recipient of the subpoena has information with respect to the judgment debtor, which must be certified. It also provides for enforcement by an aggrieved entity served with more than 50 subpoenas or the Attorney General.

A measure that extends the thrifts participation in the banking development district program to January 1, 2017, **Banking Development District (S.5478 Griffo/A.8103-A Meng)** was signed into law as Chapter 484 of the Laws of 2011.

IBANYS Legislative Priorities in 2012:

Community Banking Deposit Program (S.4927 Griffo/A.8147 Magee) will be an IBANYS priority. It passed the Senate but remained in the Assembly Banks Committee in 2011. Concerns were raised about the necessity for increasing the amount available for the program.

Expand the **Qualified Thrift deduction** to extend to commercial banks as per Corporate Tax Reform Proposal.

Increase asset size from \$250 million to \$500 million for the applicability of an extended timeframe for examinations by the Department of Financial Services.

Municipal Deposits to Credit Unions. Municipalities will be pushing harder for mandate relief because of the property tax cap, therefore, pressure is expected to increase. Additionally, at the urging of a number of IBANYS members, Assemblyman Gary Finch introduced **A.7195**, which prohibits municipalities from depositing public funds in financial institutions which are not paying the bank tax.

ATM Safety (S.5488 Marcellino) The bill would transfer compliance responsibility for the ***ATM Safety Act*** from the Banking Department to banks.

Tax Lien Transfer (S.2976-C Maziarz/A.6348-B Hoyt) would enable a real property taxpayer to execute a tax lien transfer certificate to a third party. This third party would pay the taxes to the municipality but retain the tax lien rights.