

MAINE STATE LEGISLATURE

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REPORT "A"

L.D. 1673

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INSURANCE AND FINANCIAL SERVICES

Reproduced and distributed under the direction of the Secretary of the Senate.

STATE OF MAINE

SENATE

124TH LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 645, L.D. 1673, Bill, "An Act To Allow a Maine-chartered Financial Institution To Conduct a Savings Promotion Raffle"

Amend the bill by striking out everything after the enacting clause and before the summary and inserting the following:

'Sec. 1. 17 MRSA §1831, sub-§5, as enacted by PL 2009, c. 487, Pt. A, §2, is amended to read:

5. Game of chance. "Game of chance" means a game, contest, scheme or device in which:

A. A person stakes or risks something of value for the opportunity to win something of value;

B. The rules of operation or play require an event the result of which is determined by chance, outside the control of the contestant or participant; and

C. Chance enters as an element that influences the outcome in a manner that cannot be eliminated through the application of skill.

For the purposes of this subsection, "an event the result of which is determined by chance" includes but is not limited to a shuffle of a deck of cards, a roll of a die or dice or a random drawing or generation of an object that may include, but is not limited to, a card, a die, a number or simulations of any of these. A shuffle of a deck of cards, a roll of a die, a random drawing or generation of an object or some other event the result of which is determined by chance that is employed to determine impartially the initial order of play in a game, contest, scheme or device does not alone make a game, contest, scheme or device a game of chance. For purposes of this chapter, beano and bingo and a savings promotion raffle are not games of chance.

Sec. 2. 17 MRSA §1831, sub-§13, as enacted by PL 2009, c. 487, Pt. A, §2, is amended to read:

13. Raffle. "Raffle" means a game of chance in which:

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- 1 A. A person pays or agrees to pay something of value for a chance, represented and
- 2 differentiated by a number, to win a prize;
- 3 B. One or more of the chances is to be designated the winning chance; and
- 4 C. The winning chance is to be determined as a result of a drawing from a container
- 5 holding numbers representative of all chances sold.

6 "Raffle" does not include a savings promotion raffle.

7 **Sec. 3. 17 MRSA §1831, sub-§14-A** is enacted to read:

8 **14-A. Savings promotion raffle.** "Savings promotion raffle" means a promotion
9 offered by a financial institution as defined in Title 9-B, section 131, subsection 17 or
10 credit union as defined in Title 9-B, section 131, subsection 12 in which the sole
11 consideration required for a chance of winning the designated prize in the raffle is the
12 deposit of at least a specified amount of money into a savings account or other savings
13 program and in which:

14 A. The savings account or other savings program provides interest at a comparable
15 rate to other savings accounts or savings programs offered by that financial institution
16 or credit union, with the interest accruing for the benefit of the account holder, and
17 allows the account holder access to deposited money;

18 B. The total of the designated prizes for each raffle does not exceed \$1,000 or the
19 fair market value of \$1,000 in cases when an item or items of merchandise are the
20 designated prizes;

21 C. The promotion is offered no more than 2 times per year; and

22 D. The terms and conditions of the promotion are disclosed to account holders and
23 prospective account holders of the financial institution or credit union.

24 Notwithstanding section 343, the Department of Professional and Financial Regulation,
25 Bureau of Financial Institutions shall adopt rules no later than February 1, 2011 to further
26 define a savings promotion raffle in accordance with this subsection. Rules adopted
27 pursuant to this subsection are major substantive rules as defined in Title 5, chapter 375,
28 subchapter 2-A.

29 **Sec. 4. Report.** As part of the report required by the Maine Revised Statutes, Title
30 9-B, section 217 to be submitted to the Legislature on or before January 15, 2012, the
31 Superintendent of Financial Institutions shall include information related to the savings
32 promotion raffle activities of financial institutions and credit unions. The Superintendent
33 of Financial Institutions shall include a recommendation to the joint standing committee
34 of the Legislature having jurisdiction over insurance and financial services matters on
35 whether the existing law should be amended to authorize a federally chartered financial
36 institution or credit union to conduct a savings promotion raffle.'

37 **SUMMARY**

38 This amendment is the majority report of the committee and replaces the bill. The
39 amendment amends the definition of "game of chance" and "raffle" to exclude a savings
40 promotion raffle conducted by a state-chartered financial institution or credit union. The

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1 amendment defines "savings promotion raffle" as a promotion in which the sole
2 consideration for winning is the deposit of a certain amount of money in a savings
3 account or other savings program. The amendment requires that the savings account or
4 other savings program provide interest at comparable rates to the account holder and
5 allow an account holder access to the savings. The amendment limits a financial
6 institution or credit union to 2 savings promotion raffles per year and caps the total
7 amount of designated prizes per promotion at \$1,000.

8 The amendment also requires the Department of Professional and Financial
9 Regulation, Bureau of Financial Institutions to adopt rules to further define "savings
10 promotion raffle" no later than February 1, 2011 and makes those rules subject to
11 legislative review before final adoption. In addition, the Superintendent of Financial
12 Institutions shall include information on the activities of financial institutions and credit
13 unions related to savings promotion raffles and recommend whether federally chartered
14 financial institutions and credit unions should be authorized to conduct a savings
15 promotion raffle in the annual report to the Legislature submitted on or before January
16 15, 2012.

17 **FISCAL NOTE REQUIRED**

18 (See attached)



124th MAINE LEGISLATURE

LD 1673

LR 2489(02)

An Act To Allow a Maine-chartered Financial Institution To Conduct a Savings Promotion Raffle

Fiscal Note for Bill as Amended by Committee Amendment "A"
Committee: Insurance and Financial Services
Fiscal Note Required: Yes

Fiscal Note

Minor cost increase - Other Special Revenue Funds

Fiscal Detail and Notes

Additional costs to the Bureau of Financial Institutions in the Department of Professional and Financial Regulation are expected to be minor and can be absorbed utilizing existing budgeted resources.