

By: Johnson of Dallas

H.B. No. 471

Substitute the following for H.B. No. 471:

By: Dean

C.S.H.B. No. 471

A BILL TO BE ENTITLED

AN ACT

1
2 relating to permitting credit unions and other financial
3 institutions to award prizes by lot to promote savings.

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
14 280, Finance Code.

15 SECTION 3. Subtitle Z, Title 3, Finance Code, is amended by
16 adding Chapter 280 to read as follows:

17 CHAPTER 280. SAVINGS PROMOTION RAFFLE

18 Sec. 280.001. SHORT TITLE. This chapter may be cited as the
19 Texas Savings Promotion Act.

20 Sec. 280.002. DEFINITIONS. In this chapter:

21 (1) "Credit union" means:

22 (A) a credit union as defined by Section 121.002;

23 or

24 (B) a federal credit union doing business in this
25 state.

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

1 (3) "Finance commission" means the Finance Commission
2 of Texas.

3 (4) "Financial institution" has the meaning assigned
4 by Section 31.002.

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

11 Sec. 280.003. SAVINGS PROMOTION RAFFLE BY CREDIT UNION.

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

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

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

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

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

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

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

1 accounts or savings programs that are not subject to a savings
2 promotion raffle.

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

13 (e) A credit union shall pay interest or dividends on a
14 savings account or other savings program that is subject to a
15 savings promotion raffle at a rate that is commensurate with the
16 interest or dividend rate that the credit union pays on comparable
17 savings accounts or savings programs that are not subject to a
18 savings promotion raffle.

19 (f) A credit union that conducts a savings promotion raffle
20 under this section shall maintain all records that the Credit Union
21 Commission determines are necessary for the Credit Union Department
22 to examine the raffle.

23 (g) The provisions of this section applicable to a credit
24 union apply to an organization composed exclusively of credit
25 unions.

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

1 Sec. 280.004. SAVINGS PROMOTION RAFFLE BY FINANCIAL
2 INSTITUTION. (a) A financial institution may conduct a savings
3 promotion raffle if:

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

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

7 (A) does not jeopardize the ability of the
8 financial institution to operate in a safe and sound manner; and

9 (B) does not mislead the institution's
10 depositors.

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

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

23 (d) A financial institution may not limit the withdrawal of
24 money from a savings account or other savings program that is
25 subject to a savings promotion raffle, unless the withdrawal limits
26 are commensurate with the withdrawal limits that the financial
27 institution imposes on comparable savings accounts or savings

1 programs that are not subject to a savings promotion raffle. This
2 subsection does not prohibit a financial institution from requiring
3 a deposit of an amount of money to remain in a savings account or
4 other savings program for a certain period of time in order for the
5 deposit to represent an entry in a savings promotion raffle.

6 (e) A financial institution shall pay interest or dividends
7 on a savings account or other savings program that is subject to a
8 savings promotion raffle at a rate that is commensurate with the
9 interest or dividend rate that the financial institution pays on
10 comparable savings accounts or savings programs that are not
11 subject to a savings promotion raffle.

12 (f) A financial institution that conducts a savings
13 promotion raffle under this section shall maintain all records that
14 the finance commission determines are necessary for the financial
15 regulatory agency of this state having regulatory jurisdiction over
16 that financial institution to examine the raffle.

17 (g) The provisions of this section applicable to a financial
18 institution apply to an organization composed exclusively of
19 financial institutions.

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

22 Sec. 280.005. ACCOUNT OR DEPOSIT NOT CONSIDERATION. For
23 purposes of Chapter 47, Penal Code, or other state law, opening or
24 making a deposit in an account is not considered a purchase,
25 payment, or provision of a thing of value for participation in a
26 savings promotion raffle and is not considered to require a
27 substantial expenditure of time, effort, or inconvenience.

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

3 Sec. 2002.005. APPLICABILITY. This chapter does not apply
4 to a savings promotion raffle authorized under Chapter 280, Finance
5 Code.

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

8 (a) It is a defense to prosecution under this chapter that
9 the conduct:

10 (1) was authorized under:

11 (A) Chapter 2001, Occupations Code;

12 (B) Chapter 2002, Occupations Code;

13 (C) Chapter 2004, Occupations Code; ~~or~~

14 (D) the Texas Racing Act (Article 179e, Vernon's
15 Texas Civil Statutes); or

16 (E) Chapter 280, Finance Code;

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

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

21 (A) Chapter 466, Government Code;

22 (B) the lottery division of the Texas Lottery
23 Commission;

24 (C) the Texas Lottery Commission; or

25 (D) the director of the lottery division of the
26 Texas Lottery Commission.

27 SECTION 6. Chapter 47, Penal Code, is amended by adding

1 Section 47.11 to read as follows:

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

3 For purposes of this chapter, opening or making a deposit in a
4 savings account or other savings program subject to a savings
5 promotion raffle under Chapter 280, Finance Code, does not
6 constitute consideration.

7 SECTION 7. This Act takes effect on the date the
8 constitutional amendment proposed by the 85th Legislature, Regular
9 Session, 2017, relating to legislative authority to permit credit
10 unions and other financial institutions to award prizes by lot to
11 promote savings is approved by the voters. If that amendment is not
12 approved by the voters, this Act has no effect.