

SAVINGS PROMOTION PROGRAMS

2019 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Lincoln Fillmore

House Sponsor: Tim Quinn

LONG TITLE

General Description:

This bill enacts provisions in the Financial Institutions Act related to savings promotion programs.

Highlighted Provisions:

This bill:

- ▶ defines terms;
- ▶ permits a depository institution to conduct a savings promotion program under certain conditions; and
- ▶ permits the Commissioner of Financial Institutions to make rules related to savings promotion programs.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

ENACTS:

7-1-619, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **7-1-619** is enacted to read:



28 7-1-619. Savings promotion programs.

29 (1) As used in this section:

30 (a) "Prize period" means a period of time, designated by a depository institution, during
31 which a qualifying account holder may submit an entry into the depository institution's savings
32 promotion program for a chance to win a prize designated as the prize for that period.

33 (b) "Qualifying account" means a savings account that qualifies the savings account
34 holder for an entry into the saving account's depository institution's savings promotion program
35 each time the holder of the savings account:

36 (i) deposits a minimum amount of money specified by the depository institution into
37 the savings account; and

38 (ii) leaves the minimum deposit in the savings account for no less than an amount of
39 time specified by the depository institution.

40 (c) "Qualifying account holder" means a person who holds a qualifying account.

41 (d) "Savings promotion program" means a contest:

42 (i) that a depository institution conducts to encourage savings deposits; and

43 (ii) in which a qualifying account holder is offered a chance to win a designated prize
44 for each entry submitted in association with the qualifying account holder's qualifying account.

45 (2) A depository institution may conduct a savings promotion program if:

46 (a) no qualifying account holder is required to:

47 (i) pay a fee or otherwise provide any consideration to submit an entry in the savings
48 promotion program; or

49 (ii) be present at a prize drawing in order to win;

50 (b) any fee charged by a depository institution in connection with a qualifying account
51 is comparable with a fee charged in connection with a comparable nonqualifying account the
52 depository institution offers;

53 (c) any interest rate a depository institution associates with a qualifying account is
54 comparable to an interest rate associated with a comparable nonqualifying account the
55 depository institution offers;

56 (d) each entry in the savings promotion program during a single prize period has an
57 equal chance of winning; and

58 (e) the depository institution:

- 59 (i) conducts the savings promotion program in a manner that does not:
60 (A) jeopardize the depository institution's ability to operate in a safe and sound
61 manner; or
62 (B) mislead the depository institution's account holders; and
63 (ii) fully discloses the terms and conditions of the savings promotion program to each
64 of the depository institution's account holders.
65 (3) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
66 commissioner may make rules that:
67 (a) require a depository institution that conducts a savings promotion program to
68 maintain all records the commissioner determines necessary for the administration and
69 enforcement of this section; or
70 (b) ensure that a depository institution conducts a savings promotion program in
71 accordance with this section.