

By: Johnson

H.B. No. 1628

Substitute the following for H.B. No. 1628:

By: Stephenson

C.S.H.B. No. 1628

A BILL TO BE ENTITLED

1 AN ACT  
2 relating to authorizing a credit union or other financial  
3 institution to conduct savings promotion raffles.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. The legislature finds that:

6 (1) many Texans have little experience with mainstream  
7 financial services, such as checking and savings accounts;

8 (2) an estimated one in three households in the state  
9 does not have a savings account and an estimated one-half of all  
10 households in the state do not have sufficient savings to pay for  
11 basic expenses for three months in case of an emergency;

12 (3) Texans' inexperience with mainstream financial  
13 services and lack of savings has many negative consequences,  
14 including causing financially vulnerable Texans to turn to  
15 predatory lenders outside of the mainstream financial system for  
16 credit;

17 (4) mainstream financial institutions in states  
18 across the country offer savings promotion raffles to help  
19 familiarize people with the mainstream financial system and to  
20 encourage people to open savings accounts and to save money;

21 (5) savings promotion raffles are normal financial  
22 products offered by mainstream financial institutions, like  
23 traditional savings accounts, with the added feature of offering  
24 chances to win prizes for saving money;

1 (6) savings promotion raffles are not lotteries but  
2 are pro-savings alternatives to lotteries;

3 (7) unlike lotteries, savings promotion raffles do not  
4 require consideration for the chance to win a prize;

5 (8) unlike lotteries, savings promotion raffles have  
6 the purpose and effect of increasing an individual's savings and  
7 financial security; and

8 (9) encouraging people to save money is in the  
9 interest of the state.

10 SECTION 2. Subchapter B, Chapter 622, Business & Commerce  
11 Code, is amended by adding Section 622.0545 to read as follows:

12 Sec. 622.0545. SAVINGS PROMOTION RAFFLE. This chapter does  
13 not apply to a savings promotion raffle authorized under Chapter  
14 279, Finance Code.

15 SECTION 3. Subtitle Z, Title 3, Finance Code, is amended by  
16 adding Chapter 279 to read as follows:

17 CHAPTER 279. SAVINGS PROMOTION RAFFLE

18 Sec. 279.001. SHORT TITLE. This chapter may be cited as the  
19 Texas Savings Promotion Act.

20 Sec. 279.002. DEFINITIONS. In this chapter:

21 (1) "Credit union" has the meaning assigned by Section  
22 121.002.

23 (2) "Deposit," with respect to a financial  
24 institution, has the meaning assigned by Section 31.002.

25 (3) "Finance commission" means the Finance Commission  
26 of Texas.

27 (4) "Financial institution" has the meaning assigned

1 by Section 31.002.

2 (5) "Savings promotion raffle" means a raffle  
3 conducted by a credit union or financial institution in which the  
4 sole action required for a chance of winning a designated prize is  
5 the deposit of at least a specified amount of money in a savings  
6 account or other savings program offered by the credit union or  
7 financial institution.

8 Sec. 279.003. SAVINGS PROMOTION RAFFLE BY CREDIT UNION.

9 (a) A credit union may conduct a savings promotion raffle if:

10 (1) each ticket or token representing an entry in the  
11 raffle has an equal probability of being drawn; and

12 (2) the raffle is conducted in a manner that:

13 (A) does not jeopardize the ability of the credit  
14 union to operate in a safe and sound manner; and

15 (B) does not mislead the credit union's members.

16 (b) A credit union may not require consideration for  
17 participation in a savings promotion raffle. A deposit of an amount  
18 of money in a savings account or other savings program that results  
19 in an entry in a savings promotion raffle is not consideration.

20 (c) A credit union may not require a person to pay a premium  
21 or fee for opening or using a savings account or other savings  
22 program that is subject to a savings promotion raffle, unless the  
23 premium or fee is commensurate with the premium or fee that the  
24 credit union charges for opening or using comparable savings  
25 accounts or savings programs that are not subject to a savings  
26 promotion raffle.

27 (d) A credit union may not limit the withdrawal of money

1 from a savings account or other savings program that is subject to a  
2 savings promotion raffle, unless the withdrawal limits are  
3 commensurate with the withdrawal limits that the credit union  
4 imposes on comparable savings accounts or savings programs that are  
5 not subject to a savings promotion raffle. This subsection does not  
6 prohibit a credit union from requiring a deposit of an amount of  
7 money to remain in a savings account or other savings program for a  
8 certain period of time in order for the deposit to represent an  
9 entry in a savings promotion raffle.

10 (e) A credit union shall charge an interest rate on a  
11 savings account or other savings program that is commensurate with  
12 the interest rate that the credit union charges on comparable  
13 savings accounts or savings programs that are not subject to a  
14 savings promotion raffle.

15 (f) A credit union that conducts a savings promotion raffle  
16 under this section shall maintain all records that the Credit Union  
17 Commission determines are necessary for the Credit Union Department  
18 to examine the raffle.

19 (g) The provisions of this section applicable to a credit  
20 union apply to an organization composed exclusively of credit  
21 unions.

22 (h) The Credit Union Commission shall adopt rules and  
23 procedures for the administration of this section.

24 Sec. 279.004. SAVINGS PROMOTION RAFFLE BY FINANCIAL  
25 INSTITUTIONS. (a) A financial institution may conduct a savings  
26 promotion raffle if:

27 (1) each ticket or token representing an entry in the

1 raffle has an equal probability of being drawn; and

2 (2) the raffle is conducted in a manner that:

3 (A) does not jeopardize the ability of the  
4 institution to operate in a safe and sound manner; and

5 (B) does not mislead the institution's  
6 depositors.

7 (b) A financial institution may not require consideration  
8 for participation in a savings promotion raffle. A deposit of an  
9 amount of money in a savings account or other savings program that  
10 results in an entry in a savings promotion raffle is not  
11 consideration.

12 (c) A financial institution may not require a person to pay  
13 a premium or fee for opening or using a savings account or other  
14 savings program that is subject to a savings promotion raffle,  
15 unless the premium or fee is commensurate with the premium or fee  
16 that the financial institution charges for opening or using  
17 comparable savings accounts or savings programs that are not  
18 subject to a savings promotion raffle.

19 (d) A financial institution may not limit the withdrawal of  
20 money from a savings account or other savings program that is  
21 subject to a savings promotion raffle, unless the withdrawal limits  
22 are commensurate with the withdrawal limits that the financial  
23 institution imposes on comparable savings accounts or savings  
24 programs that are not subject to a savings promotion raffle. This  
25 subsection does not prohibit a financial institution from requiring  
26 a deposit of an amount of money to remain in a savings account or  
27 other savings program for a certain period of time in order for the

1 deposit to represent an entry in a savings promotion raffle.

2 (e) A financial institution shall charge an interest rate on  
3 a savings account or other savings program that is commensurate  
4 with the interest rate that the financial institution charges on  
5 comparable savings accounts or savings programs that are not  
6 subject to a savings promotion raffle.

7 (f) A financial institution that conducts a savings  
8 promotion raffle under this section shall maintain all records that  
9 the finance commission determines are necessary for the financial  
10 regulatory agency of this state having regulatory jurisdiction over  
11 that financial institution to examine the raffle.

12 (g) The provisions of this section applicable to a financial  
13 institution apply to an organization composed exclusively of  
14 financial institutions.

15 (h) The finance commission shall adopt rules and procedures  
16 for the administration of this section.

17 Sec. 279.005. ACCOUNT OR DEPOSIT NOT CONSIDERATION. For  
18 purposes of Chapter 47, Penal Code, or other state law, opening or  
19 making a deposit in an account is not considered a purchase,  
20 payment, or provision of a thing of value for participation in a  
21 savings promotion raffle and is not considered to require a  
22 substantial expenditure of time, effort, or inconvenience.

23 SECTION 4. Subchapter A, Chapter 2002, Occupations Code, is  
24 amended by adding Section 2002.005 to read as follows:

25 Sec. 2002.005. APPLICABILITY. This chapter does not apply  
26 to a savings promotion raffle authorized under Chapter 279, Finance  
27 Code.

1 SECTION 5. Section 47.09(a), Penal Code, is amended to read  
2 as follows:

3 (a) It is a defense to prosecution under this chapter that  
4 the conduct:

5 (1) was authorized under:

6 (A) Chapter 2001, Occupations Code;

7 (B) Chapter 2002, Occupations Code; ~~or~~

8 (C) the Texas Racing Act (Article 179e, Vernon's  
9 Texas Civil Statutes); or

10 (D) Chapter 279, Finance Code;

11 (2) consisted entirely of participation in the state  
12 lottery authorized by Chapter 466, Government Code; or

13 (3) was a necessary incident to the operation of the  
14 state lottery and was directly or indirectly authorized by:

15 (A) Chapter 466, Government Code;

16 (B) the lottery division of the Texas Lottery  
17 Commission;

18 (C) the Texas Lottery Commission; or

19 (D) the director of the lottery division of the  
20 Texas Lottery Commission.

21 SECTION 6. Chapter 47, Penal Code, is amended by adding  
22 Section 47.11 to read as follows:

23 Sec. 47.11. DEPOSITS IN CERTAIN ACCOUNTS NOT CONSIDERATION.

24 For purposes of this chapter, opening or making a deposit in a  
25 savings account or other savings program subject to a savings

26 promotion raffle under Chapter 279, Finance Code, does not  
27 constitute consideration.

1 SECTION 7. This Act takes effect September 1, 2015.