

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

H

2

HOUSE BILL 628
Committee Substitute Favorable 4/16/19

Short Title: 2019 Banking & Mortgage Corrections & Changes.

(Public)

Sponsors:

Referred to:

April 9, 2019

A BILL TO BE ENTITLED

AN ACT TO ELIMINATE AN OUTDATED REQUIREMENT FOR SAVINGS BANKS AND SAVINGS AND LOAN ASSOCIATIONS TO PUBLISH ABSTRACTS OF STATEMENTS OF FINANCIAL CONDITION; TO ALLOW COMMERCIAL BANKS, SAVINGS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



1 of ~~Banks shall prescribe,~~ Banks, a statement of the business standing and financial condition of
2 ~~such~~ the association on the preceding 31st day of December. This statement shall be signed and
3 sworn to by the secretary or other officer duly authorized by the board of directors of the
4 association before a notary public. The statement shall be accompanied by a filing fee set by the
5 Commissioner of Banks, subject to the advice and consent of the Commission. The filing fees
6 shall be used to defray the expenses incurred by the Division in supervising State associations.
7 The Commissioner of Banks shall receive and thoroughly examine each annual statement."

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

9 **"§ 54B-76. Statement examined, approved, and published.**

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

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

16
17 **PART II. PROVIDING COMMERCIAL BANKS, SAVINGS AND LOAN**
18 **ASSOCIATIONS, AND SAVINGS BANKS PARITY WITH CREDIT UNIONS IN THE**
19 **ABILITY TO OFFER SAVINGS PROMOTION RAFFLES AS A WAY TO**
20 **ENCOURAGE PEOPLE TO SAVE MONEY**

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

22 **"§ 14-309.15. Raffles.**

23 (a) It is lawful for any nonprofit organization, candidate, political committee, or any
24 government entity within the State, to conduct raffles in accordance with this section. Each
25 regional or county chapter of a nonprofit organization ~~shall be is~~ eligible to conduct raffles in
26 accordance with this section independently of its parent organization. Any person who conducts
27 a raffle in violation of any provision of this section ~~shall be is~~ guilty of a Class 2 misdemeanor.
28 Upon conviction that person shall not conduct a raffle for a period of one year. It is lawful to
29 participate in a raffle conducted pursuant to this section. It ~~shall not constitute is not~~ a violation
30 of State law to advertise a raffle conducted in accordance with this section. A raffle conducted
31 pursuant to this section is not ~~"gambling".~~ "gambling." For the purpose of this section,
32 "candidate" and "political committee" have the meaning provided by Article 22A of Chapter
33 163A of the General Statutes, who have filed organization reports under that Article, and who
34 are in good standing with the appropriate board of elections. Receipts and expenditures of a raffle
35 by a candidate or political committee shall be reported in accordance with Article 22A of Chapter
36 163A of the General Statutes, and ticket purchases are contributions within the meaning of that
37 Article.

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

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

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

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

50 (f) As used in this subsection, "net proceeds of a raffle" means the receipts less the cost
51 of prizes awarded. No less than ninety percent (90%) of the net proceeds of a raffle shall be used

1 by the nonprofit organization for charitable, religious, educational, civic, or other nonprofit
2 purposes. None of the net proceeds of the raffle ~~may~~shall be used to pay any person to conduct
3 the raffle, or to rent a building where the tickets are received or sold or the drawing is conducted.

4 (g) Real property may be offered as a prize in a raffle. The maximum appraised value of
5 real property that may be offered for any one raffle is five hundred thousand dollars (\$500,000).
6 The total appraised value of all real estate prizes offered by any nonprofit organization ~~may~~shall
7 not exceed five hundred thousand dollars (\$500,000) in any calendar year.

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

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

13 **"§ 53C-6-20. Savings promotion raffles.**

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

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

22 **"§ 54B-140. Savings promotion raffles.**

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

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

32 **"§ 54C-180. Savings promotion raffles.**

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

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

42
43 **PART III. ADDING A MEMBER TO THE NORTH CAROLINA BANKING**
44 **COMMISSION**

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

46 **"§ 53C-2-1. The Commission.**

47 (a) The Commission consists of ~~15-16~~ members, including the State Treasurer, who shall
48 serve as an ex officio member; ~~12-13~~ members appointed by the Governor; and two members
49 appointed by the General Assembly under G.S. 120-121, one of whom shall be appointed upon
50 the recommendation of the President Pro Tempore of the Senate and one of whom shall be
51 appointed upon the recommendation of the Speaker of the House of Representatives. The

1 Governor shall appoint to the Commission three practical bankers, one consumer finance
2 licensee, ~~and eight public members to the Commission.~~ members, and one member who is, or is
3 employed by a person that is, licensed under Article 19B of Chapter 53 of the General Statutes.
4 The member appointed upon the recommendation of the President Pro Tempore of the Senate
5 shall be a practical banker, and the member appointed upon the recommendation of the Speaker
6 of the House shall be a practical banker. Members shall serve terms of four years. No individual
7 shall serve more than two complete consecutive terms on the Commission. Any vacancy
8 occurring in the membership of the Commission shall be filled by the appropriate appointing
9 officer for the unexpired term, except that vacancies among members appointed by the General
10 Assembly shall be filled in accordance with G.S. 120-122. The appointed members of the
11 Commission shall receive subsistence and travel expenses at the rates set forth in G.S. 120-3.1.
12 This compensation shall be paid from the revenues of the OCOB.

13"

14 **SECTION 3.(b)** As enacted by subsection (a) of this section, the initial term of the
15 new member of the North Carolina Banking Commission shall begin on October 1, 2019.

16 **SECTION 3.(c)** This section is effective when it becomes law.

17
18 **PART IV. EFFECTIVE DATE**

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