

Senate Bill 134

By: Senators Shafer of the 48th, Albers of the 56th, Williams of the 27th, Hill of the 6th,
Mullis of the 53rd and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Article 1 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated,
2 relating to provisions applicable to the Department of Banking and Finance and financial
3 institutions generally, so as to allow banks and credit unions to offer savings promotion raffle
4 accounts in which deposits to a savings account enter a depositor in a raffle; to provide for
5 definitions; to amend Code Section 16-12-20 of the Official Code of Georgia Annotated,
6 relating to definitions relative to gambling and related offenses, so as to provide for an
7 exception to the definition of "lottery"; to provide for a short title; to provide for legislative
8 findings; to provide for related matters; to repeal conflicting laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 This Act shall be known and may be cited as the "Save, Earn, Win Act."

12 style="text-align:center">**SECTION 2.**

13 The General Assembly finds and declares that:

- 14 (1) Having personal savings provides individuals and families with security in the event
15 of a job loss or an unexpected expense, in addition to financial well-being and confidence
16 in retirement;
- 17 (2) The personal savings rate in the United States was just 5.5 percent as of
18 November, 2016;
- 19 (3) Just 47 percent of Americans report having an emergency or rainy day fund that
20 could cover three months of expenses;
- 21 (4) Forty-six percent of Americans say they would not be able to cover a \$400
22 emergency expense without borrowing money or selling something;
- 23 (5) Giving Georgians access to tools that encourage savings could improve stability for
24 individuals and families across the state; and

25 (6) Savings promotion raffles have been shown to increase savings, especially among
 26 low-income populations and nonsavers.

27 **SECTION 3.**

28 Article 1 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to
 29 provisions applicable to the Department of Banking and Finance and financial institutions
 30 generally, is amended by adding a new part to read as follows:

31 "Part 14

32 7-1-239.10

33 (a) As used in this Code section, the term:

34 (1) 'Bank' means a national bank or a state chartered bank, regardless of which state
 35 issued the charter, that has federal deposit insurance.

36 (2) 'Credit union' means a federally chartered credit union or a state chartered credit
 37 union, regardless of which state issued the charter, that has federal deposit insurance.

38 (3) 'Savings promotion raffle' means a contest in which the sole consideration required
 39 for a chance of winning a designated prize is obtained by the deposit of a specified
 40 amount of money in a savings account or other savings program offered by a bank or
 41 credit union, where each ticket or entry has an equal chance of being drawn.

42 (b) A bank or credit union may conduct a savings promotion raffle, provided that the raffle
 43 is conducted in a manner that does not:

44 (1) Jeopardize the ability of the bank or credit union conducting the savings promotion
 45 raffle to operate in a safe and sound manner; or

46 (2) Mislead depositors about the chances of winning.

47 (c) A bank or credit union shall provide each person making a deposit in a savings
 48 promotion raffle account with information on the terms of the raffle and the verifiable retail
 49 value of each prize which a depositor has a chance of receiving. Such information shall
 50 state the odds of a depositor receiving a prize.

51 (d) A bank or credit union conducting a savings promotion raffle may contract for and use
 52 the services of a third party service provider to handle the administrative details of
 53 conducting a savings promotion raffle.

54 (e) A bank or credit union conducting a savings promotion raffle shall maintain all records
 55 the department determines are necessary to conduct an examination or audit of a savings
 56 promotion raffle.

57 (f) A bank or credit union offering a savings promotion raffle account shall provide each
 58 depositor with information regarding any fees or penalties associated with such account.

59 (g) The provisions of this Code section applicable to credit unions shall apply to an
 60 organization composed primarily of credit unions and the provisions of this Code section
 61 applicable to banks shall apply to an organization composed primarily of banks."

62 **SECTION 4.**

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

65 "(4) 'Lottery' means any scheme or procedure whereby one or more prizes are distributed
 66 by chance among persons who have paid or promised consideration for a chance to win
 67 such prize, whether such scheme or procedure is called a pool, lottery, raffle, gift, gift
 68 enterprise, sale, policy game, or by some other name. Except as otherwise provided in
 69 Code Section 16-12-35, a lottery shall also include the payment of cash or other
 70 consideration or the payment for merchandise or services and the option to participate in
 71 or play, even if others can participate or play for free, a no skill game or to participate for
 72 cash, other consideration, other evidence of winnings, or other noncash prizes by lot or
 73 in a finite pool on a computer, mechanical device, or electronic device whereby the player
 74 is able to win a cash or noncash prize, other consideration, or other evidence of winnings.
 75 A lottery shall also include the organization of chain letter or pyramid clubs as provided
 76 in Code Section 16-12-38. A lottery shall not mean a:

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

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

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

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

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

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

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

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

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

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

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

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

102 (E) Savings promotion raffle that conforms with the requirements of Code Section
103 7-1-239.10.

104 The provisions of this part shall not be applicable to games offered by the Georgia
105 Lottery Corporation pursuant to Chapter 27 of Title 50."

106 **SECTION 5.**

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