

JAN 20 2012

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# A BILL FOR AN ACT

RELATING TO CREDIT UNIONS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Chapter 412, Hawaii Revised Statutes, is  
2 amended by adding a new section to part III of article 10 to be  
3 appropriately designated and to read as follows:

4           "§412:10- Savings promotion raffles. (a) A credit  
5 union may offer a savings promotion raffle in which the sole  
6 consideration required for a chance of winning designated prizes  
7 is the deposit of a minimum specified amount of money in a  
8 savings account or other savings program offered by the credit  
9 union.

10           (b) A credit union offering a savings promotion raffle  
11 under subsection (a) shall:

12           (1) Maintain records sufficient to facilitate an audit of  
13 the savings promotion raffle;

14           (2) Conduct the savings promotion raffle in a safe and  
15 sound manner; and

16           (3) Fully disclose the terms and conditions of the  
17 promotion to account holders and prospective account  
18 holders of the credit union.



1       (c) For the purposes of this section, "savings promotion  
 2 raffle" means a contest conducted by a credit union chartered  
 3 under state or federal law or any agent or employee thereof in  
 4 which a chance of winning a designated prize is obtained by the  
 5 deposit of a specified amount of money in a savings account or  
 6 other savings program; provided that each entry has an equal  
 7 chance of winning."

8       SECTION 2. Section 712-1220, Hawaii Revised Statutes, is  
 9 amended as follows:

10       1. By amending the definition of "gambling" to read:

11       "(4) "Gambling". A person engages in gambling if he  
 12 stakes or risks something of value upon the outcome of a contest  
 13 of chance or a future contingent event not under his control or  
 14 influence, upon an agreement or understanding that he or someone  
 15 else will receive something of value in the event of a certain  
 16 outcome. Gambling does not include:

17       (a) [~~bona~~] Bona fide business transactions valid under the  
 18 law of contracts, including but not limited to  
 19 contracts for the purchase or sale at a future date of  
 20 securities or commodities, and agreements to  
 21 compensate for loss caused by the happening of chance,  
 22 including but not limited to contracts of indemnity or



1 guaranty and life, health, or accident insurance[-];

2 or

3 (b) A savings promotion raffle offered by a credit union  
4 under section 412:10- ."

5 2. By amending the definition of "lottery" to read:

6 "(6) "Lottery" means a gambling scheme in which:

7 (a) The players pay or agree to pay something of value for  
8 chances, represented and differentiated by numbers or  
9 by combinations of numbers or by some other medium,  
10 one or more of which chances are to be designated the  
11 winning ones; and

12 (b) The winning chances are to be determined by a drawing  
13 or by some other method based on an element of chance;  
14 and

15 (c) The holders of the winning chances are to receive  
16 something of value.

17 Lottery does not include a savings promotion raffle offered  
18 by a credit union under section 412:10- ."

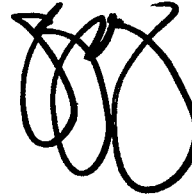
19 SECTION 3. Statutory material to be repealed is bracketed  
20 and stricken. New statutory material is underscored.



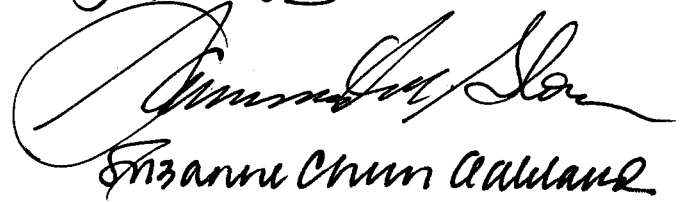
1 SECTION 4. This Act shall take effect upon its approval.

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# S.B. NO. 2257

**Report Title:**

Credit Unions; Savings Promotion Raffles

**Description:**

Authorizes credit unions to offer savings promotion raffles.  
Amends the Hawaii penal code to clarify that savings promotion raffles do not constitute gambling or a lottery.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

