

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

HOUSE BILL 628
RATIFIED BILL

AN ACT TO ELIMINATE AN OUTDATED REQUIREMENT FOR SAVINGS BANKS AND SAVINGS AND LOAN ASSOCIATIONS TO PUBLISH ABSTRACTS OF STATEMENTS OF FINANCIAL CONDITION; TO ALLOW COMMERCIAL BANKS, SAVINGS AND LOAN ASSOCIATIONS, AND SAVINGS BANKS TO OFFER SAVINGS PROMOTION RAFFLES; AND TO ADD TO THE NORTH CAROLINA BANKING COMMISSION A MEMBER WHO IS, OR IS EMPLOYED BY A PERSON THAT IS, LICENSED UNDER THE NORTH CAROLINA SECURE AND FAIR ENFORCEMENT (S.A.F.E.) MORTGAGE LICENSING ACT.

The General Assembly of North Carolina enacts:

PART I. ABSTRACT OF STATEMENT OF FINANCIAL CONDITION BY SAVINGS BANKS AND SAVINGS AND LOAN ASSOCIATIONS

SECTION 1.(a) G.S. 54C-62 reads as rewritten:

"§ 54C-62. Statement filed by savings bank; ~~fees.~~fees and examination.

A State savings bank shall file in the ~~office~~Office of the Commissioner of Banks, on or before the first day of February in each year, in the form prescribed by the Commissioner of Banks, a statement of the business standing and financial condition of the savings bank on the preceding 31st day of December, signed and sworn to by the secretary or other officer duly authorized by the board of directors of the savings bank before a notary public. The statement shall be accompanied by a filing fee set by the Commissioner of Banks, subject to the advice and consent of the Commission. The filing fees shall be used to defray the expenses incurred by the Division in supervising State savings banks. The Commissioner of Banks shall receive and thoroughly examine each annual statement."

SECTION 1.(b) G.S. 54C-63 reads as rewritten:

~~"§ 54C-63. Statement examined, approved, and published.~~

~~It is the duty of the Commissioner of Banks to receive and thoroughly examine each annual statement required by G.S. 54C-62, and if made in compliance with the requirements thereof, each State savings bank shall at its own expense, publish an abstract of the same in a newspaper having general circulation within each market area of the savings bank as selected by the managing officer."~~

SECTION 1.(c) G.S. 54B-75 reads as rewritten:

"§ 54B-75. ~~Statement; fees.~~Statement filed by savings and loan association; fees and examination.

Every State association shall file in the ~~office~~Office of the Commissioner of Banks, on or before the first day of February in each year, in ~~such the form as prescribed by~~ the Commissioner of Banks ~~shall prescribe,~~ Banks, a statement of the business standing and financial condition of ~~such the~~ association on the preceding 31st day of December. This statement shall be signed and sworn to by the secretary or other officer duly authorized by the board of directors of the association before a notary public. The statement shall be accompanied by a filing fee set by the Commissioner of Banks, subject to the advice and consent of the Commission. The filing fees



shall be used to defray the expenses incurred by the Division in supervising State associations. The Commissioner of Banks shall receive and thoroughly examine each annual statement."

SECTION 1.(d) G.S. 54B-76 reads as rewritten:

~~"§ 54B-76. Statement examined, approved, and published.~~

~~It shall be the duty of the Commissioner of Banks to receive and thoroughly examine each annual statement required by G.S. 54B-75, and if made in compliance with the requirements thereof, each State association shall at its own expense, publish an abstract of the same in a newspaper having general circulation within each market area of the association as selected by the managing officer."~~

SECTION 1.(e) This section is effective when it becomes law.

PART II. PROVIDING COMMERCIAL BANKS, SAVINGS AND LOAN ASSOCIATIONS, AND SAVINGS BANKS PARITY WITH CREDIT UNIONS IN THE ABILITY TO OFFER SAVINGS PROMOTION RAFFLES AS A WAY TO ENCOURAGE PEOPLE TO SAVE MONEY

SECTION 2.(a) G.S. 14-309.15 reads as rewritten:

"§ 14-309.15. Raffles.

(a) It is lawful for any nonprofit organization, candidate, political committee, or any government entity within the State, to conduct raffles in accordance with this section. Each regional or county chapter of a nonprofit organization ~~shall be~~ is eligible to conduct raffles in accordance with this section independently of its parent organization. Any person who conducts a raffle in violation of any provision of this section ~~shall be~~ is guilty of a Class 2 misdemeanor. Upon conviction that person shall not conduct a raffle for a period of one year. It is lawful to participate in a raffle conducted pursuant to this section. It ~~shall not constitute~~ is not a violation of State law to advertise a raffle conducted in accordance with this section. A raffle conducted pursuant to this section is not ~~"gambling"~~ "gambling." For the purpose of this section, "candidate" and "political committee" have the meaning provided by Article 22A of Chapter 163A of the General Statutes, who have filed organization reports under that Article, and who are in good standing with the appropriate board of elections. Receipts and expenditures of a raffle by a candidate or political committee shall be reported in accordance with Article 22A of Chapter 163A of the General Statutes, and ticket purchases are contributions within the meaning of that Article.

(b) For purposes of this section "raffle" means a game in which the prize is won by random drawing of the name or number of one or more persons purchasing chances.

(c) A nonprofit organization may hold no more than four raffles per year.

(d) Except as provided in subsection (g) of this section, the maximum cash prize that may be offered or paid for any one raffle is one hundred twenty-five thousand dollars (\$125,000) and if merchandise is used as a prize, and it is not redeemable for cash, the maximum fair market value of that prize may be one hundred twenty-five thousand dollars (\$125,000). The total cash prizes offered or paid by any nonprofit organization ~~may~~ shall not exceed two hundred fifty thousand dollars (\$250,000) in any calendar year. The total fair market value of all prizes offered by any nonprofit organization, either in cash or in merchandise that is not redeemable for cash, ~~may~~ shall not exceed two hundred fifty thousand dollars (\$250,000) in any calendar year.

(e) Raffles shall not be conducted in conjunction with bingo.

(f) As used in this subsection, "net proceeds of a raffle" means the receipts less the cost of prizes awarded. No less than ninety percent (90%) of the net proceeds of a raffle shall be used by the nonprofit organization for charitable, religious, educational, civic, or other nonprofit purposes. None of the net proceeds of the raffle ~~may~~ shall be used to pay any person to conduct the raffle, or to rent a building where the tickets are received or sold or the drawing is conducted.

(g) Real property may be offered as a prize in a raffle. The maximum appraised value of real property that may be offered for any one raffle is five hundred thousand dollars (\$500,000).

The total appraised value of all real estate prizes offered by any nonprofit organization ~~may~~shall not exceed five hundred thousand dollars (\$500,000) in any calendar year.

(h) Notwithstanding any other subsection of this section, it is lawful for a ~~credit union~~ federally insured depository institution to conduct a savings promotion raffle under G.S. ~~54-109.64~~.G.S. 53C-6-20, 54-109.64, 54B-140, or 54C-180."

SECTION 2.(b) Article 6 of Chapter 53C of the General Statutes is amended by adding a new section to read:

"§ 53C-6-20. Savings promotion raffles.

A bank may offer a savings promotion raffle in which the sole consideration required for a chance of winning designated prizes is the deposit of a minimum specified amount of money in a savings account or other savings program offered by the bank. A bank shall maintain records sufficient to facilitate an audit of the savings promotion raffle, shall conduct the savings promotion raffle in a safe and sound manner, and shall fully disclose the terms and conditions of the promotion to account holders and prospective account holders of the bank."

SECTION 2.(c) Article 6 of Chapter 54B of the General Statutes is amended by adding a new section to read:

"§ 54B-140. Savings promotion raffles.

A savings and loan association may offer a savings promotion raffle in which the sole consideration required for a chance of winning designated prizes is the deposit of a minimum specified amount of money in a savings account or other savings program offered by the savings and loan association. A savings and loan association shall maintain records sufficient to facilitate an audit of the savings promotion raffle, shall conduct the savings promotion raffle in a safe and sound manner, and shall fully disclose the terms and conditions of the promotion to account holders and prospective account holders of the savings and loan association."

SECTION 2.(d) Article 8 of Chapter 54C of the General Statutes is amended by adding a new section to read:

"§ 54C-180. Savings promotion raffles.

A savings bank may offer a savings promotion raffle in which the sole consideration required for a chance of winning designated prizes is the deposit of a minimum specified amount of money in a savings account or other savings program offered by the savings bank. A savings bank shall maintain records sufficient to facilitate an audit of the savings promotion raffle, shall conduct the savings promotion raffle in a safe and sound manner, and shall fully disclose the terms and conditions of the promotion to account holders and prospective account holders of the savings bank."

SECTION 2.(e) This section becomes effective December 1, 2019, and applies to raffles conducted on or after that date.

PART III. ADDING A MEMBER TO THE NORTH CAROLINA BANKING COMMISSION

SECTION 3.(a) G.S. 53C-2-1 reads as rewritten:

"§ 53C-2-1. The Commission.

(a) The Commission consists of 15 members, including the State Treasurer, who shall serve as an ex officio member; 12 members appointed by the Governor; and two members appointed by the General Assembly under G.S. 120-121, one of whom shall be appointed upon the recommendation of the President Pro Tempore of the Senate and one of whom shall be appointed upon the recommendation of the Speaker of the House of Representatives. The Governor shall appoint to the Commission three practical bankers, one consumer finance licensee, and eight public members to the Commission. ~~one member who is, or is employed by a person that is, licensed under Article 19B of Chapter 53 of the General Statutes, and seven public members.~~ The member appointed upon the recommendation of the President Pro Tempore of the Senate shall be a practical banker, and the member appointed upon the recommendation of the

Speaker of the House shall be a practical banker. Members shall serve terms of four years. No individual shall serve more than two complete consecutive terms on the Commission. Any vacancy occurring in the membership of the Commission shall be filled by the appropriate appointing officer for the unexpired term, except that vacancies among members appointed by the General Assembly shall be filled in accordance with G.S. 120-122. The appointed members of the Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1. This compensation shall be paid from the revenues of the OCOB.

...."

SECTION 3.(b) Section 3(a) becomes effective March 31, 2021. The Governor shall make an appointment as required by this section to replace one of the current public members whose term expires on that day.

PART IV. EFFECTIVE DATE

SECTION 4. Except as otherwise provided, this act is effective when it becomes law.

In the General Assembly read three times and ratified this the 15th day of July, 2019.

s/ Daniel J. Forest
President of the Senate

s/ Tim Moore
Speaker of the House of Representatives

Roy Cooper
Governor

Approved _____m. this _____ day of _____, 2019