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I N   A S S E M B L Y

March 10, 2014

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Introduced by M. of A. ROBINSON, RAIA, WEPRIN, MOSLEY, MAGEE, PERRY,  
FAHY, RODRIGUEZ -- Multi-Sponsored by -- M. of A. ABBATE, KELLNER,  
MILLER, ROSA, RYAN -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to authorizing financial  
institutions to conduct savings promotion prize giveaways

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEM-  
BLY, DO ENACT AS FOLLOWS:

1     Section 1. The banking law is amended by adding a new section 9-v to  
2     read as follows:

3     S 9-V. SAVINGS PROMOTION PRIZE GIVEAWAY. A BANKING ORGANIZATION  
4     ORGANIZED UNDER OR SUBJECT TO THE PROVISIONS OF THIS CHAPTER, FEDERAL  
5     CREDIT UNION, FEDERAL SAVINGS BANK, FEDERAL SAVINGS AND LOAN ASSOCI-  
6     ATION, OR NATIONAL BANK ASSOCIATION MAY CONDUCT A SAVINGS PROMOTION IN  
7     ACCORDANCE WITH THE PROVISIONS OF THIS SECTION, TO THE EXTENT IT IS NOT  
8     PROHIBITED BY FEDERAL LAW OR REGULATION.

9     1. DEFINITIONS. AS USED IN THIS SECTION THE FOLLOWING TERMS SHALL HAVE  
10    THE FOLLOWING MEANINGS:

11    A. THE TERM "SAVINGS PROMOTION" MEANS A CONTEST OR PROMOTION SPONSORED  
12    BY A BANKING ORGANIZATION, FEDERAL CREDIT UNION, FEDERAL SAVINGS BANK,  
13    FEDERAL SAVINGS AND LOAN ASSOCIATION, OR NATIONAL BANK ASSOCIATION IN  
14    WHICH A CHANCE OF WINNING DESIGNATED PRIZES IS OBTAINED BY ITS DEPOS-  
15    ITORS FOR THE PURPOSES OF ENCOURAGING DEPOSITORS TO BUILD AND MAINTAIN  
16    SAVINGS DEPOSITS.

17    B. THE TERM "QUALIFYING ACCOUNT" MEANS A SAVINGS ACCOUNT, SHARE  
18    ACCOUNT, SHARE CERTIFICATE, OR OTHER SAVINGS PRODUCT OR PROGRAM OFFERED  
19    BY A BANKING ORGANIZATION, FEDERAL CREDIT UNION, FEDERAL SAVINGS BANK,  
20    FEDERAL SAVINGS AND LOAN ASSOCIATION, OR NATIONAL BANK ASSOCIATION  
21    THROUGH WHICH DEPOSITORS MAY OBTAIN CHANCES TO WIN PRIZES IN A SAVINGS  
22    PROMOTION.

23    C. THE TERM "NON-QUALIFYING ACCOUNT" MEANS A SAVINGS ACCOUNT, SHARE  
24    ACCOUNT, CERTIFICATE OF DEPOSIT, OR OTHER SAVINGS PRODUCT OR PROGRAM  
25    OFFERED BY A BANKING ORGANIZATION, FEDERAL CREDIT UNION, FEDERAL SAVINGS  
26    BANK, FEDERAL SAVINGS AND LOAN ASSOCIATION, OR NATIONAL BANK ASSOCIATION  
27    THAT IS NOT A QUALIFYING ACCOUNT.

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets  
[ ] is old law to be omitted.

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1 2. RULES OF OPERATION. A. PARTICIPANTS IN A SAVINGS PROMOTION SHALL  
2 NOT BE REQUIRED TO PROVIDE ANY CONSIDERATION IN ORDER TO OBTAIN ENTRIES  
3 TO WIN. FOR PURPOSES OF THIS PARAGRAPH, PARTICIPANTS SHALL NOT BE DEEMED  
4 TO HAVE PROVIDED CONSIDERATION DUE TO THE REQUIREMENT THAT THEY DEPOSIT  
5 MONEY IN A QUALIFYING ACCOUNT TO OBTAIN ENTRIES TO WIN, SO LONG AS: (I)  
6 THE INTEREST RATE ASSOCIATED WITH ANY SUCH QUALIFYING ACCOUNT IS NOT  
7 EXPRESSLY REDUCED TO ACCOUNT FOR THE POSSIBILITY OF DEPOSITORS WINNING  
8 SPECIFIED PRIZES; AND (II) NO BANKING ORGANIZATION, FEDERAL CREDIT  
9 UNION, FEDERAL SAVINGS BANK, FEDERAL SAVINGS AND LOAN ASSOCIATION, OR  
10 NATIONAL BANK ASSOCIATION MAY CHARGE A FEE FOR ENTRY. FEES CHARGED IN  
11 CONNECTION WITH SUCH QUALIFYING ACCOUNT SHALL BE COMPARABLE WITH  
12 NON-QUALIFYING ACCOUNTS, IF ANY, OFFERED BY THE BANKING ORGANIZATION,  
13 FEDERAL CREDIT UNION, FEDERAL SAVINGS BANK, FEDERAL SAVINGS AND LOAN  
14 ASSOCIATION, OR NATIONAL BANK ASSOCIATION.

15 B. A SAVINGS PROMOTION SHALL BE CONDUCTED SUCH THAT EACH ENTRY IN THE  
16 SAVINGS PROMOTION HAS AN EQUAL CHANCE OF BEING DRAWN.

17 C. PARTICIPANTS IN A SAVINGS PROMOTION SHALL NOT BE REQUIRED TO BE  
18 PRESENT AT A PRIZE DRAWING IN ORDER TO WIN.

19 D. THE OFFERING OF A SAVINGS PROMOTION SHALL BE SUBJECT TO SECTION  
20 THREE HUNDRED SIXTY-NINE-E OF THE GENERAL BUSINESS LAW IN THE SAME  
21 MANNER AS OTHER PROMOTIONS REGULATED THEREUNDER. FOR PURPOSES OF THE  
22 GENERAL BUSINESS LAW AND THE PENAL LAW, A SAVINGS PROMOTION OFFERED IN  
23 ACCORDANCE WITH THIS CHAPTER SHALL NOT BE DEEMED TO ENTAIL CONSIDERATION  
24 OR THE PROMOTION OF GAMBLING OR A LOTTERY.

25 S 2. Section 96 of the banking law is amended by adding a new subdivi-  
26 sion 15 to read as follows:

27 15. TO ENGAGE IN A "SAVINGS PROMOTION" IN ACCORDANCE WITH SECTION  
28 NINE-V OF THIS CHAPTER AND SUBJECT TO ANY REGULATIONS PROMULGATED BY THE  
29 SUPERINTENDENT.

30 S 3. Section 234 of the banking law is amended by adding a new subdi-  
31 vision 26 to read as follows:

32 26. TO ENGAGE IN A "SAVINGS PROMOTION" IN ACCORDANCE WITH SECTION  
33 NINE-V OF THIS CHAPTER AND SUBJECT TO ANY REGULATIONS PROMULGATED BY THE  
34 SUPERINTENDENT.

35 S 4. Section 383 of the banking law is amended by adding a new subdi-  
36 vision 17 to read as follows:

37 17. TO ENGAGE IN A "SAVINGS PROMOTION" IN ACCORDANCE WITH SECTION  
38 NINE-V OF THIS CHAPTER AND SUBJECT TO ANY REGULATIONS PROMULGATED BY THE  
39 SUPERINTENDENT.

40 S 5. Section 454 of the banking law is amended by adding a new subdi-  
41 vision 37 to read as follows:

42 37. TO ENGAGE IN A "SAVINGS PROMOTION" IN ACCORDANCE WITH SECTION  
43 NINE-V OF THIS CHAPTER AND SUBJECT TO ANY REGULATIONS PROMULGATED BY THE  
44 SUPERINTENDENT.

45 S 6. This act shall take effect on the one hundred eightieth day after  
46 it shall have become a law.