



SPONSOR: Rep. Matthews & Rep. Keeley & Sen. Cloutier &  
Sen. Townsend  
Reps. Baumbach, Briggs King, Carson, Gray, Q. Johnson,  
Kowalko, Mitchell, Paradee; Sens. Bushweller, Hocker,  
Lavelle, McDowell, Richardson, Walsh

HOUSE OF REPRESENTATIVES  
149th GENERAL ASSEMBLY

HOUSE BILL NO. 31

AN ACT TO AMEND TITLES 5 AND 11 OF THE DELAWARE CODE RELATING TO PRIZE-LINKED SAVINGS PROGRAM.

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

1 Section 1. Add new section to Title 5 of the Delaware Code by making deletions as shown by strikethrough and  
2 insertions as shown by underline as follows:

3 § 933. Prize linked savings programs.

4 (a) For purposes of this section “savings promotion raffle” means a raffle conducted by a bank or credit union  
5 doing business in Delaware where the sole action required for a chance of winning designated prizes is the deposit of a  
6 minimum specified amount of money in a savings account or other savings program.

7 (b) Any bank or credit union doing business in this state may conduct a savings promotion raffle provided that the  
8 bank or credit union:

9 (1) Conducts the savings promotion raffle in a manner that ensures that each entry has an equal chance of  
10 winning the designated prize;

11 (2) Fully discloses the terms and conditions of the savings promotion raffle to each of its account holders;

12 (3) Offers an interest rate that is commensurate with the interest rate the bank or credit union offers on  
13 comparable savings accounts or savings programs that are not subject to a savings promotion raffle; and

14 (4) Maintains records sufficient to facilitate an audit of such savings promotion raffle.

15 (c) A savings promotion raffle is not a lottery for purposes of Chapter 48 of Title 29.

16 Section 2. Add new section to Title 11 of the Delaware Code by making deletions as shown by strikethrough and  
17 insertions as shown by underline as follows:

18 § 1408A. Savings promotion raffle not gambling.

19 A savings promotion raffle that conforms with the requirement of Section 933 of Title 5 is not gambling and does  
20 not constitute a lottery unless the chance to win a prize requires consideration. The deposit of a specified minimum amount

21 of money in a savings account or other savings program that results in an entry in a savings promotion raffle is not  
22 consideration.

#### SYNOPSIS

This bill authorizes the use of “prize-linked” savings accounts in the State of Delaware. These accounts have been used in a number of countries and several U.S. states to promote savings, especially among persons with low-income and first-time savers. A deposit into the program makes the entrant eligible for a prize. The principal in the account remains untouched. The first large-scale program of this nature in the U.S. was launched in Michigan about 6 years ago, and the program has subsequently expanded to Nebraska, North Carolina and Washington. At the end of 2014, federal legislation was passed allowing federally chartered banks and credit unions to offer this type of savings account in any state that does not prohibit it. This bill explicitly authorizes such programs in Delaware and clarifies that such programs do not constitute prohibited gambling or lottery practices.