
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, KORTZ AND D. PARKER,
MARCH 24, 2015

AS AMENDED ON SECOND CONSIDERATION, HOUSE OF REPRESENTATIVES,
MAY 12, 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 SUBJECT TO REGULATIONS PROMULGATED BY THE INSTITUTION'S
3 PRUDENTIAL REGULATOR UNDER THE AMERICAN SAVINGS PROMOTION ACT
4 (PUBLIC LAW 113-251, 128 STAT. 2888):

5 (1) A federally chartered credit union.

6 (2) A State-chartered credit union.

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

9 (4) A national bank.

10 (5) A federally chartered savings association.

11 ~~(6) A State chartered savings association.~~ <--

12 ~~(7)~~ (6) A subsidiary of any of the entities listed under <--
13 this definition.

14 "Eligible individual." An individual who:

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

16 (2) is a member or customer of the eligible financial
17 institution conducting the savings promotion raffle program;
18 and

19 (3) maintains a qualified account with the eligible
20 financial institution conducting the savings promotion
21 raffle.

22 "Qualified account." A savings account, time deposit or
23 savings program offered to an eligible individual by an eligible
24 financial institution pursuant to a savings promotion raffle.
25 The term includes a share account and an account where the
26 eligible individual has an interest individually or jointly with
27 another eligible individual.

28 "Qualified financial program." A program offered by an
29 eligible financial institution under section 6.

30 "Savings promotion raffle." A raffle conducted by a

1 qualified financial institution under section 4.

2 Section 4. Savings promotion raffle.

3 (a) Authorization.--An eligible financial institution may
4 conduct a savings promotion raffle in which the sole
5 consideration required for a chance to win a designated prize is
6 one or both of the following:

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

9 (2) Participation in a qualified financial program
10 offered by the eligible financial institution.

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

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

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

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

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

24 Section 5. Participation by federally regulated institutions.

25 An eligible financial institution which is regulated by
26 Federal law may offer a savings promotion raffle only to the
27 extent permitted by Federal law.

28 Section 6. Qualified financial program.

29 A qualified financial program offered under section 4(a)(2)
30 must include programs to encourage an eligible individual to do

1 at least one of the following:

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

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

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

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

10 (5) Attend financial literacy seminars or counseling
11 sessions sponsored by the eligible financial institution that
12 are offered free of charge.

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

15 Section 7. Terms and conditions.

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

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

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

27 (2) No action or purchase of goods or services improves
28 the odds of winning.

29 (3) Each entry has the same odds of winning the savings
30 promotion raffle.

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

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

5 Section 8. Maintenance of books and records.

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

11 Section 9. Regulations and enforcement.

12 (a) Regulations.--The Department of Banking and Securities
13 shall have the power to promulgate rules and regulations
14 governing the establishment and operation of savings promotion
15 raffles.

16 (b) Enforcement.--The Department of Banking and Securities
17 shall enforce the requirements of this act and may use any of
18 its powers under the act of May 15, 1933 (P.L.565, No.111),
19 known as the Department of Banking and Securities Code, and 17
20 Pa.C.S. (relating to credit unions) for that purpose.

21 Section 10. Effective date.

22 This act shall take effect in 60 days.