

BY: Finance Committee

AMENDMENTS TO HOUSE BILL 990

(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 2, after “Unions” insert “and Depository Institutions”; in line 6, after “union;” insert “authorizing a depository institution to conduct a savings promotion raffle for the exclusive benefit of eligible customers of the depository institution;”; in line 7, after “union” insert “and a depository institution”; in line 8, strike “a” and substitute “certain”; in the same line, strike “raffle” and substitute “raffles”; in line 10, after “union” insert “and a certain depository institution”; in line 12, after “terms;” insert “making this Act subject to a certain contingency; requiring the Commissioner to monitor certain federal action and give certain notice to the Department of Legislative Services at a certain time; providing for the termination of this Act under certain circumstances;”; and in lines 12 and 13, strike “credit unions and”.

On page 2, in line 3, after “Section” insert “1-211 and”.

AMENDMENT NO. 2

On page 2, in line 21, after “ARTICLE” insert “OR BY A DEPOSITORY INSTITUTION UNDER § 1-211 OF THE FINANCIAL INSTITUTIONS ARTICLE”.

On page 5, in line 23, after “(C)” insert “(1)”; after line 26, insert:

“(2) NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A DEPOSITORY INSTITUTION, AS DEFINED IN § 1-211 OF THE FINANCIAL INSTITUTIONS ARTICLE, MAY CONDUCT A SAVINGS PROMOTION RAFFLE UNDER § 1-211 OF THE FINANCIAL INSTITUTIONS ARTICLE.”;

and after line 27, insert:

(Over)

“1-211.

(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2) “DEPOSITORY INSTITUTION” MEANS ANY STATE-CHARTERED OR FEDERALLY CHARTERED FINANCIAL INSTITUTION, OTHER-STATE BANK, OR FOREIGN BANK THAT:

(I) IS LOCATED IN THIS STATE OR MAINTAINS A BRANCH IN THIS STATE; AND

(II) IS AUTHORIZED TO MAINTAIN QUALIFYING DEPOSIT ACCOUNTS.

(3) “ELIGIBLE CUSTOMER” MEANS AN INDIVIDUAL CUSTOMER OF A DEPOSITORY INSTITUTION WHO:

(I) MAINTAINS A QUALIFYING DEPOSIT ACCOUNT AT A DEPOSITORY INSTITUTION PARTICIPATING IN A SAVINGS PROMOTION RAFFLE;

(II) IS AN ADULT; AND

(III) IS A RESIDENT OF THIS STATE.

(4) “QUALIFYING DEPOSIT ACCOUNT” MEANS A SAVINGS ACCOUNT, SAVINGS PROGRAM, OR OTHER TIME DEPOSIT OFFERED TO AN ELIGIBLE CUSTOMER FOR A SAVINGS PROMOTION RAFFLE.

(5) “SAVINGS PROMOTION RAFFLE” MEANS A PRIZE-LINKED SAVINGS PRODUCT OFFERED BY A PARTICIPATING DEPOSITORY INSTITUTION TO AN ELIGIBLE CUSTOMER.

(B) (1) A DEPOSITORY INSTITUTION MAY CONDUCT A SAVINGS PROMOTION RAFFLE FOR THE EXCLUSIVE BENEFIT OF ELIGIBLE CUSTOMERS IF:

(I) THE SOLE CONSIDERATION REQUIRED FOR A CHANCE TO WIN A SPECIFIED PRIZE IS THE DEPOSIT OF A MINIMUM SPECIFIED AMOUNT OF MONEY IN A QUALIFYING DEPOSIT ACCOUNT;

(II) EACH TICKET OR ENTRY IN THE SAVINGS PROMOTION RAFFLE HAS AN EQUAL CHANCE OF BEING DRAWN;

(III) THE DEPOSITORY INSTITUTION MAINTAINS BOOKS AND RECORDS RELATING TO THE SAVINGS PROMOTION RAFFLE; AND

(IV) THE SAVINGS PROMOTION RAFFLE WILL NOT:

1. HARM THE DEPOSITORY INSTITUTION’S ABILITY TO OPERATE IN A SAFE AND SOUND MANNER; OR

2. MISLEAD THE DEPOSITORY INSTITUTION’S CUSTOMERS.

(2) IN ADDITION TO THE REQUIREMENTS UNDER PARAGRAPH (1) OF THIS SUBSECTION, A SAVINGS PROMOTION RAFFLE CONDUCTED BY A BANKING INSTITUTION MUST BE APPROVED BY THE COMMISSIONER.

(Over)

(C) EXCEPT AS PREEMPTED BY FEDERAL LAW, THE COMMISSIONER MAY:

(1) EXAMINE THE CONDUCT OF A SAVINGS PROMOTION RAFFLE;
AND

(2) ISSUE A CEASE AND DESIST ORDER UNDER § 5-808 OF THIS ARTICLE FOR A VIOLATION OF THIS SECTION.”.

On page 7, after line 2, insert:

“SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect October 1, 2010, contingent on depository institutions that are subject to regulation by the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the Federal Deposit Insurance Corporation, or the Federal Reserve Board being allowed to provide prize-linked savings products such as a savings promotion raffle authorized by this Act. The Commissioner of Financial Regulation shall monitor federal regulatory and legislative action relating to the authorization of depository institutions to provide prize-linked savings products such as savings promotion raffles, and shall notify the Department of Legislative Services within 30 days after learning that federal action has been taken to allow depository institutions to provide prize-linked products such as a savings promotion raffle authorized by this Act. If notice from the Commissioner is not received by the Department on or before October 1, 2014, this Act shall be null and void without the necessity of further action by the General Assembly.”;

in line 3, strike “2.” and substitute “3.”; and in the same line, after “That” insert “, subject to Section 2 of this Act.”.