
A BILL FOR AN ACT

RELATING TO SAVINGS PROMOTION CONTESTS.

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

1 SECTION 1. The legislature finds that the federal American
2 Savings Promotion Act was passed by Congress in 2014 to
3 authorize certain financial institutions to conduct a contest,
4 known as a "savings promotion raffle," in which the sole
5 consideration required for a chance of winning designated prizes
6 is the deposit of a specified amount of money in a savings
7 account or program, and where each ticket or entry has an equal
8 chance of being drawn. Since that time, twenty-nine states have
9 passed similar legislation to provide individuals with an
10 additional tool to build personal savings. These promotions
11 have been demonstrated to successfully attract increased
12 personal savings from non-savers, the asset-poor, and low- to
13 moderate-income individuals.

14 The purpose of this Act is to authorize financial
15 institutions that are depository institutions in the State to
16 conduct savings promotion contests in which its account holders
17 are contestants.



1 SECTION 2. Chapter 412, Hawaii Revised Statutes, is
2 amended by adding a new section to article 4 to be appropriately
3 designated and to read as follows:

4 "§412:4- Savings promotion contest. (a) Any financial
5 institution that is a depository institution may conduct a
6 savings promotion contest if the depository institution:

7 (1) Conducts the savings promotion contest in a manner
8 that ensures that each entry has an equal chance of
9 winning the designated prize;

10 (2) Requires the deposit of a minimum specified amount of
11 money in a savings account or other savings program to
12 qualify for a chance to win the designated prizes;

13 (3) Offers an interest rate that is commensurate with the
14 interest rate that the depository institution offers
15 on comparable savings accounts or savings programs
16 that are not subject to a savings promotion contest;

17 (4) Fully discloses the terms and conditions of the
18 savings promotion contest to each of its account
19 holders; and

20 (5) Maintains records sufficient to facilitate an audit of
21 the savings promotion contest.



1 (b) For the purposes of this section, "financial
2 institution" means an organization authorized to do business
3 pursuant to this chapter, or under federal laws relating to
4 financial institutions, and includes:

5 (1) Any bank, trust company, savings bank, building and
6 loan association, savings and loan company or
7 association, or credit union;

8 (2) Any federally insured national or state bank, savings
9 and loan company or association, or financial services
10 loan company; and

11 (3) Any federal or state credit union that is insured by
12 the National Credit Union Administration and is
13 authorized to do business in the State."

14 SECTION 3. Section 412:4-100, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:

16 "(a) Sections 412:4-101, 412:4-102 [~~and~~], 412:4-104, and
17 412:4- shall apply to all Hawaii financial institutions
18 [~~which~~] that are authorized by this chapter to solicit, accept
19 and hold deposits. The remaining sections of this article shall
20 apply to all Hawaii financial institutions and, to the extent
21 permitted by federal law, to federal financial institutions



1 [~~which~~] that are authorized to solicit, accept and hold deposits
2 in this State."

3 SECTION 4. Chapter 712, Hawaii Revised Statutes, is
4 amended by adding a new section to part III to be appropriately
5 designated and to read as follows:

6 "§712- Savings promotion contest not gambling. A
7 savings promotion contest conducted by a financial institution
8 pursuant to section 412:4- is not gambling and does not
9 constitute a lottery unless the chance to win a prize requires
10 consideration. The deposit of a specified minimum amount of
11 money in a savings account or other savings program that results
12 in an entry in a savings promotion contest is not
13 consideration."

14 SECTION 5. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 6. This Act shall take effect on July 1, 3000.



Report Title:

Depository Institutions; Savings Promotion Contests

Description:

Authorizes financial institutions that are depository institutions to conduct savings promotion contests in which its account holders are contestants. (HB1163 HD1)

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

