



EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 5, 2019

GOV. MSG. NO. 1355

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Thirtieth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Scott K. Saiki,
Speaker and Members of the
House of Representatives
Thirtieth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Saiki, and Members of the Legislature:

This is to inform you that on July 5, 2019, the following bill was signed into law:

HB1163 HD1 SD2 CD1

RELATING TO SAVINGS PROMOTION
CONTESTS.
ACT 253 (19)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

A BILL FOR AN ACT

RELATING TO SAVINGS PROMOTION CONTESTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the federal American
2 Savings Promotion Act was passed by Congress in 2014 to
3 authorize certain financial institutions to conduct contests,
4 known as "savings promotion raffle or prize-linked savings
5 contests", in which the sole consideration required for a chance
6 of winning designated prizes is the deposit of a specified
7 amount of money in a savings account or program, and where each
8 ticket or entry has an equal chance of being drawn. Since that
9 time, twenty-nine states have passed similar legislation to
10 provide individuals with an additional tool to build personal
11 savings. These promotions have been demonstrated to
12 successfully attract increased personal savings from non-savers,
13 the asset-poor, and low- to moderate-income individuals.

14 The purpose of this Act is to authorize financial
15 institutions that are depository institutions in the State to
16 conduct savings promotion or prize-linked savings contests in
17 which the institutions' account holders are contestants.



1 SECTION 2. Chapter 412, Hawaii Revised Statutes, is
2 amended by adding a new section to article 4 to be appropriately
3 designated and to read as follows:

4 "§412:4- Savings promotion or prize-linked savings
5 contest. (a) Any financial institution that is a depository
6 institution may conduct a savings promotion or prize-linked
7 savings contest if the depository institution:

- 8 (1) Conducts the savings promotion contest in a manner
9 that ensures that each entry has a chance of winning
10 the designated prize based on the number of entries;
11 (2) Requires the deposit of a minimum specified amount of
12 money in a savings account or other savings promotion
13 or prize-linked savings contest program to qualify for
14 a chance to win the designated prizes;
15 (3) Offers an interest rate that is commensurate with the
16 interest rate that the depository institution offers
17 on comparable savings accounts or savings promotion or
18 prize-linked savings programs that are not subject to
19 a savings promotion or prize-linked savings contest;



1 (4) Fully discloses the terms and conditions of the
2 savings promotion or prize-linked savings contest to
3 each of its account holders; and

4 (5) Maintains records sufficient to facilitate an audit of
5 the savings promotion or prize-linked savings contest.

6 (b) Deposits made by a consumer into a savings account or
7 other savings program shall remain under the ownership of the
8 consumer.

9 (c) A financial institution that offers a savings
10 promotion or prize-linked savings contest shall comply with the
11 requirements of the American Savings Promotion Act, Public Law
12 113-251, and the regulations promulgated by the federal
13 prudential regulators of the financial institutions applicable
14 to the savings promotion or prize-linked savings contest
15 program.

16 (d) For the purposes of this section, "financial
17 institution" shall have the same meaning as in section
18 412:1-109."

19 SECTION 3. Chapter 712, Hawaii Revised Statutes, is
20 amended by adding a new section to part III to be appropriately
21 designated and to read as follows:



1 "§712- Savings promotion or prize-linked savings contest
 2 not gambling. A savings promotion or prize-linked savings
 3 contest conducted by a financial institution pursuant to section
 4 412:4- is not gambling and shall not constitute a lottery
 5 unless the chance to win a prize requires consideration.
 6 Consideration shall not include:

- 7 (1) The deposit of a specified minimum amount of money
 8 into a savings promotion or prize-linked savings
 9 account that results in an entry in a savings
 10 promotion or prize-linked savings contest;
- 11 (2) The interest earned, if any, on the consumer's savings
 12 promotion or prize-linked savings account; or
- 13 (3) Any fee or amount to administer or maintain the
 14 savings promotion or prize-linked savings account."

15 SECTION 4. Section 412:4-100, Hawaii Revised Statutes, is
 16 amended by amending subsection (a) to read as follows:

17 "(a) Sections 412:4-101, 412:4-102 [~~and~~], 412:4-104, and
 18 412:4- shall apply to all Hawaii financial institutions
 19 [~~which~~] that are authorized by this chapter to solicit, accept,
 20 and hold deposits. The remaining sections of this article shall
 21 apply to all Hawaii financial institutions and, to the extent



1 permitted by federal law, to federal financial institutions
2 [~~which~~] that are authorized to solicit, accept, and hold
3 deposits in this State."

4 SECTION 5. Statutory material to be repealed is bracketed
5 and stricken. New statutory material is underscored.

6 SECTION 6. This Act shall take effect upon its approval.

APPROVED this 05 day of JUL , 2019



GOVERNOR OF THE STATE OF HAWAII



HB No. 1163, HD 1, SD 2, CD 1

THE HOUSE OF REPRESENTATIVES OF THE STATE OF HAWAII

Date: April 30, 2019
Honolulu, Hawaii

We hereby certify that the above-referenced Bill on this day passed Final Reading in the House of Representatives of the Thirtieth Legislature of the State of Hawaii, Regular Session of 2019.



Scott K. Saiki
Speaker
House of Representatives

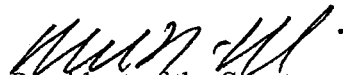



Brian L. Takeshita
Chief Clerk
House of Representatives

THE SENATE OF THE STATE OF HAWAI‘I

Date: April 30, 2019
Honolulu, Hawaii 96813

We hereby certify that the foregoing Bill this day passed Final Reading in the
Senate of the Thirtieth Legislature of the State of Hawai‘i, Regular Session of 2019.


President of the Senate


Clerk of the Senate