

7341

2013-2014 Regular Sessions

I N   A S S E M B L Y

May 13, 2013

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Introduced by M. of A. ROBINSON, RAIA -- read once and referred to the  
Committee on Banks

AN ACT to amend the banking law, in relation to authorizing credit  
unions 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 MAY CONDUCT  
5     A SAVINGS PROMOTION IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION,  
6     TO THE EXTENT IT IS NOT PROHIBITED BY FEDERAL LAW OR REGULATION.

7     1. DEFINITIONS. AS USED IN THIS SECTION THE FOLLOWING TERMS SHALL HAVE  
8     THE FOLLOWING MEANINGS:

9     A. THE TERM "SAVINGS PROMOTION" MEANS A CONTEST OR PROMOTION SPONSORED  
10     BY A BANKING ORGANIZATION IN WHICH A CHANCE OF WINNING DESIGNATED PRIZES  
11     IS OBTAINED BY THE DEPOSIT OF A SPECIFIED AMOUNT OF MONEY IN A SAVINGS  
12     ACCOUNT, SHARE ACCOUNT, SHARE CERTIFICATE, OR OTHER SAVINGS PRODUCT OR  
13     PROGRAM.

14     B. THE TERM "QUALIFYING ACCOUNT" MEANS A SAVINGS ACCOUNT, SHARE  
15     ACCOUNT, SHARE CERTIFICATE, OR OTHER SAVINGS PRODUCT OR PROGRAM OFFERED  
16     BY A BANKING ORGANIZATION THROUGH WHICH DEPOSITORS MAY OBTAIN CHANCES TO  
17     WIN PRIZES IN A SAVINGS PROMOTION BY DEPOSITING SPECIFIED SUMS OF MONEY.

18     C. THE TERM "NON-QUALIFYING ACCOUNT" MEANS A SAVINGS ACCOUNT, SHARE  
19     ACCOUNT, CERTIFICATE OF DEPOSIT, OR OTHER SAVINGS PRODUCT OR PROGRAM  
20     OFFERED BY A BANKING ORGANIZATION THAT IS NOT A QUALIFYING ACCOUNT.

21     2. RULES OF OPERATION. A. PARTICIPANTS IN A SAVINGS PROMOTION SHALL  
22     NOT BE REQUIRED TO PROVIDE ANY CONSIDERATION IN ORDER TO OBTAIN ENTRIES  
23     TO WIN. FOR PURPOSES OF THIS PARAGRAPH, PARTICIPANTS SHALL NOT BE DEEMED  
24     TO HAVE PROVIDED CONSIDERATION DUE TO THE REQUIREMENT THAT THEY DEPOSIT  
25     MONEY IN A QUALIFYING ACCOUNT TO OBTAIN ENTRIES TO WIN, SO LONG AS: (I)

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

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1 THE INTEREST RATE ASSOCIATED WITH ANY SUCH QUALIFYING ACCOUNT IS NOT  
2 EXPRESSLY REDUCED TO ACCOUNT FOR THE POSSIBILITY OF DEPOSITORS WINNING  
3 SPECIFIED PRIZES; AND (II) ANY FEES CHARGED IN CONNECTION WITH SUCH  
4 QUALIFYING ACCOUNT ARE APPROXIMATELY OF A KIND AND APPROXIMATELY IN AN  
5 AMOUNT CHARGED IN CONNECTION WITH COMPARABLE NON-QUALIFYING ACCOUNTS, IF  
6 ANY, OFFERED BY THE BANKING ORGANIZATION.

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

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

11 D. THE OFFERING OF A SAVINGS PROMOTION SHALL BE SUBJECT TO SECTION  
12 THREE HUNDRED SIXTY-NINE-E OF THE GENERAL BUSINESS LAW IN THE SAME  
13 MANNER AS OTHER PROMOTIONS REGULATED THEREUNDER. FOR PURPOSES OF THE  
14 GENERAL BUSINESS LAW AND THE PENAL LAW, A SAVINGS PROMOTION OFFERED IN  
15 ACCORDANCE WITH THIS CHAPTER SHALL NOT BE DEEMED TO ENTAIL CONSIDERATION  
16 OR THE PROMOTION OF GAMBLING OR A LOTTERY.

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

19 15. TO ENGAGE IN A "SAVINGS PROMOTION RAFFLE" IN ACCORDANCE WITH  
20 SECTION NINE-V OF THIS CHAPTER.

21 S 3. Section 234 of the banking law is amended by adding a new subdivi-  
22 sion 26 to read as follows:

23 26. TO ENGAGE IN A "SAVINGS PROMOTION RAFFLE" IN ACCORDANCE WITH  
24 SECTION NINE-V OF THIS CHAPTER.

25 S 4. Section 383 of the banking law is amended by adding a new subdivi-  
26 sion 17 to read as follows:

27 17. TO ENGAGE IN A "SAVINGS PROMOTION RAFFLE" IN ACCORDANCE WITH  
28 SECTION NINE-V OF THIS CHAPTER.

29 S 5. Section 454 of the banking law is amended by adding a new subdivi-  
30 sion 37 to read as follows:

31 37. TO ENGAGE IN A "SAVINGS PROMOTION RAFFLE" IN ACCORDANCE WITH  
32 SECTION NINE-V OF THIS CHAPTER.

33 S 6. This act shall take effect immediately.