

Senate Bill 403

By: Senator McKoon of the 29th

A BILL TO BE ENTITLED
AN ACT

1 To amend Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to
2 financial institutions, so as to provide for the establishment of sweepstakes savings accounts
3 by financial institutions; to provide for definitions; to provide for rule making authority for
4 the Department of Banking and Finance regarding such accounts; to provide for advertising
5 requirements for such accounts; to amend Code Section 16-12-20 of the Official Code of
6 Georgia Annotated, relating to definitions relative to gambling, so as to provide for an
7 exclusion to a definition; to provide for effective dates; to provide for related matters; to
8 repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 SECTION 1.

11 This Act shall be known and may be cited as the "Sweepstakes Savings Account Act of
12 Georgia."

13 SECTION 2.

14 Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to financial
15 institutions, is amended by adding a new part to read as follows:

16 Part 14

17 7-1-239.10.

18 As used in this part, the term:

19 (1) 'Advertisement' means any communication or statement, whether printed or
20 electronic, that informs a depositor of the availability of a savings promotion sweepstakes
21 and the rules and other pertinent information relating to such sweepstakes.

22 (2) 'Savings promotion sweepstakes' means a promotional drawing in which prizes are
23 given away at no charge to the participants. The deposit of a specified amount, as

24 determined by a financial institution, shall qualify a depositor for such sweepstakes and
 25 there shall be no value risked and no purchase necessary to participate. The prize of such
 26 sweepstakes shall be premised upon the existence of a deposit for which the primary
 27 purpose is savings by the depositor.

28 (3) 'Sweepstakes savings deposit' means the specific amount of money required to be
 29 deposited in a savings account by a depositor in order to be entered into a savings
 30 promotion sweepstakes.

31 7-1-239.11.

32 (a) A financial institution may conduct a savings promotion sweepstakes for depositors
 33 who make a sweepstakes savings deposit.

34 (b) The amount and frequency of a prize awarded through a savings promotion
 35 sweepstakes shall be determined by the financial institution.

36 (c) A financial institution shall provide each depositor with information on the terms of
 37 the sweepstakes and the verifiable retail value of each prize which a depositor has a chance
 38 of receiving. Such information shall state the odds of the depositor receiving a prize if
 39 there is an element of chance involved. The odds must be clearly identified as 'odds.' Odds
 40 shall be stated as the total number of that particular prize which will be given and of the
 41 total number of depositors in the sweepstakes. If the odds of winning a particular prize
 42 would not be accurately stated on the basis of the number of depositors in the sweepstakes,
 43 then the odds may be stated in another manner, provided that such manner shall not deceive
 44 or mislead the depositor regarding the depositor's chance of receiving the prize.

45 7-1-239.12.

46 Any advertisement of a financial institution or its designated agent shall include the phrase
 47 'no purchase necessary' not smaller than ten-point type in Helvetica font.

48 7-1-239.13.

49 The department shall have authority to adopt and issue reasonable and uniform rules and
 50 regulations to govern the conduct and management of all savings promotion sweepstakes."

51 **SECTION 3.**

52 Code Section 16-12-20 of the Official Code of Georgia Annotated, relating to definitions
 53 relative to gambling, is amended by revising paragraph (4) as follows:

54 "(4) 'Lottery' means any scheme or procedure whereby one or more prizes are distributed
 55 by chance among persons who have paid or promised consideration for a chance to win
 56 such prize, whether such scheme or procedure is called a pool, lottery, raffle, gift, gift

57 enterprise, sale, policy game, or by some other name. Except as otherwise provided in
 58 Code Section 16-12-35, a lottery shall also include the payment of cash or other
 59 consideration or the payment for merchandise or services and the option to participate in
 60 or play, even if others can participate or play for free, a no skill game or to participate for
 61 cash, other consideration, other evidence of winnings, or other noncash prizes by lot or
 62 in a finite pool on a computer, mechanical device, or electronic device whereby the player
 63 is able to win a cash or noncash prize, other consideration, or other evidence of winnings.
 64 A lottery shall also include the organization of chain letter or pyramid clubs as provided
 65 in Code Section 16-12-38. A lottery shall not mean a:

66 (A) Promotional giveaway or contest which conforms with the qualifications of a
 67 lawful promotion specified in paragraph (16) of subsection (b) of Code
 68 Section 10-1-393;

69 (B) Scheme whereby a business gives away prizes to persons selected by lot if such
 70 prizes are made on the following conditions:

71 (i) Such prizes are conducted as advertising and promotional undertakings in good
 72 faith solely for the purpose of advertising the goods, wares, and merchandise of such
 73 business;

74 (ii) No person to be eligible to receive such prize shall be required to:

75 (I) Pay any tangible consideration to the operator of such business in the form of
 76 money or other property or thing of value;

77 (II) Purchase any goods, wares, merchandise, or anything of value from such
 78 business; or

79 (III) Be present or be asked to participate in a seminar, sales presentation, or any
 80 other presentation, by whatever name denominated, in order to win such prizes; and

81 (iii) The prizes awarded shall be noncash prizes and cannot be awarded based upon
 82 the playing of a game on a computer, mechanical device, or electronic device at a
 83 place of business in this state;

84 (C) Raffle authorized under Code Section 16-12-22.1; ~~or~~

85 (D) National or regional promotion, contest, or sweepstakes conducted by any
 86 corporation or wholly owned subsidiary or valid franchise of such corporation, either
 87 directly or through another entity, provided that, at the time of such promotion, contest,
 88 or sweepstakes, such corporation:

89 (i) Is registered under the federal Securities Exchange Act of 1934; and

90 (ii) Has total assets of not less than \$100 million; ~~or~~

91 (E) A sweepstakes savings account which conforms with the requirements of Part 14
 92 of Chapter 1 of Title 7."

93 **SECTION 4.**

94 This Act shall become effective upon its approval by the Governor or upon its becoming law
95 without such approval for purposes of promulgating rules and regulations and shall become
96 effective on January 1, 2017, for all other purposes.

97 **SECTION 5.**

98 All laws and parts of laws in conflict with this Act are repealed.