

**House Study Bill 22 - Introduced**

HOUSE FILE \_\_\_\_\_

BY (PROPOSED COMMITTEE ON  
STATE GOVERNMENT BILL BY  
CHAIRPERSON COWNIE)

**A BILL FOR**

1 An Act authorizing and regulating savings promotion raffles,  
2 and granting licensing authority to the department of  
3 inspections and appeals.  
4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 99B.1, Code 2011, is amended by adding  
2 the following new subsection:

3 NEW SUBSECTION. 14A. "*Financial institution*" means a state  
4 or federally chartered credit union as defined in section  
5 533.102 or a state or federally chartered bank as defined in  
6 section 524.103, which is located within the state of Iowa.

7 Sec. 2. Section 99B.1, subsection 26, Code 2011, is amended  
8 to read as follows:

9 26. "*Raffle*" means a lottery in which each participant buys  
10 a ticket for a chance at a prize with the winner determined by  
11 a random method and the winner is not required to be present to  
12 win. "*Raffle*" does not include a slot machine. "*Raffle*" does  
13 not include a savings promotion raffle.

14 Sec. 3. Section 99B.1, Code 2011, is amended by adding the  
15 following new subsection:

16 NEW SUBSECTION. 26A. "*Savings promotion raffle*" means  
17 a drawing conducted by a financial institution, or a group  
18 of financial institutions, in which a chance of winning a  
19 designated prize or prizes is obtained by the deposit of a  
20 specified amount of money in a savings account, time deposit,  
21 or other savings program offered through that financial  
22 institution or group of financial institutions.

23 Sec. 4. Section 99B.7, subsection 1, unnumbered paragraph  
24 1, Code 2011, is amended to read as follows:

25 Except as otherwise provided in section 99B.7C or 99B.8,  
26 games of skill, games of chance, and raffles lawfully may be  
27 conducted at a specified location meeting the requirements of  
28 subsection 2 of this section, but only if all of the following  
29 are complied with:

30 Sec. 5. NEW SECTION. 99B.7C Savings promotion raffles.

31 1. For the purposes of this section, a "*participant*" is a  
32 person who is at least eighteen years of age and who has opened  
33 a savings promotion raffle account at a financial institution.

34 2. A savings promotion raffle may lawfully be conducted by a  
35 financial institution or group of financial institutions if all

1 of the following conditions are met:

2     *a.* The financial institution conducting the savings  
3 promotion raffle has been issued a license from the department  
4 and prominently displays that license during raffle drawings.

5     *b.* The savings promotion raffle conducted includes the  
6 distribution of the financial institution's savings promotion  
7 raffle rules to all participants in the savings promotion  
8 raffle.

9     *c.* The savings promotion raffle is open to all participants  
10 as provided in the rules established for the savings promotion  
11 raffle by the financial institution conducting the savings  
12 promotion raffle. Savings promotion raffles shall not be open  
13 to members of the public who are not participants pursuant  
14 to the savings promotion raffle rules of the financial  
15 institution.

16     *d.* The financial institution offering the savings promotion  
17 raffle maintains records regarding its savings promotion raffle  
18 and the number of participants.

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

24     3. A financial institution shall provide an annual report  
25 to the department for each year in which a savings promotion  
26 raffle was held. This report shall include the number of  
27 savings promotion raffles held during the year, when the  
28 savings promotion raffles were held, the description and value  
29 of the prize or prizes offered, the names and addresses of  
30 participants who won prizes, a copy of the savings promotion  
31 raffle rules, and the names and addresses of two witnesses to  
32 the raffle drawing. If multiple financial institutions combine  
33 efforts for one or more collective savings promotion raffles  
34 between participants, they may file a joint annual report.

35     4. A financial institution wishing to conduct one or more

1 savings promotion raffles pursuant to this section shall submit  
2 an application and annual license fee of one hundred dollars to  
3 the department. The department shall develop an application  
4 form requiring the contact information for the financial  
5 institution or group of financial institutions conducting the  
6 savings promotion raffle and a copy of the savings promotion  
7 raffle rules from the financial institution. If multiple  
8 financial institutions combine efforts for one or more joint  
9 savings promotion raffles between their participants, each  
10 financial institution shall complete an application and shall  
11 jointly submit the applications and an annual license fee of  
12 one hundred dollars.

13 5. Prizes awarded in a savings promotion raffle may be in  
14 cash or any other form of property and, subject to the other  
15 provisions of this section, shall not be subject to limits on  
16 dollar amount, value, or quantity.

17 6. A financial institution or group of financial  
18 institutions may compensate employees of the financial  
19 institution, or may hire a third-party operator, to conduct a  
20 savings promotion raffle.

21 Sec. 6. Section 99B.9, subsection 1, unnumbered paragraph  
22 1, Code 2011, is amended to read as follows:

23 Except as otherwise permitted by section 99B.3, 99B.5,  
24 99B.6, 99B.7, 99B.7B, 99B.7C, 99B.8, 99B.11, or 99B.12A,  
25 it is unlawful to permit gambling on any premises owned,  
26 leased, rented, or otherwise occupied by a person other than a  
27 government, governmental agency, or governmental subdivision,  
28 unless all of the following are complied with:

29 EXPLANATION

30 This bill allows a financial institution or multiple  
31 financial institutions to be licensed by the department of  
32 inspections and appeals to conduct savings promotions raffles.  
33 The bill sets an annual license fee for individual financial  
34 institutions and for a joint applicant license at \$100.

35 The bill requires that a participant deposit a stated amount

1 of money into specified types of savings accounts in order to  
2 participate in the raffle. A savings promotion raffle may  
3 only be conducted by a financial institution, which includes  
4 state or federally chartered credit unions and banks. The bill  
5 provides that a savings promotion raffle is not a raffle which  
6 is otherwise regulated by the department.

7 The bill requires that participants in a savings promotion  
8 raffle be at least 18 years of age and have opened a savings  
9 promotion raffle account with the licensed financial  
10 institution.

11 The bill requires a financial institution engaging in a  
12 savings promotion raffle to have received a savings promotion  
13 raffle license from the department of inspections and  
14 appeals, and requires that the institution display the license  
15 prominently during the raffle drawing. The bill requires  
16 the licensed financial institution to distribute the rules  
17 of the raffle to all savings promotion raffle participants,  
18 and specifies that savings promotion raffles are not open to  
19 members of the public who are not participants as provided in  
20 the rules provided by the financial institution.

21 The bill requires that licensed financial institutions  
22 conduct the raffles fairly and honestly, not mislead  
23 participants, and that the raffles not jeopardize the  
24 institution's financial soundness. The bill also requires  
25 that licensed financial institutions maintain records of the  
26 raffles and the number of participants, and requires that they  
27 provide annual reports to the department. The reports must  
28 include the number of raffles held, when the raffles were held,  
29 the description and value of all raffle prizes, the names and  
30 addresses of winning participants, a copy of the financial  
31 institution's rules, and the names and addresses of two persons  
32 who observed the raffle drawing. The bill allows for multiple  
33 institutions participating in one raffle to submit a joint  
34 annual report.

35 The bill provides that prizes awarded for savings promotions

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1 raffles may be in cash or any form of property without limit on  
2 dollar amount, value, or quantity. The bill allows financial  
3 institutions to compensate employees or hire a third-party to  
4 conduct the raffles.