

Suspend the Rules and Pass the Bill, H.R. 3374, with An Amendment

(The amendment strikes all after the enacting clause and inserts a new text)

113TH CONGRESS
2^D SESSION

H. R. 3374

To provide for the use of savings promotion raffle products by financial institutions to encourage savings, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

OCTOBER 29, 2013

Mr. KILMER (for himself, Mr. COTTON, and Ms. TSONGAS) introduced the following bill; which was referred to the Committee on Financial Services, and in addition to the Committee on the Judiciary, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To provide for the use of savings promotion raffle products by financial institutions to encourage savings, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “American Savings Pro-
5 motion Act”.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) the annual savings rate in the United States
4 was 4.1 percent in 2012;

5 (2) more than 40 percent of American house-
6 holds lack the savings to cover basic expenses for 3
7 months, if an unexpected event leads to a loss of sta-
8 ble income;

9 (3) personal savings provide Americans with the
10 financial resources to meet future needs, including
11 higher education and homeownership, while also pro-
12 viding a safety net to weather unexpected financial
13 shocks;

14 (4) prize-linked savings products are typical
15 savings products offered by financial institutions,
16 like savings accounts, certificates of deposit, and
17 savings bonds, with the added feature of offering
18 chances to win prizes based on deposit activity;

19 (5) the State of Michigan was the first State to
20 allow credit unions to offer prize-linked savings
21 products, and in 2009 launched the first large-scale
22 prize-linked savings product in the United States;

23 (6) the States of Connecticut, Michigan, Maine,
24 Maryland, Nebraska, North Carolina, Rhode Island,
25 and Washington all have laws that allow financial
26 institutions to offer prize-linked savings products;

1 (7) in the States of Michigan and Nebraska,
2 more than 42,000 individuals have opened prize-
3 linked savings accounts and saved more than
4 \$72,000,000;

5 (8) prize-linked savings products have been
6 shown to successfully attract non-savers, the asset
7 poor, and low-to-moderate income groups, providing
8 individuals with a new tool to build personal savings;
9 and

10 (9) encouraging personal savings is in the na-
11 tional interest of the United States.

12 **SEC. 3. AMENDMENT TO DEFINITIONS OF “LOTTERY”.**

13 (a) NATIONAL BANKS.—Section 5136B(c) of the Re-
14 vised Statutes of the United States (12 U.S.C. 25a(c)) is
15 amended—

16 (1) in paragraph (2), by inserting “, other than
17 a savings promotion raffle,” before “whereby”; and

18 (2) by adding at the end the following:

19 “(4) The term ‘savings promotion raffle’ means
20 a contest in which the sole consideration required for
21 a chance of winning designated prizes is obtained by
22 the deposit of a specified amount of money in a sav-
23 ings account or other savings program, where each
24 ticket or entry has an equal chance of being drawn,
25 such contest being subject to regulations that may

1 from time to time be promulgated by the appropriate
2 prudential regulator (as defined in section 1002 of
3 the Consumer Financial Protection Act of 2010 (12
4 U.S.C. 5481)).”.

5 (b) FEDERAL RESERVE BANKS.—Section 9A(c) of
6 the Federal Reserve Act (12 U.S.C. 339(c)) is amended—

7 (1) in paragraph (2), by inserting “, other than
8 a savings promotion raffle,” before “whereby”; and

9 (2) by adding at the end the following:

10 “(4) The term ‘savings promotion raffle’ means
11 a contest in which the sole consideration required for
12 a chance of winning designated prizes is obtained by
13 the deposit of a specified amount of money in a sav-
14 ings account or other savings program, where each
15 ticket or entry has an equal chance of being drawn,
16 such contest being subject to regulations that may
17 from time to time be promulgated by the appropriate
18 prudential regulator (as defined in section 1002 of
19 the Consumer Financial Protection Act of 2010 (12
20 U.S.C. 5481)).”.

21 (c) INSURED DEPOSITORY INSTITUTIONS.—Section
22 20(c) of the Federal Deposit Insurance Act (12 U.S.C.
23 1829a(c)) is amended—

24 (1) in paragraph (2), by inserting “, other than
25 a savings promotion raffle,” before “whereby”; and

1 (2) by adding at the end the following:

2 “(4) The term ‘savings promotion raffle’ means
3 a contest in which the sole consideration required for
4 a chance of winning designated prizes is obtained by
5 the deposit of a specified amount of money in a sav-
6 ings account or other savings program, where each
7 ticket or entry has an equal chance of being drawn,
8 such contest being subject to regulations that may
9 from time to time be promulgated by the appropriate
10 prudential regulator (as defined in section 1002 of
11 the Consumer Financial Protection Act of 2010 (12
12 U.S.C. 5481)).”.

13 (d) FEDERAL SAVINGS AND LOAN ASSOCIATIONS.—
14 Section 4(e)(3) of the Home Owners’ Loan Act (12 U.S.C.
15 1463(e)(3)) is amended—

16 (1) in subparagraph (B), by inserting “, other
17 than a savings promotion raffle,” after “arrange-
18 ment”; and

19 (2) by adding at the end the following:

20 “(D) SAVINGS PROMOTION RAFFLE.—The
21 term ‘savings promotion raffle’ means a contest
22 in which the sole consideration required for a
23 chance of winning designated prizes is obtained
24 by the deposit of a specified amount of money
25 in a savings account or other savings program,

1 where each ticket or entry has an equal chance
2 of being drawn, such contest being subject to
3 regulations that may from time to time be pro-
4 mulgated by the appropriate prudential regu-
5 lator (as defined in section 1002 of the Con-
6 sumer Financial Protection Act of 2010 (12
7 U.S.C. 5481)).”.

8 **SEC. 4. CRIMINAL PROVISIONS.**

9 (a) IN GENERAL.—Chapter 61 of title 18, United
10 States Code, is amended by adding at the end the fol-
11 lowing:

12 **“§ 1308. Limitation of applicability**

13 “(a) LIMITATION OF APPLICABILITY.—Sections
14 1301, 1302, 1303, 1304, and 1306 shall not apply—

15 “(1) to a savings promotion raffle conducted by
16 an insured depository institution or an insured credit
17 union; or

18 “(2) to any activity conducted in connection
19 with any such savings promotion raffle, including,
20 without limitation, to the—

21 “(A) transmission of any advertisement,
22 list of prizes, or other information concerning
23 the savings promotion raffle;

1 “(B) offering, facilitation, and acceptance
2 of deposits, withdrawals, or other transactions
3 in connection with the savings promotion raffle;

4 “(C) transmission of any information relat-
5 ing to the savings promotion raffle, including
6 account balance and transaction information;
7 and

8 “(D) deposit or transmission of prizes
9 awarded in the savings promotion raffle as well
10 as notification or publication thereof.

11 “(b) DEFINITIONS.—In this section—

12 “(1) the term ‘insured credit union’ shall have
13 the meaning given the term in section 101 of the
14 Federal Credit Union Act (12 U.S.C. 1752);

15 “(2) the term ‘insured depository institution’
16 shall have the meaning given the term in section 3
17 of the Federal Deposit Insurance Act (12 U.S.C.
18 1813); and

19 “(3) the term ‘savings promotion raffle’ means
20 a contest in which the sole consideration required for
21 a chance of winning designated prizes is obtained by
22 the deposit of a specified amount of money in a sav-
23 ings account or other savings program, where each
24 ticket or entry has an equal chance of being drawn,
25 such contest being subject to regulations that may

1 from time to time be promulgated by the appropriate
2 prudential regulator (as defined in section 1002 of
3 the Consumer Financial Protection Act of 2010 (12
4 U.S.C. 5481)).”.

5 (b) **TECHNICAL AND CONFORMING AMENDMENT.**—
6 The table of sections for chapter 61 of title 18, United
7 States Code, is amended by adding after the item relating
8 to section 1307 the following:

“1308. Limitation of applicability.”.

9 **SEC. 5. RACKETEERING.**

10 Chapter 95 of title 18, United States Code, is amend-
11 ed—

12 (1) in section 1952, by adding at the end the
13 following:

14 “(e)(1) This section shall not apply to a savings pro-
15 motion raffle conducted by an insured depository institu-
16 tion or an insured credit union.

17 “(2) In this subsection—

18 “(A) the term ‘insured credit union’ shall have
19 the meaning given the term in section 101 of the
20 Federal Credit Union Act (12 U.S.C. 1752);

21 “(B) the term ‘insured depository institution’
22 shall have the meaning given the term in section 3
23 of the Federal Deposit Insurance Act (12 U.S.C.
24 1813); and

1 “(C) the term ‘savings promotion raffle’ means
2 a contest in which the sole consideration required for
3 a chance of winning designated prizes is obtained by
4 the deposit of a specified amount of money in a sav-
5 ings account or other savings program, where each
6 ticket or entry has an equal chance of being drawn,
7 such contest being subject to regulations that may
8 from time to time be promulgated by the appropriate
9 prudential regulator (as defined in section 1002 of
10 the Consumer Financial Protection Act of 2010 (12
11 U.S.C. 5481)).”;

12 (2) in section 1953—

13 (A) in subsection (b), by striking “or (5)”
14 and inserting “(5) equipment, tickets, or mate-
15 rials used or designed for use in a savings pro-
16 motion raffle operated by an insured depository
17 institution or an insured credit union, or (6)”;
18 and

19 (B) by striking subsections (d) and (e) and
20 inserting the following:

21 “(d) For purposes of this section—

22 “(1) the term ‘foreign country’ means any em-
23 pire, country, dominion, colony, or protectorate, or
24 any subdivision thereof (other than the United
25 States, its territories or possessions);

1 “(2) the term ‘insured credit union’ shall have
2 the meaning given the term in section 101 of the
3 Federal Credit Union Act (12 U.S.C. 1752);

4 “(3) the term ‘insured depository institution’
5 shall have the meaning given the term in section 3
6 of the Federal Deposit Insurance Act (12 U.S.C.
7 1813);

8 “(4) the term ‘lottery’—

9 “(A) means the pooling of proceeds derived
10 from the sale of tickets or chances and allotting
11 those proceeds or parts thereof by chance to
12 one or more chance takers or ticket purchasers;
13 and

14 “(B) does not include the placing or ac-
15 cepting of bets or wagers on sporting events or
16 contests;

17 “(5) the term ‘savings promotion raffle’ means
18 a contest in which the sole consideration required for
19 a chance of winning designated prizes is obtained by
20 the deposit of a specified amount of money in a sav-
21 ings account or other savings program, where each
22 ticket or entry has an equal chance of being drawn,
23 such contest being subject to regulations that may
24 from time to time be promulgated by the appropriate
25 prudential regulator (as defined in section 1002 of

1 the Consumer Financial Protection Act of 2010 (12
2 U.S.C. 5481)); and

3 “(6) the term ‘State’ means a State of the
4 United States, the District of Columbia, the Com-
5 monwealth of Puerto Rico, or any territory or pos-
6 session of the United States.”; and

7 (3) in section 1955—

8 (A) in subsection (b)—

9 (i) by redesignating paragraph (2) as
10 paragraph (4);

11 (ii) by redesignating paragraph (3) as
12 paragraph (6);

13 (iii) by inserting after paragraph (1)
14 the following:

15 “(2) ‘insured credit union’ shall have the mean-
16 ing given the term in section 101 of the Federal
17 Credit Union Act (12 U.S.C. 1752).

18 “(3) ‘insured depository institution’ shall have
19 the meaning given the term in section 3 of the Fed-
20 eral Deposit Insurance Act (12 U.S.C. 1813).”; and

21 (iv) by inserting after paragraph (4),
22 as redesignated, the following:

23 “(5) ‘savings promotion raffle’ means a contest
24 in which the sole consideration required for a chance
25 of winning designated prizes is obtained by the de-

1 posit of a specified amount of money in a savings ac-
2 count or other savings program, where each ticket or
3 entry has an equal chance of being drawn, such con-
4 test being subject to regulations that may from time
5 to time be promulgated by the appropriate pruden-
6 tial regulator (as defined in section 1002 of the Con-
7 sumer Financial Protection Act of 2010 (12 U.S.C.
8 5481)).”; and

9 (B) in subsection (e)—

10 (i) by striking “shall not apply to any
11 bingo” and inserting the following: “shall
12 not apply to—

13 “(1) any bingo”;

14 (ii) by striking the period and insert-
15 ing “; or”; and

16 (iii) by adding at the end the fol-
17 lowing:

18 “(2) any savings promotion raffle.”.