

The House Committee on Banks and Banking offers the following substitute to HB 193:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Article 1 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated,  
2 relating to provisions applicable to the Department of Banking and Finance and financial  
3 institutions generally, so as to allow banks and credit unions to offer savings promotion raffle  
4 accounts in which deposits to a savings account enter a depositor in a raffle; to provide for  
5 definitions; to amend Code Section 16-12-20 of the Official Code of Georgia Annotated,  
6 relating to definitions relative to gambling and related offenses, so as to provide for an  
7 exception to the definition of "lottery"; to provide for related matters; to repeal conflicting  
8 laws; and for other purposes.

9 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

10 style="text-align:center">**SECTION 1.**

11 Article 1 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to  
12 provisions applicable to the Department of Banking and Finance and financial institutions  
13 generally, is amended by adding a new part to read as follows:

14 style="text-align:center">"Part 14

15 7-1-239.10.

16 (a) As used in this Code section, the term:

17 (1) 'Bank' means a national bank or a state chartered bank, regardless of which state  
18 issued the charter, that has federal deposit insurance.

19 (2) 'Credit union' means a federally chartered credit union or a state chartered credit  
20 union, regardless of which state issued the charter, that has federal deposit insurance.

21 (3) 'Savings promotion raffle' means a contest in which the sole consideration required  
22 for a chance of winning a designated prize is obtained by the deposit of a specified  
23 amount of money in a savings account or other savings program offered by a bank or  
24 credit union, where each ticket or entry has an equal chance of being drawn.

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- 25 (b) A bank or credit union may conduct a savings promotion raffle, provided that the raffle  
 26 is conducted in a manner that does not:
- 27 (1) Jeopardize the ability of the bank or credit union conducting the savings promotion  
 28 raffle to operate in a safe and sound manner; or
- 29 (2) Mislead depositors about the chances of winning.
- 30 (c) A bank or credit union conducting a savings promotion raffle:
- 31 (1) Shall provide each person making a deposit in a savings promotion raffle account  
 32 with information regarding:
- 33 (A) The terms of the raffle;  
 34 (B) The verifiable retail value of each prize that a depositor has a chance of winning;  
 35 (C) The odds of a depositor winning a prize; and  
 36 (D) Any fees or penalties associated with such account;
- 37 (2) Shall not charge any fees associated with the underlying savings account or other  
 38 savings program in excess of the fees charged for the savings account or other savings  
 39 program offered by the bank or credit union that is the most similar to such savings  
 40 promotion raffle account;
- 41 (3) May contract for and use the services of a third-party service provider to handle the  
 42 administrative details of conducting a savings promotion raffle; and
- 43 (4) Shall maintain all records the department determines are necessary to conduct an  
 44 examination or audit of a savings promotion raffle.
- 45 (d) The provisions of this Code section applicable to credit unions shall apply to an  
 46 organization composed primarily of credit unions and the provisions of this Code section  
 47 applicable to banks shall apply to an organization composed primarily of banks."

## 48 SECTION 2.

49 Code Section 16-12-20 of the Official Code of Georgia Annotated, relating to definitions  
 50 relative to gambling and related offenses, is amended by revising paragraph (4) as follows:

51 "(4) 'Lottery' means any scheme or procedure whereby one or more prizes are distributed  
 52 by chance among persons who have paid or promised consideration for a chance to win  
 53 such prize, whether such scheme or procedure is called a pool, lottery, raffle, gift, gift  
 54 enterprise, sale, policy game, or by some other name. Except as otherwise provided in  
 55 Code Section 16-12-35, a lottery shall also include the payment of cash or other  
 56 consideration or the payment for merchandise or services and the option to participate in  
 57 or play, even if others can participate or play for free, a no skill game or to participate for  
 58 cash, other consideration, other evidence of winnings, or other noncash prizes by lot or  
 59 in a finite pool on a computer, mechanical device, or electronic device whereby the player  
 60 is able to win a cash or noncash prize, other consideration, or other evidence of winnings.

61 A lottery shall also include the organization of chain letter or pyramid clubs as provided  
 62 in Code Section 16-12-38. A lottery shall not mean a:

63 (A) Promotional giveaway or contest which conforms with the qualifications of a  
 64 lawful promotion specified in paragraph (16) of subsection (b) of Code  
 65 Section 10-1-393;

66 (B) Scheme whereby a business gives away prizes to persons selected by lot if such  
 67 prizes are made on the following conditions:

68 (i) Such prizes are conducted as advertising and promotional undertakings in good  
 69 faith solely for the purpose of advertising the goods, wares, and merchandise of such  
 70 business;

71 (ii) No person to be eligible to receive such prize shall be required to:

72 (I) Pay any tangible consideration to the operator of such business in the form of  
 73 money or other property or thing of value;

74 (II) Purchase any goods, wares, merchandise, or anything of value from such  
 75 business; or

76 (III) Be present or be asked to participate in a seminar, sales presentation, or any  
 77 other presentation, by whatever name denominated, in order to win such prizes; and

78 (iii) The prizes awarded shall be noncash prizes and cannot be awarded based upon  
 79 the playing of a game on a computer, mechanical device, or electronic device at a  
 80 place of business in this state;

81 (C) Raffle authorized under Code Section 16-12-22.1; or

82 (D) National or regional promotion, contest, or sweepstakes conducted by any  
 83 corporation or wholly owned subsidiary or valid franchise of such corporation, either  
 84 directly or through another entity, provided that, at the time of such promotion, contest,  
 85 or sweepstakes, such corporation:

86 (i) Is registered under the federal Securities Exchange Act of 1934; and

87 (ii) Has total assets of not less than \$100 million; or

88 (E) Savings promotion raffle that conforms with the requirements of Code Section  
 89 7-1-239.10.

90 The provisions of this part shall not be applicable to games offered by the Georgia  
 91 Lottery Corporation pursuant to Chapter 27 of Title 50."

92 **SECTION 3.**

93 All laws and parts of laws in conflict with this Act are repealed.