

ONE HUNDRED FOURTH LEGISLATURE - FIRST SESSION - 2015
COMMITTEE STATEMENT
LB160

Hearing Date: Monday January 26, 2015
Committee On: General Affairs
Introducer: Larson
One Liner: Allow financial institutions to operate gift enterprises

Roll Call Vote - Final Committee Action:
Advanced to General File

Vote Results:

Aye: 8 Senators Larson, Coash, Hansen, Hughes, Kolterman, Krist, Riepe, Schilz
Nay:
Absent:
Present Not Voting:

Verbal Testimony:

Proponents:

Bob Hallstrom
Brandon Luetkenhaus

Representing:

Nebraska Bankers Association
Nebraska Credit Union League

Opponents:

Representing:

Neutral:

Representing:

Summary of purpose and/or changes:

LB 190 would authorize all state and federally chartered financial institutions to conduct a "savings promotion raffle." In 2011, the Legislature passed LB 524 to allow credit unions to conduct savings promotion raffles as a form of gift enterprises. These raffles are intended to encourage customers to contribute to their savings accounts by then being entered into a raffle. At the time, LB 524 only applied to credit unions because federal law prohibited state and national banks and savings and loans from offering prize-linked savings products or from conducting a "savings promotion raffle," on the basis that such activities constituted an impermissible lottery. Congress recently lifted these restrictions by passing the American Savings Promotion Act, which allows states to pass laws authorizing all financial institutions to offer prize-linked savings products or to participate in a "savings promotion raffle." A "savings promotion raffle" is a contest where depositing a specific amount of money into a savings account or program may earn a chance at winning a designated prize. Each entry must have an equal chance at winning.
