

1-1 By: Johnson of Dallas (Senate Sponsor - Hancock) H.B. No. 471
1-2 (In the Senate - Received from the House May 5, 2017;
1-3 May 5, 2017, read first time and referred to Committee on Business
1-4 & Commerce; May 17, 2017, reported favorably by the following vote:
1-5 Yeas 9, Nays 0; May 17, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10	X			
1-11	X			
1-12	X			
1-13	X			
1-14	X			
1-15	X			
1-16	X			

1-17 A BILL TO BE ENTITLED
1-18 AN ACT

1-19 relating to permitting credit unions and other financial
1-20 institutions to award prizes by lot to promote savings.

1-21 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-22 SECTION 1. The legislature finds that:

1-23 (1) many Texans have little experience with mainstream
1-24 financial services, such as checking and savings accounts;

1-25 (2) an estimated one in three households in the state
1-26 does not have a savings account and an estimated one-half of all
1-27 households in the state do not have sufficient savings to pay for
1-28 basic expenses for three months in case of an emergency;

1-29 (3) Texans' inexperience with mainstream financial
1-30 services and lack of savings has many negative consequences,
1-31 including causing financially vulnerable Texans to turn to
1-32 predatory lenders outside of the mainstream financial system for
1-33 credit;

1-34 (4) mainstream financial institutions in states
1-35 across the country offer savings promotion raffles to help
1-36 familiarize people with the mainstream financial system and to
1-37 encourage people to open savings accounts and to save money;

1-38 (5) savings promotion raffles are normal financial
1-39 products offered by mainstream financial institutions, like
1-40 traditional savings accounts, with the added feature of offering
1-41 chances to win prizes for saving money;

1-42 (6) savings promotion raffles are not lotteries but
1-43 are pro-savings alternatives to lotteries;

1-44 (7) unlike lotteries, savings promotion raffles do not
1-45 require consideration for the chance to win a prize;

1-46 (8) unlike lotteries, savings promotion raffles have
1-47 the purpose and effect of increasing an individual's savings and
1-48 financial security; and

1-49 (9) encouraging people to save money is in the
1-50 interest of the state.

1-51 SECTION 2. Subchapter B, Chapter 622, Business & Commerce
1-52 Code, is amended by adding Section 622.0545 to read as follows:

1-53 Sec. 622.0545. SAVINGS PROMOTION RAFFLE. This chapter does
1-54 not apply to a savings promotion raffle authorized under Chapter
1-55 280, Finance Code.

1-56 SECTION 3. Subtitle Z, Title 3, Finance Code, is amended by
1-57 adding Chapter 280 to read as follows:

1-58 CHAPTER 280. SAVINGS PROMOTION RAFFLE

1-59 Sec. 280.001. SHORT TITLE. This chapter may be cited as the
1-60 Texas Savings Promotion Act.

1-61 Sec. 280.002. DEFINITIONS. In this chapter:

2-1 (1) "Credit union" means:
 2-2 (A) a credit union as defined by Section 121.002;
 2-3 or
 2-4 (B) a federal credit union doing business in this
 2-5 state.
 2-6 (2) "Deposit," with respect to a financial
 2-7 institution, has the meaning assigned by Section 31.002.
 2-8 (3) "Finance commission" means the Finance Commission
 2-9 of Texas.
 2-10 (4) "Financial institution" has the meaning assigned
 2-11 by Section 31.002.
 2-12 (5) "Savings promotion raffle" means a raffle
 2-13 conducted by a credit union or financial institution in which the
 2-14 sole action required for a chance of winning a designated prize is
 2-15 the deposit of at least a specified amount of money in a savings
 2-16 account or other savings program offered by the credit union or
 2-17 financial institution.
 2-18 Sec. 280.003. SAVINGS PROMOTION RAFFLE BY CREDIT UNION.
 2-19 (a) A credit union may conduct a savings promotion raffle if:
 2-20 (1) each ticket or token representing an entry in the
 2-21 raffle has an equal probability of being drawn; and
 2-22 (2) the raffle is conducted in a manner that:
 2-23 (A) does not jeopardize the ability of the credit
 2-24 union to operate in a safe and sound manner; and
 2-25 (B) does not mislead the credit union's members.
 2-26 (b) A credit union may not require consideration for
 2-27 participation in a savings promotion raffle. A deposit of an amount
 2-28 of money in a savings account or other savings program that results
 2-29 in an entry in a savings promotion raffle is not consideration.
 2-30 (c) A credit union may not require a person to pay a premium
 2-31 or fee for opening or using a savings account or other savings
 2-32 program that is subject to a savings promotion raffle, unless the
 2-33 premium or fee is commensurate with the premium or fee that the
 2-34 credit union charges for opening or using comparable savings
 2-35 accounts or savings programs that are not subject to a savings
 2-36 promotion raffle.
 2-37 (d) A credit union may not limit the withdrawal of money
 2-38 from a savings account or other savings program that is subject to a
 2-39 savings promotion raffle, unless the withdrawal limits are
 2-40 commensurate with the withdrawal limits that the credit union
 2-41 imposes on comparable savings accounts or savings programs that are
 2-42 not subject to a savings promotion raffle. This subsection does not
 2-43 prohibit a credit union from requiring a deposit of an amount of
 2-44 money to remain in a savings account or other savings program for a
 2-45 certain period of time in order for the deposit to represent an
 2-46 entry in a savings promotion raffle.
 2-47 (e) A credit union shall pay interest or dividends on a
 2-48 savings account or other savings program that is subject to a
 2-49 savings promotion raffle at a rate that is commensurate with the
 2-50 interest or dividend rate that the credit union pays on comparable
 2-51 savings accounts or savings programs that are not subject to a
 2-52 savings promotion raffle.
 2-53 (f) A credit union that conducts a savings promotion raffle
 2-54 under this section shall maintain all records that the Credit Union
 2-55 Commission determines are necessary for the Credit Union Department
 2-56 to examine the raffle.
 2-57 (g) The provisions of this section applicable to a credit
 2-58 union apply to an organization composed exclusively of credit
 2-59 unions.
 2-60 (h) The Credit Union Commission shall adopt rules and
 2-61 procedures for the administration of this section.
 2-62 Sec. 280.004. SAVINGS PROMOTION RAFFLE BY FINANCIAL
 2-63 INSTITUTION. (a) A financial institution may conduct a savings
 2-64 promotion raffle if:
 2-65 (1) each ticket or token representing an entry in the
 2-66 raffle has an equal probability of being drawn; and
 2-67 (2) the raffle is conducted in a manner that:
 2-68 (A) does not jeopardize the ability of the
 2-69 financial institution to operate in a safe and sound manner; and

3-1 (B) does not mislead the institution's
 3-2 depositors.

3-3 (b) A financial institution may not require consideration
 3-4 for participation in a savings promotion raffle. A deposit of an
 3-5 amount of money in a savings account or other savings program that
 3-6 results in an entry in a savings promotion raffle is not
 3-7 consideration.

3-8 (c) A financial institution may not require a person to pay
 3-9 a premium or fee for opening or using a savings account or other
 3-10 savings program that is subject to a savings promotion raffle,
 3-11 unless the premium or fee is commensurate with the premium or fee
 3-12 that the financial institution charges for opening or using
 3-13 comparable savings accounts or savings programs that are not
 3-14 subject to a savings promotion raffle.

3-15 (d) A financial institution may not limit the withdrawal of
 3-16 money from a savings account or other savings program that is
 3-17 subject to a savings promotion raffle, unless the withdrawal limits
 3-18 are commensurate with the withdrawal limits that the financial
 3-19 institution imposes on comparable savings accounts or savings
 3-20 programs that are not subject to a savings promotion raffle. This
 3-21 subsection does not prohibit a financial institution from requiring
 3-22 a deposit of an amount of money to remain in a savings account or
 3-23 other savings program for a certain period of time in order for the
 3-24 deposit to represent an entry in a savings promotion raffle.

3-25 (e) A financial institution shall pay interest or dividends
 3-26 on a savings account or other savings program that is subject to a
 3-27 savings promotion raffle at a rate that is commensurate with the
 3-28 interest or dividend rate that the financial institution pays on
 3-29 comparable savings accounts or savings programs that are not
 3-30 subject to a savings promotion raffle.

3-31 (f) A financial institution that conducts a savings
 3-32 promotion raffle under this section shall maintain all records that
 3-33 the finance commission determines are necessary for the financial
 3-34 regulatory agency of this state having regulatory jurisdiction over
 3-35 that financial institution to examine the raffle.

3-36 (g) The provisions of this section applicable to a financial
 3-37 institution apply to an organization composed exclusively of
 3-38 financial institutions.

3-39 (h) The finance commission shall adopt rules and procedures
 3-40 for the administration of this section.

3-41 Sec. 280.005. ACCOUNT OR DEPOSIT NOT CONSIDERATION. For
 3-42 purposes of Chapter 47, Penal Code, or other state law, opening or
 3-43 making a deposit in an account is not considered a purchase,
 3-44 payment, or provision of a thing of value for participation in a
 3-45 savings promotion raffle and is not considered to require a
 3-46 substantial expenditure of time, effort, or inconvenience.

3-47 SECTION 4. Subchapter A, Chapter 2002, Occupations Code, is
 3-48 amended by adding Section 2002.005 to read as follows:

3-49 Sec. 2002.005. APPLICABILITY. This chapter does not apply
 3-50 to a savings promotion raffle authorized under Chapter 280, Finance
 3-51 Code.

3-52 SECTION 5. Section 47.09(a), Penal Code, is amended to read
 3-53 as follows:

3-54 (a) It is a defense to prosecution under this chapter that
 3-55 the conduct:

3-56 (1) was authorized under:

3-57 (A) Chapter 2001, Occupations Code;

3-58 (B) Chapter 2002, Occupations Code;

3-59 (C) Chapter 2004, Occupations Code; [~~or~~]

3-60 (D) the Texas Racing Act (Article 179e, Vernon's
 3-61 Texas Civil Statutes); or

3-62 (E) Chapter 280, Finance Code;

3-63 (2) consisted entirely of participation in the state
 3-64 lottery authorized by Chapter 466, Government Code; or

3-65 (3) was a necessary incident to the operation of the
 3-66 state lottery and was directly or indirectly authorized by:

3-67 (A) Chapter 466, Government Code;

3-68 (B) the lottery division of the Texas Lottery
 3-69 Commission;

4-1 (C) the Texas Lottery Commission; or
4-2 (D) the director of the lottery division of the
4-3 Texas Lottery Commission.

4-4 SECTION 6. Chapter 47, Penal Code, is amended by adding
4-5 Section 47.11 to read as follows:

4-6 Sec. 47.11. DEPOSITS IN CERTAIN ACCOUNTS NOT CONSIDERATION.

4-7 For purposes of this chapter, opening or making a deposit in a
4-8 savings account or other savings program subject to a savings
4-9 promotion raffle under Chapter 280, Finance Code, does not
4-10 constitute consideration.

4-11 SECTION 7. This Act takes effect on the date the
4-12 constitutional amendment proposed by the 85th Legislature, Regular
4-13 Session, 2017, relating to legislative authority to permit credit
4-14 unions and other financial institutions to award prizes by lot to
4-15 promote savings is approved by the voters. If that amendment is not
4-16 approved by the voters, this Act has no effect.

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