

Department of Legislative Services
Maryland General Assembly
2019 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 579

(Delegate Stewart, *et al.*)

Ways and Means

Workgroup to Study Prize-Linked Savings Accounts

This bill establishes a Workgroup to Study Prize-Linked Savings Accounts, staffed by the Department of Economics at the University of Maryland, College Park Campus (UMCP). The workgroup must consider specified items, including past research on prize-linked savings account programs. The workgroup must examine whether and how Maryland should create a prize-linked savings account program administered by the State Lottery and Gaming Control Agency (SLGCA). The workgroup must assess whether and how specified institutions should bid on the deposits obtained by SLGCA as part of the program and review existing State policies and definitions and determine revisions to facilitate the creation of a prize-linked savings account program administered by SLGCA. **The bill takes effect July 1, 2019, and terminates June 30, 2020.**

Fiscal Summary

State Effect: UMCP can staff the workgroup with existing budgeted resources. Any expense reimbursements for workgroup members are presumed to be minimal and absorbable within existing budgeted resources. No effect on revenues.

Local Effect: None.

Small Business Effect: None.

Analysis

Bill Summary: The workgroup may hold public meetings across the State to conduct its duties and invite nationwide experts to testify about prize-linked savings accounts. A member of the workgroup may not receive compensation but is entitled to reimbursement

for expenses under the standard State travel regulations, as provided in the State budget. The bill specifies the membership of the workgroup and requires it to report its findings and recommendations, including legislative proposals, to the Governor and the General Assembly by December 31, 2019.

Current Law: A depository institution may conduct a savings promotion raffle for the exclusive benefit of eligible customers if (1) the depository institution maintains books and records relating to the savings promotion raffle and (2) the raffle does not harm the depository institution's ability to operate in a safe and sound manner or mislead the depository institution's customers. Except as preempted by federal law, the Commissioner of Financial Regulation may examine the conduct of a savings promotion raffle and issue a cease and desist order for a violation.

Additional Information

Prior Introductions: None.

Cross File: SB 351 (Senators Rosapepe and Klausmeier) - Budget and Taxation.

Information Source(s): University System of Maryland; Department of Labor, Licensing, and Regulation; Maryland State Lottery and Gaming Control Agency; Department of Legislative Services

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