

1 State of Arkansas
2 89th General Assembly
3 Regular Session, 2013
4

A Bill

SENATE BILL 119

5 By: Senator R. Thompson
6 By: Representative Broadway
7

For An Act To Be Entitled

9 AN ACT TO ESTABLISH A PRIZE-LINKED SAVINGS ACCOUNT
10 PROGRAM OPERATED BY THE ARKANSAS LOTTERY COMMISSION;
11 TO AUTHORIZE FINANCIAL INSTITUTIONS IN ARKANSAS TO
12 PARTICIPATE IN THE PRIZE-LINKED SAVINGS ACCOUNT
13 PROGRAM; AND FOR OTHER PURPOSES.
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Subtitle

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16 ARKANSAS PRIZE-LINKED SAVINGS ACCOUNT ACT
17 OF 2013.
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21 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:
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23 SECTION 1. Arkansas Code Title 23, Chapter 35, Subchapter 6 is amended
24 to add an additional section to read as follows:

25 23-35-612. Prize-linked savings accounts.

26 If approved by the board of directors of the credit union, a credit
27 union may participate in a prize-linked savings account program under § 23-
28 115-411.
29

30 SECTION 2. Arkansas Code Title 23, Chapter 37, Subchapter 1 is amended
31 to add an additional section to read as follows:

32 23-37-109. Prize-linked savings accounts.

33 If approved by the board of directors of the savings and loan
34 association, a savings and loan association may participate in a prize-linked
35 savings account program under § 23-115-411.
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1 SECTION 3. Arkansas Code § 23-47-101(a), concerning the powers of
 2 state banks, is amended to add an additional subdivision to read as follows:

3 (38) If approved by the board of directors of a bank, to
 4 participate in a prize-linked savings account program under § 23-115-411.

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 6 SECTION 4. Arkansas Code § 23-115-103(12)(A) and (B), concerning the
 7 definition of "lottery" under the Arkansas Scholarship Lottery Act, are
 8 amended to read as follows:

9 (12)(A) "Lottery" means a game of chance approved by the
 10 Arkansas Lottery Commission and operated under this chapter.

11 (B) "Lottery" includes without limitation:

- 12 (i) An instant ticket;
- 13 (ii) A draw game;
- 14 (iii) Participation in a multistate or
 15 multisovereign game; ~~and~~
- 16 (iv) A raffle; and
- 17 (v) A prize-linked savings account program.

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 19 SECTION 5. Arkansas Code § 23-115-103(13), concerning the definition
 20 of "lottery proceeds" under the Arkansas Scholarship Lottery Act, is amended
 21 to read as follows:

22 (13) "Lottery proceeds" means all:

23 (A) ~~revenue~~ Revenue derived from the sale of tickets or
 24 shares; and

25 (B) ~~all other~~ Other moneys derived from or in connection
 26 with the operation of a lottery, including without limitation:

27 (i) ~~fees~~ Fees, offsets, reimbursements, insurance
 28 proceeds, damages, and liquidated damages collected or imposed by the
 29 Arkansas Lottery Commission under this chapter; and

30 (ii) Interest credited to the Arkansas Lottery
 31 Commission under a prize-linked savings account program;

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 33 SECTION 6. Arkansas Code Title 23, Chapter 115, Subchapter 4 is
 34 amended to add an additional section to read as follows:

35 23-115-411. Prize-linked savings account program.

36 (a) As used in this section:

1 (1) "Bank" means an institution defined in and governed by The
2 Arkansas Banking Code of 1997, § 23-45-101 et seq.;

3 (2) "Credit union" means an association defined in and governed
4 by § 23-35-101 et seq.;

5 (3)(A) "Eligible patron" means a patron who:

6 (i) Is a legal Arkansas resident;

7 (ii) Has a minimum savings account deposit in a
8 prize-linked savings account; and

9 (iii) Meets all other eligibility requirements to
10 receive a lottery prize under the rules of the Arkansas Lottery Commission
11 for prize-linked savings account programs.

12 (B) "Eligible patron" does not include:

13 (i) An employee of a participating institution; or

14 (ii) An entity governed by the Arkansas Business
15 Corporation Act of 1987, § 4-27-101 et seq.;

16 (4)(A) "Minimum savings account deposit" means the amount a
17 patron is required to deposit and maintain in a prize-linked savings account
18 offered by the participating institution established by the rules of the
19 Arkansas Lottery Commission to be eligible for participation in a prize-
20 linked savings account.

21 (B) A minimum savings account deposit required for a
22 chance of winning designated prizes shall not be less than twenty-five
23 dollars (\$25.00);

24 (5) "Participating institution" means a bank, credit union, or
25 savings and loan association that participates in a prize-linked savings
26 account program under this section;

27 (6) "Patron" means an individual who is a customer or member of
28 a participating institution;

29 (7) "Prize-linked savings account" means a savings account,
30 certificate of deposit, or other interest-bearing savings program under a
31 prize-linked savings account program at a participating institution that:

32 (A) Pays interest that is equal to the interest paid by
33 the participating institution for a comparable savings account, certificate
34 of deposit, or savings program offered by the participating institution;

35 (B) Pays all interest earned in the prize-linked savings
36 account to the Arkansas Lottery Commission;

1 (8) "Prize-linked savings account program" means a program under
 2 this section:

3 (A) Through which a participating institution may offer a
 4 prize-linked savings account that provides a chance to win a lottery prize
 5 under a lottery game operated by the Arkansas Lottery Commission specifically
 6 for participating institutions; and

7 (B) For which the sole consideration for a patron is a
 8 minimum savings account deposit; and

9 (9) "Savings and loan association" means an association or
 10 federal association defined in and governed by § 23-37-101 et seq.

11 (b) The Arkansas Lottery Commission may establish a prize-linked
 12 savings account program by which each participating institution awards
 13 monthly prizes and annual prizes to its eligible patrons through a lottery
 14 game designed specifically for the prize-linked savings account program.

15 (c) A patron shall be permitted to withdraw at any time funds on
 16 depositing a prize-linked savings account, but the withdrawal may affect the
 17 patron's eligibility for receiving a prize from the prize-linked savings
 18 account program.

19 (d)(1) A participating institution shall not participate in a prize-
 20 linked savings account program in a manner that:

21 (i) Requires any consideration or purchase from a
 22 patron for participating in a prize-linked savings account program other than
 23 a minimum savings account deposit;

24 (ii) Jeopardizes the participating institution's
 25 safety or soundness; or

26 (iii) Is likely to mislead or misleads the
 27 participating institution's patrons or the general public.

28 (2) The participation in a prize-linked savings account program
 29 by a participating institution is subject to the investigative, examination,
 30 and enforcement authority of the Arkansas Lottery Commission and of the:

31 (A) Bank Commissioner if the participating institution is a
 32 bank;

33 (B) State Credit Union Supervisor if the participating
 34 institution is a credit union; or

35 (C) Supervisor of Savings and Loan Associations if the
 36 participating institution is a savings and loan association.

1 (3) A participating institution shall maintain records
2 sufficient to facilitate an audit of a prize-linked savings account program.
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