
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 331 Session of
2021

INTRODUCED BY R. BROWN, HILL-EVANS, OWLETT, SCHLOSSBERG, MERSKI,
CIRESI, LONGIETTI, NEILSON AND FREEMAN, JANUARY 29, 2021

REFERRED TO COMMITTEE ON COMMERCE, JANUARY 29, 2021

AN ACT

1 Authorizing certain financial institutions to conduct savings
2 promotion programs.

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

5 Section 1. Short title.

6 This act shall be known and may be cited as the Incentive-
7 based Savings Program Act.

8 Section 2. Legislative intent.

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

13 Section 3. Definitions.

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

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

18 (1) an insured credit union; or

1 (2) an insured depository institution.

2 "Eligible individual." An individual who:

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

4 (2) is a member or customer of the eligible financial
5 institution conducting the savings promotion program; and

6 (3) maintains a qualified account with the eligible
7 financial institution conducting the savings promotion
8 program.

9 "Insured credit union." As defined in section 101 of the
10 Federal Credit Union Act (48 Stat. 1216, 12 U.S.C. § 1752).

11 "Insured depository institution." As defined in section 3 of
12 the Federal Deposit Insurance Act (64 Stat. 873, 12 U.S.C. §
13 1813).

14 "Prudential regulator." As defined in section 1002 of the
15 Consumer Financial Protection Act of 2010 (124 Stat. 1955, 12
16 U.S.C. § 5481).

17 "Qualified account." A savings account, time deposit or
18 savings program offered to an eligible individual by an eligible
19 financial institution pursuant to a savings promotion program.
20 The term includes a share account and an account where the
21 eligible individual has an interest individually or jointly with
22 another eligible individual.

23 "Qualified financial program." A program offered by an
24 eligible financial institution under section 6.

25 "Savings promotion program." A contest in which the sole
26 consideration required for a chance of winning designated prizes
27 is obtained by the deposit of a specified amount of money in a
28 qualified account or other savings program of which each ticket
29 or entry has an equal chance of being drawn.

30 Section 4. Savings promotion program.

1 (a) Authorization.--Notwithstanding any prohibitions on
2 lotteries or gambling provided by the laws of this Commonwealth,
3 including 18 Pa.C.S. §§ 5512 (relating to lotteries, etc.), 5513
4 (relating to gambling devices, gambling, etc.) and 5514
5 (relating to pool selling and bookmaking), an eligible financial
6 institution may conduct a savings promotion program and any
7 activity conducted in connection with the savings promotion
8 program, including, but not limited to:

9 (1) the deposit of a minimum specified amount of money
10 in a qualified account for a minimum length of time;

11 (2) the participation in a qualified financial program
12 offered by the eligible financial institution;

13 (3) the transmission of any advertisement, list of
14 prizes or other information concerning the savings promotion
15 program;

16 (4) the offering, facilitation and acceptance of
17 deposits, withdrawals or other transactions in connection
18 with the savings promotion program;

19 (5) the transmission of any information relating to the
20 savings promotion program, including account balance and
21 transaction information;

22 (6) the deposit or transmission of prizes awarded in the
23 savings promotion program as well as notification or
24 publication of the deposit or transmission; and

25 (7) the establishment and operation of qualified
26 financial programs.

27 (b) Limitation.--An eligible financial institution may not
28 conduct a savings promotion program in a way that jeopardizes
29 the eligible financial institution's safety and soundness or
30 misleads an eligible individual or the public.

1 (c) Third-party participants.--An eligible financial
2 institution may offer a savings promotion program in conjunction
3 with a third-party participant that provides administrative
4 support, funding or other service.

5 Section 5. Compliance with Federal regulations.

6 An eligible financial institution may offer a savings
7 promotion program only to the extent permitted by Federal law,
8 including any regulations promulgated by the institution's
9 appropriate prudential regulator.

10 Section 6. Qualified financial program.

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

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

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

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

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

22 (5) Attend financial literacy seminars or counseling
23 sessions sponsored by the eligible financial institution that
24 are offered free of charge.

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

27 Section 7. Terms and conditions.

28 (a) Disclosure.--An eligible financial institution
29 conducting a savings promotion program shall disclose to the
30 public and each participant the terms and conditions of the

1 savings promotion program. The terms and conditions shall be
2 posted in a location where entries may be submitted and shall be
3 included in printed materials or electronic media promoting the
4 savings promotion program.

5 (b) Content.--Terms and conditions for a savings promotion
6 program shall include language specifying that:

7 (1) No other action, purchase or other consideration is
8 necessary for an entry in the savings promotion program.

9 (2) No action or purchase of goods or services improves
10 the odds of winning.

11 (3) Each entry has the same odds of winning the savings
12 promotion program.

13 (4) The odds of winning the savings promotion program
14 will be determined based on the number of entries received.

15 (5) The winner is responsible for all applicable
16 Federal, State and local taxes.

17 (6) Participation in a qualified financial program is
18 offered to any qualified individual participating in the
19 savings promotion program.

20 (7) Participation in a savings promotion program
21 presents no financial risk to an eligible individual.

22 Section 8. Maintenance of books and records.

23 An eligible financial institution that conducts a savings
24 promotion program under this act shall maintain books and
25 records relating to the conduct of the savings promotion program
26 sufficient to facilitate an audit of the savings promotion
27 program. The financial institution shall keep a record of the
28 names of winners of all savings promotion programs, which shall
29 be available for inspection by the financial institution's
30 customers.

1 Section 9. Effective date.

2 This act shall take effect in 60 days.