

ARKANSAS SENATE
88th General Assembly - Regular Session, 2011
Amendment Form

Subtitle of Senate Bill No. 905

TO ESTABLISH A PRIZE-LINKED SAVINGS ACCOUNT PROGRAM OPERATED BY THE
ARKANSAS LOTTERY COMMISSION AND AUTHORIZE FINANCIAL INSTITUTIONS IN
ARKANSAS TO PARTICIPATE IN THE PRIZE-LINKED SAVINGS ACCOUNT PROGRAM.

Amendment No. 1 to Senate Bill No. 905

Amend Senate Bill No. 905 as originally introduced:

Delete everything after the enacting clause and substitute the following:

"SECTION 1. Arkansas Code Title 23, Chapter 35, Subchapter 6 is amended to add an additional section to read as follows:

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

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

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

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

If approved by the board of directors of the savings and loan association, a savings and loan association may participate in a prize-linked savings account program under § 23-115-411.

SECTION 3. Arkansas Code § 23-47-101(a), concerning the powers of state banks, is amended to add an additional subdivision to read as follows:

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

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

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

(B) "Lottery" includes without limitation:

(i) An instant ticket;

(ii) A draw game;

(iii) Participation in a multistate or multisovereign game; ~~and~~



- (iv) A raffle; and
- (v) A prize-linked savings account program.

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

- (13) "Lottery proceeds" means all:
 - (A) ~~revenue~~ Revenue derived from the sale of tickets or shares; and
 - (B) ~~all other~~ Other moneys derived from or in connection with the operation of a lottery, including without limitation:
 - (i) ~~fees~~ Fees, offsets, reimbursements, insurance proceeds, damages, and liquidated damages collected or imposed by the Arkansas Lottery Commission under this chapter; and
 - (ii) Interest credited to the Arkansas Lottery Commission under a prize-linked savings account program;

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

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

- (a) As used in this section:
 - (1) "Bank" means an institution defined in and governed by The Arkansas Banking Code of 1997, § 23-45-101 et seq.;
 - (2) "Credit union" means an association defined in and governed by § 23-35-101 et seq.;
 - (3)(A) "Eligible patron" means a patron who:
 - (i) Is a legal Arkansas resident;
 - (ii) Has a minimum savings account deposit in a prize-linked savings account; and
 - (iii) Meets all other eligibility requirements to receive a lottery prize under the rules of the Arkansas Lottery Commission for prize-linked savings account programs.
 - (B) "Eligible patron" does not include:
 - (i) An employee of a participating institution; or
 - (ii) An entity governed by the Arkansas Business Corporation Act of 1987, § 4-27-101 et seq.;
 - (4)(A) "Minimum savings account deposit" means the amount a patron is required to deposit and maintain in a prize-linked savings account offered by the participating institution established by the rules of the Arkansas Lottery Commission to be eligible for participation in a prize-linked savings account.
 - (B) A minimum savings account deposit required for a chance of winning designated prizes shall not be less than twenty-five dollars (\$25.00);
 - (5) "Participating institution" means a bank, credit union, or savings and loan association that participates in a prize-linked savings account program under this section;
 - (6) "Patron" means an individual who is a customer or member of a participating institution;
 - (7) "Prize-linked savings account" means a savings account, certificate of deposit, or other interest-bearing savings program under a prize-linked savings account program at a participating institution that:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Amendment was read the first time, rules suspended and read the second time and _____

By: Senator R. Thompson
CLR/CLR - 03/11/11 09:05
CLR232

Secretary