



SENATE OF PENNSYLVANIA BILL SUMMARY

House Bill 837 Printer's No. 1556

Prime Sponsor: R. Brown
Committee: Banking and Insurance

SYNOPSIS:

Establishes the Savings Promotion Raffle Authorization Act

SUMMARY:

Eligible financial institutions – which the bill defines as federally and state-chartered credit unions, state chartered banks, bank and trust companies, savings banks or private banks, national banks, federally chartered savings associations or a subsidiary of any of the aforementioned entities – may conduct a savings promotion raffle in which the sole consideration required for a chance to win a designated prize is one or both of the following:

1. The deposit of a minimum specified amount of money in a qualified account for a minimum length of time.
2. Participation in a qualified financial program offered by the eligible financial institution. Qualified financial programs must encourage an individual to do one of the following:
 - i. Deposit or transfer money into a qualified account on a recurring or automatic basis.
 - ii. Refinance or consolidate existing debt to obtain a lower interest rate.
 - iii. Pay off or reduce outstanding balances to lower eligible individual's total debt ration or revolving debt ratio.
 - iv. Prepare a budget or a debt-reduction plan.
 - v. Attend financial literacy seminars or counseling sessions sponsored by the eligible financial institution that are offered free of charge.
 - vi. Use free online financial education, budgeting or debt reduction tools.

Further requires raffles to give each entry an equal chance of being drawn, allows institutions to limit the number of entries issued to an eligible individual, and prohibits an institution from jeopardizing its safety and soundness or mislead an eligible individual or the public.

Requires financial institutions to clearly state the terms and conditions of the savings promotion raffle and maintain books and records relating to the conduct of the savings promotion raffle sufficient to facilitate an audit of the raffle.

The Department of Banking and Securities shall have the power to promulgate rules and regulations governing the establishment and operation of savings promotion raffles and may use its powers under the Banking and Securities Code.

Effective Date: 60 days

BILL HISTORY:

Amended in the House Commerce Committee to clarify that winners must pay all applicable federal, state, and local taxes on winnings and to allow the Department to promulgate rules and regulations.

Amended on the second consideration in the House to remove state chartered savings associations from the list of eligible financial institutions.

Prepared by: Logue 9/28/2015