
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 433 Session of
2017

INTRODUCED BY R. BROWN, CALTAGIRONE, DAY, A. HARRIS, MACKENZIE,
MURT, NEILSON, ROZZI, SCHLOSSBERG AND TOPPER,
FEBRUARY 10, 2017

REFERRED TO COMMITTEE ON COMMERCE, FEBRUARY 10, 2017

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:

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

- 1 (1) A federally chartered credit union.
- 2 (2) A State-chartered credit union.
- 3 (3) A State-chartered bank, bank and trust company,
4 savings bank or private bank.
- 5 (4) A national bank.
- 6 (5) A federally chartered savings association.
- 7 (6) A State-chartered savings association.
- 8 (7) A subsidiary of any of the entities listed under
9 this definition.

10 "Eligible individual." An individual who:

- 11 (1) is at least 18 years of age;
- 12 (2) is a member or customer of the eligible financial
13 institution conducting the savings promotion raffle program;
14 and
- 15 (3) maintains a qualified account with the eligible
16 financial institution conducting the savings promotion
17 raffle.

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

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

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

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

28 Section 4. Savings promotion raffle.

29 (a) Authorization.--An eligible financial institution may
30 conduct a savings promotion raffle in which the sole

1 consideration required for a chance to win a designated prize is
2 one or both of the following:

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

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

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

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

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

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

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

20 Section 5. Participation by federally regulated institutions.

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

24 Section 6. Qualified financial program.

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

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

30 (2) Refinance or consolidate existing debt to obtain a

1 lower interest rate.

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

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

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

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

11 Section 7. Terms and conditions.

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

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

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

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

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

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

29 Section 8. Maintenance of books and records.

30 An eligible financial institution that conducts a savings

1 promotion raffle under this act shall maintain books and records
2 relating to the conduct of the savings promotion raffle
3 sufficient to facilitate an audit of the savings promotion
4 raffle.

5 Section 9. Enforcement.

6 The Department of Banking and Securities shall enforce the
7 requirements of this act and may use any of its powers under the
8 act of May 15, 1933 (P.L.565, No.111), known as the Department
9 of Banking and Securities Code, for that purpose.

10 Section 10. Effective date.

11 This act shall take effect in 60 days.