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INTERIM STUDY PROPOSAL 2013-003

State of Arkansas
89th General Assembly
Regular Session, 2013

As Engrossed: S1/30/13 S2/7/13

A Bill

SENATE BILL 119

By: Senator R. Thompson
By: Representative Broadway

Filed with: Interim Senate Committee on State Agencies and Governmental Affairs
pursuant to A.C.A. §10-3-217.

For An Act To Be Entitled

AN ACT TO ESTABLISH A PRIZE-LINKED SAVINGS ACCOUNT
PROGRAM OPERATED BY THE ARKANSAS LOTTERY COMMISSION;
AND FOR OTHER PURPOSES.

Subtitle

ARKANSAS PRIZE-LINKED SAVINGS ACCOUNT ACT
OF 2013.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. 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.

1 SECTION 2. Arkansas Code § 23-115-103(13), concerning the definition
2 of "lottery proceeds" under the Arkansas Scholarship Lottery Act, is amended
3 to read as follows:

4 (13) "Lottery proceeds" means all:

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

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

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

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

14
15 SECTION 3. Arkansas Code Title 23, Chapter 115, Subchapter 4 is
16 amended to add an additional section to read as follows:

17 23-115-411. Prize-linked savings account program.

18 (a) As used in this section:

19 (1) "Minimum savings account deposit" means an amount of not
20 less than twenty-five dollars (\$25.00) that the Arkansas Lottery Commission
21 deposits on behalf of a patron into a prize-linked savings account;

22 (2) "Patron" means an individual:

23 (A) Who validly purchases a ticket in a prize-linked
24 savings account program; and

25 (B) On whose behalf funds are deposited into a prize-
26 linked savings account;

27 (3) "Prize-linked savings account" means a savings account,
28 certificate of deposit, or other interest-bearing savings program at a
29 financial institution:

30 (A) Into which deposits are made from the prize-linked
31 savings account program operated by the commission;

32 (B) In which the deposits are held in trust on behalf of
33 each individual patron; and

34 (C) From which the interest earned is paid to the
35 commission for the operation of the prize-linked savings account program; and

1 (4) "Savings ticket" is a ticket or share validly purchased by a
2 player in a prize-linked savings account program.

3 (b) The commission may establish a prize-linked savings account
4 program through a lottery game that:

5 (1) Is designed and marketed specifically for the prize-linked
6 savings account program;

7 (2) Awards to patrons monthly prizes and annual prizes;

8 (3) Provides an opportunity for a player to become a patron by
9 purchasing a savings ticket and registering that ticket with the commission;
10 and

11 (4) Provides that the commission shall deposit the value of a
12 registered savings ticket into a prize-linked savings account on behalf of a
13 patron.

14 (c)(1) A patron at any time may withdraw funds on deposit for the
15 patron in a prize-linked savings account, but the withdrawal may affect the
16 patron's eligibility for receiving a prize from the program.

17 (2) The program may provide incentives for patrons to:

18 (A) Retain the funds in the prize-linked savings account;
19 and

20 (B) Deposit cash winnings from the program into the prize-
21 linked savings account.

22 (d) A prize-linked savings account shall bear interest at a rate that
23 is equal to the interest paid by the depository institution for a comparable
24 savings account, certificate of deposit, or other savings program offered at
25 the depository institution.

26 (e) This program does not waive the provisions of § 23-115-
27 207(a)(2)(B) requiring the sales of tickets or shares for cash only.

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29 /s/R. Thompson
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32 Referred by the Arkansas Senate

33 Prepared by: CLR/VJF
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