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## **OLR Bill Analysis**

### **HB 5564**

#### ***AN ACT ENCOURAGING INCREASED SAVINGS DEPOSITS.***

#### **SUMMARY:**

This bill allows Connecticut credit unions and community banks to offer savings promotion raffles under specified conditions. The bill defines a “savings promotion raffle” as a raffle in which a person deposits a minimum specified amount of money in a savings account or savings program for a chance to win designated prizes. Each entry in the raffle must have an equal chance of winning.

The bill requires Connecticut credit unions or community banks offering such raffles to disclose the terms and conditions of the raffle to each share account holder or account holder. The institutions must maintain sufficient records to facilitate an audit of any such raffle.

The bill limits participation to Connecticut credit unions and community banks that have secure financial integrity, as determined by the banking commissioner. It authorizes the commissioner to adopt implementing regulations.

EFFECTIVE DATE: October 1, 2013

#### **BANKGROUND**

##### ***Community Banks***

A community bank is a Connecticut bank with a minimum equity capital of at least \$3 million. Community banks generally focus on the needs of the businesses and families in the area where the bank holds branches and offices. A community bank has certain restrictions and limitations with regard to exercising fiduciary power, making certain investments, and the aggregate amount and types of loans that it can make.

**COMMITTEE ACTION**

Banks Committee

Joint Favorable

Yea 17 Nay 0 (03/14/2013)