AN ACT
relating to permitting credit unions and other financial institutions to award prizes by lot to promote savings.

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

SECTION 1. The legislature finds that:

(1) many Texans have little experience with mainstream financial services, such as checking and savings accounts;

(2) an estimated one in three households in the state does not have a savings account and an estimated one-half of all households in the state do not have sufficient savings to pay for basic expenses for three months in case of an emergency;

(3) Texans' inexperience with mainstream financial services and lack of savings has many negative consequences, including causing financially vulnerable Texans to turn to predatory lenders outside of the mainstream financial system for credit;

(4) mainstream financial institutions in states across the country offer savings promotion raffles to help familiarize people with the mainstream financial system and to encourage people to open savings accounts and to save money;

(5) savings promotion raffles are normal financial products offered by mainstream financial institutions, like traditional savings accounts, with the added feature of offering chances to win prizes for saving money;
(6) savings promotion raffles are not lotteries but are pro-savings alternatives to lotteries;
(7) unlike lotteries, savings promotion raffles do not require consideration for the chance to win a prize;
(8) unlike lotteries, savings promotion raffles have the purpose and effect of increasing an individual’s savings and financial security; and
(9) encouraging people to save money is in the interest of the state.

SECTION 2. Subchapter B, Chapter 622, Business & Commerce Code, is amended by adding Section 622.0545 to read as follows:
Sec. 622.0545. SAVINGS PROMOTION RAFFLE. This chapter does not apply to a savings promotion raffle authorized under Chapter 280, Finance Code.

SECTION 3. Subtitle Z, Title 3, Finance Code, is amended by adding Chapter 280 to read as follows:
CHAPTER 280. SAVINGS PROMOTION RAFFLE
Sec. 280.001. SHORT TITLE. This chapter may be cited as the Texas Savings Promotion Act.
Sec. 280.002. DEFINITIONS. In this chapter:
(1) "Credit union” means:
   (A) a credit union as defined by Section 121.002;
   or
   (B) a federal credit union doing business in this state.
(2) "Deposit," with respect to a financial institution, has the meaning assigned by Section 31.002.
Sec. 280.003. SAVINGS PROMOTION RAFFLE BY CREDIT UNION.

(a) A credit union may conduct a savings promotion raffle if:

(1) each ticket or token representing an entry in the raffle has an equal probability of being drawn; and

(2) the raffle is conducted in a manner that:

(A) does not jeopardize the ability of the credit union to operate in a safe and sound manner; and

(B) does not mislead the credit union's members.

(b) A credit union may not require consideration for participation in a savings promotion raffle. A deposit of an amount of money in a savings account or other savings program that results in an entry in a savings promotion raffle is not consideration.

(c) A credit union may not require a person to pay a premium or fee for opening or using a savings account or other savings program that is subject to a savings promotion raffle, unless the premium or fee is commensurate with the premium or fee that the credit union charges for opening or using comparable savings
(d) A credit union may not limit the withdrawal of money from a savings account or other savings program that is subject to a savings promotion raffle, unless the withdrawal limits are commensurate with the withdrawal limits that the credit union imposes on comparable savings accounts or savings programs that are not subject to a savings promotion raffle. This subsection does not prohibit a credit union from requiring a deposit of an amount of money to remain in a savings account or other savings program for a certain period of time in order for the deposit to represent an entry in a savings promotion raffle.

(e) A credit union shall pay interest or dividends on a savings account or other savings program that is subject to a savings promotion raffle at a rate that is commensurate with the interest or dividend rate that the credit union pays on comparable savings accounts or savings programs that are not subject to a savings promotion raffle.

(f) A credit union that conducts a savings promotion raffle under this section shall maintain all records that the Credit Union Commission determines are necessary for the Credit Union Department to examine the raffle.

(g) The provisions of this section applicable to a credit union apply to an organization composed exclusively of credit unions.

(h) The Credit Union Commission shall adopt rules and procedures for the administration of this section.
Sec. 280.004. SAVINGS PROMOTION RAFFLE BY FINANCIAL INSTITUTION. (a) A financial institution may conduct a savings promotion raffle if:

(1) each ticket or token representing an entry in the raffle has an equal probability of being drawn; and

(2) the raffle is conducted in a manner that:

(A) does not jeopardize the ability of the financial institution to operate in a safe and sound manner; and

(B) does not mislead the institution's depositors.

(b) A financial institution may not require consideration for participation in a savings promotion raffle. A deposit of an amount of money in a savings account or other savings program that results in an entry in a savings promotion raffle is not consideration.

(c) A financial institution may not require a person to pay a premium or fee for opening or using a savings account or other savings program that is subject to a savings promotion raffle, unless the premium or fee is commensurate with the premium or fee that the financial institution charges for opening or using comparable savings accounts or savings programs that are not subject to a savings promotion raffle.

(d) A financial institution may not limit the withdrawal of money from a savings account or other savings program that is subject to a savings promotion raffle, unless the withdrawal limits are commensurate with the withdrawal limits that the financial institution imposes on comparable savings accounts or savings programs.
programs that are not subject to a savings promotion raffle. This
subsection does not prohibit a financial institution from requiring
a deposit of an amount of money to remain in a savings account or
other savings program for a certain period of time in order for the
deposit to represent an entry in a savings promotion raffle.

(e) A financial institution shall pay interest or dividends
on a savings account or other savings program that is subject to a
savings promotion raffle at a rate that is commensurate with the
interest or dividend rate that the financial institution pays on
comparable savings accounts or savings programs that are not
subject to a savings promotion raffle.

(f) A financial institution that conducts a savings
promotion raffle under this section shall maintain all records that
the finance commission determines are necessary for the financial
regulatory agency of this state having regulatory jurisdiction over
that financial institution to examine the raffle.

(g) The provisions of this section applicable to a financial
institution apply to an organization composed exclusively of
financial institutions.

(h) The finance commission shall adopt rules and procedures
for the administration of this section.

Sec. 280.005. ACCOUNT OR DEPOSIT NOT CONSIDERATION. For
purposes of Chapter 47, Penal Code, or other state law, opening or
making a deposit in an account is not considered a purchase,
payment, or provision of a thing of value for participation in a
savings promotion raffle and is not considered to require a
substantial expenditure of time, effort, or inconvenience.
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SECTION 4. Subchapter A, Chapter 2002, Occupations Code, is amended by adding Section 2002.005 to read as follows:

Sec. 2002.005. APPLICABILITY. This chapter does not apply to a savings promotion raffle authorized under Chapter 280, Finance Code.

SECTION 5. Section 47.09(a), Penal Code, is amended to read as follows:

(a) It is a defense to prosecution under this chapter that the conduct:

(1) was authorized under:
   (A) Chapter 2001, Occupations Code;
   (B) Chapter 2002, Occupations Code;
   (C) Chapter 2004, Occupations Code; or
   (D) the Texas Racing Act (Article 179e, Vernon’s Texas Civil Statutes); or

   (E) Chapter 280, Finance Code;

(2) consisted entirely of participation in the state lottery authorized by Chapter 466, Government Code; or

(3) was a necessary incident to the operation of the state lottery and was directly or indirectly authorized by:

   (A) Chapter 466, Government Code;
   (B) the lottery division of the Texas Lottery Commission;
   (C) the Texas Lottery Commission; or
   (D) the director of the lottery division of the Texas Lottery Commission.

SECTION 6. Chapter 47, Penal Code, is amended by adding
Section 47.11 to read as follows:

Sec. 47.11. DEPOSITS IN CERTAIN ACCOUNTS NOT CONSIDERATION.
For purposes of this chapter, opening or making a deposit in a savings account or other savings program subject to a savings promotion raffle under Chapter 280, Finance Code, does not constitute consideration.

SECTION 7. This Act takes effect on the date the constitutional amendment proposed by the 85th Legislature, Regular Session, 2017, relating to legislative authority to permit credit unions and other financial institutions to award prizes by lot to promote savings is approved by the voters. If that amendment is not approved by the voters, this Act has no effect.
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President of the Senate  
Speaker of the House

I certify that H.B. No. 471 was passed by the House on May 4, 2017, by the following vote: Yeas 144, Nays 0, 2 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 471 was passed by the Senate on May 19, 2017, by the following vote: Yeas 30, Nays 1.

Secretary of the Senate

APPROVED: ____________________________

Date

Governor