

House Bill 193

By: Representatives Dunahoo of the 30th, Smyre of the 135th, Hitchens of the 161st, Rutledge of the 109th, Hawkins of the 27th, 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 related matters; to repeal conflicting
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 **SECTION 1.**

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

14 "Part 14

15 7-1-239.10

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

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

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

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

- 25 (b) A bank or credit union may conduct a savings promotion raffle, provided that the raffle
 26 is conducted in a manner that does not:
- 27 (1) Jeopardize the ability of the bank or credit union conducting the savings promotion
 28 raffle to operate in a safe and sound manner; or
- 29 (2) Mislead depositors about the chances of winning.
- 30 (c) A bank or credit union shall provide each person making a deposit in a savings
 31 promotion raffle account with information on the terms of the raffle and the verifiable retail
 32 value of each prize which a depositor has a chance of receiving. Such information shall
 33 state the odds of a depositor receiving a prize.
- 34 (d) A bank or credit union conducting a savings promotion raffle may contract for and use
 35 the services of a third-party service provider to handle the administrative details of
 36 conducting a savings promotion raffle.
- 37 (e) A bank or credit union conducting a savings promotion raffle shall maintain all records
 38 the department determines are necessary to conduct an examination or audit of a savings
 39 promotion raffle.
- 40 (f) A bank or credit union offering a savings promotion raffle account shall provide each
 41 depositor with information regarding any fees or penalties associated with such account.
- 42 (g) The provisions of this Code section applicable to credit unions shall apply to an
 43 organization composed primarily of credit unions and the provisions of this Code section
 44 applicable to banks shall apply to an organization composed primarily of banks."

45 **SECTION 2.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

85 (E) Savings promotion raffle that conforms with the requirements of Code Section
 86 7-1-239.10.

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

89 **SECTION 3.**

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