Credit Union Times

Savings Raffle Program Poised for Passage in Olympia

A "Save to Win" savings raffle program appears headed for the governor's signature in Washington state.

By **Jim Rubenstein** | April 15, 2011 at 09:39 AM

With bankers staying on the sidelines, Washington state appeared Friday to be the latest ready to enact legislation allowing the “Save to Win” savings raffle program.

“Yes, we are different from Iowa,” a spokesman for the Northwest Credit Union Association said of an enabling bill which has cleared both chambers of the legislature and headed to the desk of Gov. Christine Gregoire.

A similar bill in Iowa was killed this week after the Iowa Bankers Association accused CUs of gambling with consumer funds and arguing that “offering a $100,000 raffle prize to one lucky winner is not an appropriate use of the credit unions’ tax exemption.”

The Iowa Credit Union League countered with an ad blitz of its own accusing bankers of greedily blocking competition, with a side blast at banking’s role in the nation’s financial crisis.

In Washington state, the “Prize-Linked Savings Accounts” bill was due for final House-Senate concurrence Friday with the governor expected to sign the measure. It would take effect July 24.

However, not many CUs in the state are expected to launch the savings programs until next January because they need the time to set up account mechanics, said the league spokesman.

In Michigan, meanwhile, the Michigan Credit Union League, which debuted “Save to Win” in 2009, said the program has been adopted by more than 40 credit unions there and that 56% of the new participants were not regular savers.

“Every credit union member in this program keeps the money they save in a special certificate of deposit and the only ‘chance’ involved with this program is the opportunity to win more with monthly prize drawings and the $100,000 grand prize,” noted David Adams, president/CEO of the Michigan League.

Adams said he could not "speak directly" or offer advice to other trade groups which might face banker-led objections to empowerment bills. Similar bills were reported advancing this week in Nebraska and North Carolina.