

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 837 Session of 2015

INTRODUCED BY R. BROWN, COHEN, SCHLEGEL CULVER, DIAMOND, EVERETT, KINSEY, KLUNK, LONGIETTI, MACKENZIE, MAJOR, MILLARD, MOUL, MURT, SCHLOSSBERG, GIBBONS AND KORTZ, MARCH 24, 2015

AS REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, APRIL 20, 2015

AN ACT

1 Authorizing certain financial institutions to conduct savings
2 promotion raffles; and providing for enforcement by the
3 Department of Banking and Securities.

4 The General Assembly of the Commonwealth of Pennsylvania
5 hereby enacts as follows:

6 Section 1. Short title.

7 This act shall be known and may be cited as the Savings
8 Promotion Raffle Authorization Act.

9 Section 2. Legislative intent.

10 The intent of this act is to authorize and provide a
11 regulatory framework for financial institutions to conduct
12 savings promotion raffles to encourage robust saving habits and
13 improve financial literacy.

14 Section 3. Definitions.

15 The following words and phrases when used in this act shall
16 have the meanings given to them in this section unless the
17 context clearly indicates otherwise:

1 "Eligible financial institution." Any of the following:

2 (1) A federally chartered credit union.

3 (2) A State-chartered credit union.

4 (3) A State-chartered bank, bank and trust company,  
5 savings bank or private bank.

6 (4) A national bank.

7 (5) A federally chartered savings association.

8 (6) A State-chartered savings association.

9 (7) A subsidiary of any of the entities listed under  
10 this definition.

11 "Eligible individual." An individual who:

12 (1) is at least 18 years of age;

13 (2) is a member or customer of the eligible financial  
14 institution conducting the savings promotion raffle program;  
15 and

16 (3) maintains a qualified account with the eligible  
17 financial institution conducting the savings promotion  
18 raffle.

19 "Qualified account." A savings account, time deposit or  
20 savings program offered to an eligible individual by an eligible  
21 financial institution pursuant to a savings promotion raffle.

22 The term includes a share account and an account where the  
23 eligible individual has an interest individually or jointly with  
24 another eligible individual.

25 "Qualified financial program." A program offered by an  
26 eligible financial institution under section 6.

27 "Savings promotion raffle." A raffle conducted by a  
28 qualified financial institution under section 4.

29 Section 4. Savings promotion raffle.

30 (a) Authorization.--An eligible financial institution may

1 conduct a savings promotion raffle in which the sole  
2 consideration required for a chance to win a designated prize is  
3 one or both of the following:

4 (1) The deposit of a minimum specified amount of money  
5 in a qualified account for a minimum length of time.

6 (2) Participation in a qualified financial program  
7 offered by the eligible financial institution.

8 (b) Requirements.--The following shall apply to a savings  
9 promotion raffle:

10 (1) Each entry must have an equal chance of being drawn.

11 (2) An eligible financial institution may limit the  
12 number of entries issued to an eligible individual.

13 (3) An eligible financial institution may not conduct a  
14 savings promotion raffle in a way that jeopardizes the  
15 eligible financial institution's safety and soundness or  
16 misleads an eligible individual or the public.

17 (c) Third-party participants.--An eligible financial  
18 institution may offer a savings promotion raffle in conjunction  
19 with a third-party participant that provides administrative  
20 support, funding or other service.

21 Section 5. Participation by federally regulated institutions.

22 An eligible financial institution which is regulated by  
23 Federal law may offer a savings promotion raffle only to the  
24 extent permitted by Federal law.

25 Section 6. Qualified financial program.

26 A qualified financial program offered under section 4 (a) (2)  
27 must include programs to encourage an eligible individual to do  
28 at least one of the following:

29 (1) Deposit or transfer money into a qualified account  
30 on a recurring or automatic basis.

1 (2) Refinance or consolidate existing debt to obtain a  
2 lower interest rate.

3 (3) Pay off or reduce outstanding balances to lower the  
4 eligible individual's total debt ratio or revolving debt  
5 ratio.

6 (4) Prepare a budget or a debt-reduction plan.

7 (5) Attend financial literacy seminars or counseling  
8 sessions sponsored by the eligible financial institution that  
9 are offered free of charge.

10 (6) Use free online financial education, budgeting or  
11 debt-reduction tools.

12 Section 7. Terms and conditions.

13 (a) Disclosure.--An eligible financial institution  
14 conducting a savings promotion raffle shall disclose to the  
15 public and each participant the terms and conditions of the  
16 savings promotion raffle. The terms and conditions shall be  
17 posted in any location where entries may be submitted and shall  
18 be included in any printed materials or electronic media  
19 promoting the savings promotion raffle.

20 (b) Content.--Terms and conditions for a savings promotion  
21 raffle shall include language specifying that:

22 (1) No other action, purchase or other consideration is  
23 necessary for an entry in the savings promotion raffle.

24 (2) No action or purchase of goods or services improves  
25 the odds of winning.

26 (3) Each entry has the same odds of winning the savings  
27 promotion raffle.

28 (4) The odds of winning the savings promotion raffle  
29 will be determined based on the number of entries received.

30 (5) THE WINNER IS RESPONSIBLE FOR ALL APPLICABLE

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1 FEDERAL, STATE AND LOCAL TAXES.

2 Section 8. Maintenance of books and records.

3 An eligible financial institution that conducts a savings  
4 promotion raffle under this act shall maintain books and records  
5 relating to the conduct of the savings promotion raffle  
6 sufficient to facilitate an audit of the savings promotion  
7 raffle.

8 ~~Section 9. Enforcement.~~ <--

9 ~~The Department of Banking and Securities shall enforce the~~

10 SECTION 9. REGULATIONS AND ENFORCEMENT. <--

11 (A) REGULATIONS.--THE DEPARTMENT OF BANKING AND SECURITIES  
12 SHALL HAVE THE POWER TO PROMULGATE RULES AND REGULATIONS  
13 GOVERNING THE ESTABLISHMENT AND OPERATION OF SAVINGS PROMOTION  
14 RAFFLES.

15 (B) ENFORCEMENT.--THE DEPARTMENT OF BANKING AND SECURITIES  
16 SHALL ENFORCE THE requirements of this act and may use any of  
17 its powers under the act of May 15, 1933 (P.L.565, No.111),  
18 known as the Department of Banking and Securities Code, AND 17 <--  
19 P.A.C.S. (RELATING TO CREDIT UNIONS) for that purpose.

20 Section 10. Effective date.

21 This act shall take effect in 60 days.