AN ACT to amend 186.118 (1), 563.03 (12r) and 945.01 (5) (am); and to create 186.114, 214.595, 215.137, 221.0329, 945.01 (1) (g) and 945.01 (5) (b) 2. i. of the statutes; relating to: authorizing financial institutions to conduct savings 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 promotion is an independent chance to win and no purchase or contribution is required as a condition or prerequisite to entering.
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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:

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

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

(a) “Member” means any person holding an account authorized under s. 186.113.

(b) “Nonqualifying account” means a deposit account that is not a qualifying account.

(c) “Qualifying account” means a deposit account through which a credit union’s members may obtain chances to win prizes in a savings promotion.

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

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

(a) Credit union members are not required to pay any fee or otherwise provide any consideration in order to enter the savings promotion.
(b) All fees charged by a credit union in connection with a qualifying account are comparable with all fees charged in connection with comparable nonqualifying accounts offered by the credit union.

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

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

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

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

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

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

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

(a) “Nonqualifying account” means a deposit account, other than a demand account, that is not a qualifying account.

(b) “Qualifying account” means a deposit account, other than a demand account, through which a savings bank’s depositors may obtain chances to win prizes in a savings promotion.
(c) “Savings promotion” means a contest or promotion to encourage savings deposits that is sponsored by one or more savings banks, or by a banking trade association or its subsidiary in conjunction with one or more savings banks, and in which savings bank depositors are offered a chance to win designated prizes.

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

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

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

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

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

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

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

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

(a) “Nonqualifying account” means a savings account that is not a qualifying account.
(b) “Qualifying account” means a savings account through which savers may obtain chances to win prizes in a savings promotion.

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

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

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

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

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

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

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

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

221.0329 Savings promotion prize programs. (1) In this section:
(a) “Nonqualifying account” means a savings, time, or money market account that is not a qualifying account.

(b) “Qualifying account” means a savings, time, or money market account through which a bank’s depositors may obtain chances to win prizes in a savings promotion.

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

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

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

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

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

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

(3) For purposes of sub. (2) (a), a depositor’s deposit of at least a specified amount of money for at least a specified time in a qualifying account, which is required in order to enter the savings promotion, is not consideration if the interest rate associated with the qualifying account is not reduced, as compared to comparable nonqualifying accounts offered by the bank, to account for the possibility of winning a prize.
SECTION 6. 563.03 (12r) of the statutes is amended to read:

563.03 (12r) “Raffle” means a game of chance for which tickets or calendars are sold and one or more drawings for prizes are held, but does not include a savings promotion program under s. 186.114, 214.595, 215.137, or 221.0329 or 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 under s. 186.114, 214.595, 215.137, or 221.0329.

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

945.01 (1) (g) Participation in a savings promotion program under s. 186.114, 214.595, 215.137, or 221.0329 or 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 under s. 186.114, 214.595, 215.137, or 221.0329, including an agreement under which a person is given an opportunity to win a prize after depositing money in an account at a credit union, savings bank, savings and loan association, bank, or federally chartered financial institution.

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

945.01 (5) (am) “Lottery” does not include bingo or a raffle conducted under ch. 563, a savings promotion program under s. 186.114, 214.595, 215.137, or 221.0329 or 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 under s. 186.114, 214.595, 215.137, or 221.0329, pari-mutuel wagering conducted under ch. 562 or the state lottery or any multijurisdictional lottery conducted under ch. 565.

SECTION 9. 945.01 (5) (b) 2. i. of the statutes is created to read:
945.01 (5) (b) 2. i. A deposit of an amount of money in an account that results in an entry in a savings promotion program under s. 186.114, 214.595, 215.137, or 221.0329 or 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 under s. 186.114, 214.595, 215.137, or 221.0329.

(END)