

SENATE BILL 1052

By Watson

AN ACT to amend Tennessee Code Annotated, Title 39, Chapter 17, Part 5; Title 39, Chapter 17, Part 6 and Title 45, relative to certain financial institutions providing sweepstakes savings accounts.

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

SECTION 1. Tennessee Code Annotated, Title 45, is amended by adding Sections 2 through 6 as a new chapter.

SECTION 2. This chapter shall be known and may be cited as the "Sweepstakes Savings Account Act of Tennessee."

SECTION 3. As used in this chapter:

(1) "Advertisement" means any communication or statement, whether printed or electronic, that informs a depositor or member of the availability of a savings promotion sweepstakes and the rules and other pertinent information relating to the sweepstakes;

(2) "Financial institution" means a bank insured by the federal deposit insurance corporation or a credit union insured by the national credit union administration, either of which is conducting business in this state;

(3) "Savings promotion sweepstakes" means a promotional drawing in which a prize is given away at no charge to the participant. The deposit of a specified amount, as determined by a financial institution, must qualify a depositor or member for the sweepstakes, and there must be no value risked and no purchase necessary to participate. The prize of the sweepstakes must be premised upon the existence of a deposit for which the purpose is savings by the depositor or member; and

(4) "Sweepstakes savings deposit" means the specific amount of money required to be deposited in a savings or share account by a depositor or member in order to be entered into a savings promotion sweepstakes.

SECTION 4.

(a) A financial institution may conduct a savings promotion sweepstakes for a depositor or member who makes a sweepstakes savings deposit.

(b) The amount and frequency of a prize awarded through a savings promotion sweepstakes must be determined by the financial institution.

(c) A financial institution shall provide each depositor or member with information on the terms of the sweepstakes and the verifiable retail value of each prize that a depositor or member has a chance of receiving. The information must state the odds of the depositor or member receiving a prize if an element of chance is involved. The odds must be clearly identified as "odds." Odds must be stated as the total number of that particular prize that will be given and of the total number of depositors or members in the sweepstakes. If the odds of winning a particular prize would not be accurately stated on the basis of the number of depositors or members in the sweepstakes, then the odds may be stated in another manner as long as the manner does not deceive or mislead the depositor or member regarding the depositor's or member's chance of receiving the prize.

SECTION 5. Any advertisement of a financial institution or its designated agent must include the language "no purchase necessary" in type not smaller than ten-point type.

SECTION 6. The department of financial institutions may promulgate rules in accordance with the Uniform Administrative Procedures Act, compiled in title 4, chapter 5, to govern the conduct and management of savings promotion sweepstakes.

SECTION 7. Tennessee Code Annotated, Section 39-17-501(1), is amended by adding the following as a new subdivision:

(E) A savings promotion sweepstakes as defined by this act and conducted in accordance with this act and any rules promulgated pursuant to this act.

SECTION 8. For the purpose of promulgating rules, this act shall take effect upon becoming a law, the public welfare requiring it. For all other purposes, this act shall take effect January 1, 2020, the public welfare requiring it.