

JAN 18 2019

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# 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.



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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 as the sole action for a chance of winning  
11 designated prizes the deposit of a minimum specified  
12 amount of money in a savings account or other savings  
13 program;
- 14 (3) Offers an interest rate that is commensurate with the  
15 interest rate that the depository institution offers  
16 on comparable savings accounts or savings programs  
17 that are not subject to a savings promotion contest;
- 18 (4) Fully discloses the terms and conditions of the  
19 savings promotion contest to each of its account  
20 holders; and



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

3       (b) For the purposes of this section, "financial  
4 institution" means an organization authorized to do business  
5 pursuant to this chapter, or under federal laws relating to  
6 financial institutions, and includes a bank, trust company,  
7 savings bank, building and loan association, savings and loan  
8 company or association, credit union; any federally insured  
9 national or state bank, savings and loan association, or  
10 financial services loan company; and any federal or state credit  
11 union that is insured by the National Credit Union  
12 Administration and is authorized to do business in the State."

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

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



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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 upon its approval.

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INTRODUCED BY: 

By Request



# S.B. NO. 616

**Report Title:**

Depository Institutions; Savings Promotion Contests; Penal Code; Exemption

**Description:**

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

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

