

House File 405

S-3265

1 Amend House File 405, as passed by the House, as  
2 follows:

3 1. Page 1, after line 33 by inserting:  
4 <Sec. \_\_\_\_ . NEW SECTION. 524.802A Savings promotion  
5 drawings.

6 1. A state bank is authorized, in addition to the  
7 powers granted in sections 524.801 and 524.802, and  
8 any other powers granted by this chapter, to conduct a  
9 savings promotion drawing.

10 2. For the purposes of this section, unless the  
11 context otherwise requires:

12 a. "*Participant*" means a person who is at least  
13 eighteen years of age and who has opened a savings  
14 promotion drawing account at a state bank.

15 b. "*Savings promotion drawing*" means a drawing  
16 conducted by a state bank, or a group of state banks,  
17 in which a designated prize or prizes may be won by the  
18 deposit of a specified amount of money in a savings  
19 account, time deposit, or other savings program offered  
20 through that state bank group of state banks.

21 3. A savings promotion drawing may lawfully be  
22 conducted by a state bank or group of state banks if  
23 all of the following conditions are met:

24 a. The savings promotion drawing conducted includes  
25 the distribution of the state bank's savings promotion  
26 drawing rules to all participants in the savings  
27 promotion drawing.

28 b. The savings promotion drawing is open to all  
29 participants as provided in the rules established  
30 for the savings promotion drawing by the state bank  
31 conducting the savings promotion drawing. Savings  
32 promotion drawings shall not be open to members of the  
33 public who are not participants pursuant to the savings  
34 promotion drawing rules of the state bank.

35 c. The state bank offering the savings promotion  
36 drawing maintains records regarding its savings  
37 promotion drawing and the number of participants.

38 d. The savings promotion drawing is conducted in  
39 a fair and honest manner. The state bank shall not  
40 conduct a savings promotion drawing in a manner that  
41 jeopardizes the state bank's safety and financial  
42 soundness or misleads its participants.

43 e. The state bank offering the savings promotion  
44 drawing account does not reduce any interest rate or  
45 charge participants any additional fees as a means of  
46 funding such promotion when compared to other similar  
47 savings accounts, time deposits, or other savings  
48 programs offered by the state bank.

49 f. The state bank offering the savings promotion  
50 drawing account provides all participants with a clear

1 and conspicuous disclosure when opening a savings  
2 promotion drawing account. This disclosure shall  
3 provide all participants with clear information on the  
4 chances or odds of winning any prize offered pursuant  
5 to the savings promotion drawing account.

6 4. A state bank shall provide an annual report to  
7 the division for each year in which a savings promotion  
8 drawing was held. This report shall include the number  
9 of savings promotion drawings held during the year,  
10 when the savings promotion drawings were held, the  
11 description and value of the prize or prizes offered,  
12 the names and addresses of participants who won prizes,  
13 a copy of the savings promotion drawing rules, and the  
14 names and addresses of two witnesses to the drawing.  
15 If multiple state banks combine efforts for one or  
16 more collective savings promotion drawings between  
17 participants, they may file a joint annual report.

18 5. Prizes awarded in a savings promotion drawing  
19 may be in cash or any other form of property and,  
20 subject to the other provisions of this section, shall  
21 not be subject to limits on quantity. A state bank  
22 may not award a single prize in a savings promotion  
23 drawing that is more than twenty-five thousand dollars  
24 in value. However, if four or more state banks combine  
25 efforts for a joint savings promotion drawing, then the  
26 value of any single prize awarded through the joint  
27 drawing shall not exceed one hundred thousand dollars.

28 6. A state bank or group of state banks may  
29 compensate employees of the state bank, or may hire a  
30 third-party operator, to conduct a savings promotion  
31 drawing.

32 Sec. \_\_\_\_\_. NEW SECTION. 533.301A Savings promotion  
33 drawings.

34 1. A state credit union is authorized, in addition  
35 to the powers granted in section 533.301, and any other  
36 powers granted by this chapter, to conduct a savings  
37 promotion drawing.

38 2. For the purposes of this section, unless the  
39 context otherwise requires:

40 a. "*Participant*" means a person who is at least  
41 eighteen years of age and who has opened a savings  
42 promotion drawing account at a state credit union.

43 b. "*Savings promotion drawing*" means a drawing  
44 conducted by a state credit union, or a group of state  
45 credit unions, in which a designated prize or prizes  
46 may be won by the deposit of a specified amount of  
47 money in a savings account, time deposit, or other  
48 savings program offered through that state credit union  
49 or group of state credit unions.

50 3. A savings promotion drawing may lawfully be

1 conducted by a state credit union or group of state  
2 credit unions if all of the following conditions are  
3 met:

4     *a.* The savings promotion drawing conducted includes  
5 the distribution of the state credit union's savings  
6 promotion drawing rules to all participants in the  
7 savings promotion drawing.

8     *b.* The savings promotion drawing is open to all  
9 participants as provided in the rules established for  
10 the savings promotion drawing by the state credit union  
11 conducting the savings promotion drawing. Savings  
12 promotion drawings shall not be open to members of the  
13 public who are not participants pursuant to the savings  
14 promotion drawing rules of the state credit union.

15     *c.* The state credit union offering the savings  
16 promotion drawing maintains records regarding  
17 its savings promotion drawing and the number of  
18 participants.

19     *d.* The savings promotion drawing is conducted in a  
20 fair and honest manner. The state credit union shall  
21 not conduct a savings promotion drawing in a manner  
22 that jeopardizes the state credit union's safety and  
23 financial soundness or misleads its participants.

24     *e.* The state credit union offering the savings  
25 promotion drawing account does not reduce any interest  
26 rate or charge participants any additional fees as a  
27 means of funding such promotion when compared to other  
28 similar savings accounts, time deposits, or other  
29 savings programs offered by the state credit union.

30     *f.* The state credit union offering the savings  
31 promotion drawing account provides all participants  
32 with a clear and conspicuous disclosure when opening  
33 a savings promotion drawing account. This disclosure  
34 shall provide all participants with clear information  
35 on the chances or odds of winning any prize offered  
36 pursuant to the savings promotion drawing account.

37     4. A state credit union shall provide an annual  
38 report to the division for each year in which a savings  
39 promotion drawing was held. This report shall include  
40 the number of savings promotion drawings held during  
41 the year, when the savings promotion drawings were  
42 held, the description and value of the prize or prizes  
43 offered, the names and addresses of participants who  
44 won prizes, a copy of the savings promotion drawing  
45 rules, and the names and addresses of two witnesses to  
46 the drawing. If multiple state credit unions combine  
47 efforts for one or more collective savings promotion  
48 drawings between participants, they may file a joint  
49 annual report.

50     5. Prizes awarded in a savings promotion drawing

1 may be in cash or any other form of property and,  
2 subject to the other provisions of this section,  
3 shall not be subject to limits on quantity. A state  
4 credit union may not award a single prize in a savings  
5 promotion drawing that is more than twenty-five  
6 thousand dollars in value. However, if four or more  
7 state credit unions combine efforts for a joint savings  
8 promotion drawing, then the value of any single prize  
9 awarded through the joint drawing shall not exceed one  
10 hundred thousand dollars.

11 6. A state credit union or group of state credit  
12 unions may compensate employees of the state credit  
13 union, or may hire a third-party operator, to conduct a  
14 savings promotion drawing.>

15 2. Title page, by striking lines 1 through 3  
16 and inserting <An Act relating to requirements and  
17 authorization applicable to state banks and state  
18 credit unions.>

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JEFF DANIELSON

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KENT SORENSON