



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-2774/1
ARG&SWB:emw&ahe

2017 ASSEMBLY BILL 283

April 24, 2017 - Introduced by Representatives STAFSHOLT, FIELDS, BALLWEG, R. BROOKS, CROWLEY, GENRICH, HORLACHER, KOOYENGA, KREMER, KRUG, MACCO, MURPHY, NOVAK, PETRYK, ROHRKASTE, SANFELIPPO, SKOWRONSKI, SPREITZER, THIESFELDT, TUSLER and VRUWINK, cosponsored by Senators KAPENGA, L. TAYLOR, CRAIG, FEYEN, LASEE, MARKLEIN, NASS, STROEBEL, TESTIN and WIRCH. Referred to Committee on Financial Institutions.

1 **AN ACT to amend** 186.118 (1), 563.03 (12r) and 945.01 (5) (am); and **to create**
2 186.114, 214.595, 215.137, 221.0329, 945.01 (1) (g) and 945.01 (5) (b) 2. i. of the
3 statutes; **relating to:** authorizing financial institutions to conduct savings
4 promotion prize programs.

Analysis by the Legislative Reference Bureau

This bill allows banks, credit unions, savings banks, and savings and loan associations organized under this state's law (state-chartered financial institutions) to conduct or participate in savings promotion programs. A "savings promotion" is a contest or promotion to encourage savings deposits that is sponsored by one or more state-chartered financial institutions of the same type, or by a financial institution trade association or its subsidiary in conjunction with one or more state-chartered financial institutions of the same type, and in which depositors are offered a chance to win designated prizes. A "qualifying account" is a savings account (in the broad sense, including money market and certificate of deposit accounts) through which depositors may obtain chances to win prizes in a savings promotion, and a "nonqualifying account" is a savings account that is not a qualifying account. A state-chartered financial institution may sponsor or participate in a savings promotion if 1) depositors are not required to pay any fee or otherwise provide any consideration in order to enter the savings promotion; 2) all fees charged in connection with a qualifying account are comparable with all fees charged in connection with comparable nonqualifying accounts; 3) each entry in the savings

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promotion has an equal chance of winning; and 4) participants in the savings promotion are not required to be present at a prize drawing in order to win.

The bill specifies that a savings promotion program is not betting, a lottery, or a raffle. The bill also specifies that a program sponsored by a federally chartered financial institution, or in which a federally chartered financial institution participates, that meets all requirements for a savings promotion program is not betting, a lottery, or a raffle. Under current law, making a bet; receiving, recording, or forwarding a bet or offer to bet for gain; conducting a lottery; or engaging in other gambling activities is illegal.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 186.114 of the statutes is created to read:

2 **186.114 Savings promotion prize programs. (1)** In this section:

3 (a) "Member" means any person holding an account authorized under s.
4 186.113.

5 (b) "Nonqualifying account" means a deposit account that is not a qualifying
6 account.

7 (c) "Qualifying account" means a deposit account through which a credit
8 union's members may obtain chances to win prizes in a savings promotion.

9 (d) "Savings promotion" means a contest or promotion to encourage savings
10 deposits that is sponsored by one or more credit unions, or by a credit union trade
11 association or its subsidiary in conjunction with one or more credit unions, and in
12 which credit union members are offered a chance to win designated prizes.

13 **(2)** A credit union may sponsor, or participate in, a savings promotion if all of
14 the following requirements are satisfied:

15 (a) Credit union members are not required to pay any fee or otherwise provide
16 any consideration in order to enter the savings promotion.

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1 (b) All fees charged by a credit union in connection with a qualifying account
2 are comparable with all fees charged in connection with comparable nonqualifying
3 accounts offered by the credit union.

4 (c) Each entry in the savings promotion has an equal chance of winning.

5 (d) Participants in the savings promotion are not required to be present at a
6 prize drawing in order to win.

7 **(3)** For purposes of sub. (2) (a), a member's deposit of at least a specified amount
8 of money for at least a specified time in a qualifying account, which is required in
9 order to enter the savings promotion, is not consideration if the interest rate
10 associated with the qualifying account is not reduced, as compared to comparable
11 nonqualifying accounts offered by the credit union, to account for the possibility of
12 winning a prize.

13 **SECTION 2.** 186.118 (1) of the statutes is amended to read:

14 186.118 (1) In addition to any activity or power authorized under ss. 186.098,
15 186.11, 186.113, 186.114, 186.115, and 186.235 (21), a credit union organized under
16 s. 186.02 may engage in any activity or exercise any power that is listed by the office
17 of credit unions under sub. (2) (a) or (3) (b) 1.

18 **SECTION 3.** 214.595 of the statutes is created to read:

19 **214.595 Savings promotion prize programs. (1)** In this section:

20 (a) "Nonqualifying account" means a deposit account, other than a demand
21 account, that is not a qualifying account.

22 (b) "Qualifying account" means a deposit account, other than a demand
23 account, through which a savings bank's depositors may obtain chances to win prizes
24 in a savings promotion.

ASSEMBLY BILL 283**SECTION 3**

1 (c) "Savings promotion" means a contest or promotion to encourage savings
2 deposits that is sponsored by one or more savings banks, or by a banking trade
3 association or its subsidiary in conjunction with one or more savings banks, and in
4 which savings bank depositors are offered a chance to win designated prizes.

5 (2) A savings bank may sponsor, or participate in, a savings promotion if all of
6 the following requirements are satisfied:

7 (a) Savings bank depositors are not required to pay any fee or otherwise provide
8 any consideration in order to enter the savings promotion.

9 (b) All fees charged by a savings bank in connection with a qualifying account
10 are comparable with all fees charged in connection with comparable nonqualifying
11 accounts offered by the savings bank.

12 (c) Each entry in the savings promotion has an equal chance of winning.

13 (d) Participants in the savings promotion are not required to be present at a
14 prize drawing in order to win.

15 (3) For purposes of sub. (2) (a), a depositor's deposit of at least a specified
16 amount of money for at least a specified time in a qualifying account, which is
17 required in order to enter the savings promotion, is not consideration if the interest
18 rate associated with the qualifying account is not reduced, as compared to
19 comparable nonqualifying accounts offered by the savings bank, to account for the
20 possibility of winning a prize.

21 **SECTION 4.** 215.137 of the statutes is created to read:

22 **215.137 Savings promotion prize programs.** (1) In this section:

23 (a) "Nonqualifying account" means a savings account that is not a qualifying
24 account.

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1 (b) "Qualifying account" means a savings account through which savers may
2 obtain chances to win prizes in a savings promotion.

3 (c) "Savings promotion" means a contest or promotion to encourage savings
4 deposits that is sponsored by one or more savings and loan associations, or by a
5 banking or thrift trade association or its subsidiary in conjunction with one or more
6 savings and loan associations, and in which savers are offered a chance to win
7 designated prizes.

8 (2) A savings and loan association may sponsor, or participate in, a savings
9 promotion if all of the following requirements are satisfied:

10 (a) Savers are not required to pay any fee or otherwise provide any
11 consideration in order to enter the savings promotion.

12 (b) All fees charged by a savings and loan association in connection with a
13 qualifying account are comparable with all fees charged in connection with
14 comparable nonqualifying accounts offered by the savings and loan association.

15 (c) Each entry in the savings promotion has an equal chance of winning.

16 (d) Participants in the savings promotion are not required to be present at a
17 prize drawing in order to win.

18 (3) For purposes of sub. (2) (a), a saver's deposit of at least a specified amount
19 of money for at least a specified time in a qualifying account, which is required in
20 order to enter the savings promotion, is not consideration if the interest rate
21 associated with the qualifying account is not reduced, as compared to comparable
22 nonqualifying accounts offered by the savings and loan association, to account for the
23 possibility of winning a prize.

24 **SECTION 5.** 221.0329 of the statutes is created to read:

25 **221.0329 Savings promotion prize programs.** (1) In this section:

ASSEMBLY BILL 283**SECTION 5**

1 (a) "Nonqualifying account" means a savings, time, or money market account
2 that is not a qualifying account.

3 (b) "Qualifying account" means a savings, time, or money market account
4 through which a bank's depositors may obtain chances to win prizes in a savings
5 promotion.

6 (c) "Savings promotion" means a contest or promotion to encourage savings
7 deposits that is sponsored by one or more banks, or by a banking trade association
8 or its subsidiary in conjunction with one or more banks, and in which bank depositors
9 are offered a chance to win designated prizes.

10 **(2)** A bank may sponsor, or participate in, a savings promotion if all of the
11 following requirements are satisfied:

12 (a) Bank depositors are not required to pay any fee or otherwise provide any
13 consideration in order to enter the savings promotion.

14 (b) All fees charged by a bank in connection with a qualifying account are
15 comparable with all fees charged in connection with comparable nonqualifying
16 accounts offered by the bank.

17 (c) Each entry in the savings promotion has an equal chance of winning.

18 (d) Participants in the savings promotion are not required to be present at a
19 prize drawing in order to win.

20 **(3)** For purposes of sub. (2) (a), a depositor's deposit of at least a specified
21 amount of money for at least a specified time in a qualifying account, which is
22 required in order to enter the savings promotion, is not consideration if the interest
23 rate associated with the qualifying account is not reduced, as compared to
24 comparable nonqualifying accounts offered by the bank, to account for the possibility
25 of winning a prize.

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1 **SECTION 6.** 563.03 (12r) of the statutes is amended to read:

2 563.03 **(12r)** “Raffle” means a game of chance for which tickets or calendars are
3 sold and one or more drawings for prizes are held, but does not include a savings
4 promotion program under s. 186.114, 214.595, 215.137, or 221.0329 or a program
5 sponsored by a federally chartered financial institution, or in which a federally
6 chartered financial institution participates, that meets all requirements for a
7 savings promotion program under s. 186.114, 214.595, 215.137, or 221.0329.

8 **SECTION 7.** 945.01 (1) (g) of the statutes is created to read:

9 945.01 **(1)** (g) Participation in a savings promotion program under s. 186.114,
10 214.595, 215.137, or 221.0329 or a program sponsored by a federally chartered
11 financial institution, or in which a federally chartered financial institution
12 participates, that meets all requirements for a savings promotion program under s.
13 186.114, 214.595, 215.137, or 221.0329, including an agreement under which a
14 person is given an opportunity to win a prize after depositing money in an account
15 at a credit union, savings bank, savings and loan association, bank, or federally
16 chartered financial institution.

17 **SECTION 8.** 945.01 (5) (am) of the statutes is amended to read:

18 945.01 **(5)** (am) “Lottery” does not include bingo or a raffle conducted under ch.
19 563, a savings promotion program under s. 186.114, 214.595, 215.137, or 221.0329
20 or a program sponsored by a federally chartered financial institution, or in which a
21 federally chartered financial institution participates, that meets all requirements
22 for a savings promotion program under s. 186.114, 214.595, 215.137, or 221.0329,
23 pari-mutuel wagering conducted under ch. 562 or the state lottery or any
24 multijurisdictional lottery conducted under ch. 565.

25 **SECTION 9.** 945.01 (5) (b) 2. i. of the statutes is created to read:

