

107TH CONGRESS
1ST SESSION

H. R. 2572

To implement certain recommendations of the National Gambling Impact Study Commission by prohibiting the placement of automated teller machines or any device by which an extension of credit or an electronic fund transfer may be initiated by a consumer in the immediate area in a gambling establishment where gambling or wagering takes place.

IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2001

Mr. LAFALCE introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To implement certain recommendations of the National Gambling Impact Study Commission by prohibiting the placement of automated teller machines or any device by which an extension of credit or an electronic fund transfer may be initiated by a consumer in the immediate area in a gambling establishment where gambling or wagering takes place.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Gambling ATM and
5 Credit/Debit Card Reform Act”.

1 **SEC. 2. IMPLEMENTATION OF THE NATIONAL GAMBLING**
2 **IMPACT STUDY COMMISSION'S REC-**
3 **OMMENDATIONS RELATING TO BANKING AND**
4 **CREDIT.**

5 (a) INITIATION OF ELECTRONIC FUND TRANSFERS
6 IN GAMBLING ESTABLISHMENTS.—The Electronic Fund
7 Transfer Act (15 U.S.C. 1693 et seq.) is amended—

8 (1) by redesignating sections 918, 919, 920,
9 and 921 as sections 919, 920, 921, and 922, respec-
10 tively; and

11 (2) by inserting after section 917 the following
12 new section:

13 **“SEC. 918. PLACEMENT OF ELECTRONIC TERMINALS IN**
14 **GAMBLING ESTABLISHMENTS.**

15 “(a) IN GENERAL.—No person may place, or cause
16 to be placed, an electronic terminal in the immediate area
17 of a gambling establishment where any form of wager or
18 bet is made or accepted, any game of chance is played,
19 any gambling device is used, or any other form of gam-
20 bling is carried on.

21 “(b) REGULATIONS.—

22 “(1) IN GENERAL.—The Board shall prescribe
23 such regulations as the Board may consider to be
24 appropriate to ensure that the initiation of electronic
25 fund transfers by consumers is kept, to the extent

1 practicable, physically segregated from any activity
2 described in subsection (a).

3 “(2) SEPARATE SETTING.—Such regulations
4 shall include a clear delineation of the setting in
5 which, and the circumstances under which, any use
6 of an electronic terminal or credit card referred to
7 in paragraph (1) should be conducted in a location
8 physically segregated from an area where any activ-
9 ity described in subsection (a) is routinely carried
10 on.

11 “(c) LIABILITY.—For purposes of section 915, a fail-
12 ure to comply with the requirements of subsection (a) with
13 regard to any electronic terminal shall be considered a fail-
14 ure to comply with a provision of this title with respect
15 to any consumer who initiates an electronic fund transfer
16 at such terminal while such violation continues.

17 “(d) DEFINITIONS.—For purposes of this section, the
18 following definitions shall apply:

19 “(1) GAMBLING DEVICE.—The term ‘gambling
20 device’ has the meaning given to such term in sec-
21 tion 41311(b) of title 49, United States Code.

22 “(2) GAMBLING ESTABLISHMENT.—The term
23 ‘gambling establishment’ has the meaning given to
24 such term in section 1081 of title 18, United States
25 Code.”.

1 (b) USE OF CREDIT CARDS TO INITIATE EXTEN-
 2 SIONS OF CREDIT IN GAMBLING ESTABLISHMENTS.—

3 (1) IN GENERAL.—Chapter 2 of the Truth in
 4 Lending Act (15 U.S.C. 1631 et seq.) is amended by
 5 adding at the end the following new section:

6 **“SEC. 140. PROHIBITION ON INITIATION OF EXTENSIONS OF**
 7 **CREDIT IN CERTAIN GAMBLING AREAS WITH-**
 8 **IN GAMBLING ESTABLISHMENTS.**

9 “(a) IN GENERAL.—No person may—

10 “(1) place, or cause to be placed, an electronic
 11 terminal; or

12 “(2) otherwise accept the use of a credit card
 13 by a consumer to initiate a consumer credit trans-
 14 action to pay for money, property, or services ob-
 15 tained by the consumer,

16 in the immediate area of a gambling establishment where
 17 any form of wager or bet is made or accepted, any game
 18 of chance is played, any gambling device is used, or any
 19 other form of gambling is carried on.

20 “(b) REGULATIONS.—

21 “(1) IN GENERAL.—The Board shall prescribe
 22 such regulations as the Board may consider to be
 23 appropriate to ensure that the use of an electronic
 24 terminal or the use of a credit card to initiate a con-
 25 sumer credit transaction to pay for money, property,

1 or services obtained by a consumer is kept, to the
2 extent practicable, physically segregated from any ac-
3 tivity described in subsection (a).

4 “(2) SEPARATE SETTING.—Such regulations
5 shall include a clear delineation of the setting in
6 which, and the circumstances under which, any use
7 of an electronic terminal or credit card referred to
8 in paragraph (1) should be conducted in a location
9 physically segregated from an area where any activ-
10 ity described in subsection (a) is routinely carried
11 on.

12 “(c) CIVIL LIABILITY.—

13 “(1) IN GENERAL.—Any person who fails to
14 comply with any provision of this title with respect
15 to any electronic terminal or the acceptance of a
16 credit card to initiate a consumer credit transaction
17 at a place in a gambling establishment that con-
18 stitutes a violation shall be liable to any consumer
19 who uses the electronic terminal or provides a credit
20 card at such place in an amount equal to the sum
21 of the amounts determined under each of the fol-
22 lowing subparagraphs:

23 “(A) ACTUAL DAMAGES.—The greater
24 of—

1 “(i) the amount of any actual damage
2 sustained by the consumer as a result of
3 such failure; or

4 “(ii) any amount paid, directly or with
5 the proceeds of the credit transaction, by
6 the consumer to such person.

7 “(B) PUNITIVE DAMAGES.—

8 “(i) INDIVIDUAL ACTIONS.—In the
9 case of any action by an individual, such
10 additional amount as the court may allow.

11 “(ii) CLASS ACTIONS.—In the case of
12 a class action, the sum of—

13 “(I) the aggregate of the amount
14 which the court may allow for each
15 named plaintiff; and

16 “(II) the aggregate of the
17 amount which the court may allow for
18 each other class member, without re-
19 gard to any minimum individual re-
20 covery.

21 “(C) ATTORNEYS’ FEES.—In the case of
22 any successful action to enforce any liability
23 under subparagraph (A) or (B), the costs of the
24 action, together with reasonable attorneys’ fees.

1 “(2) FACTORS TO BE CONSIDERED IN AWARD-
2 ING PUNITIVE DAMAGES.—In determining the
3 amount of any liability of any person under para-
4 graph (1)(B), the court shall consider, among other
5 relevant factors—

6 “(A) the frequency and persistence of non-
7 compliance by such person;

8 “(B) the nature of the noncompliance;

9 “(C) the extent to which such noncompli-
10 ance was intentional; and

11 “(D) in the case of any class action, the
12 number of consumers adversely affected.

13 “(d) DEFINITIONS.—For purposes of this section, the
14 following definitions shall apply:

15 “(1) ELECTRONIC TERMINAL.—The term ‘elec-
16 tronic terminal’—

17 “(A) means an electronic device, other
18 than a telephone operated by a consumer,
19 through which a consumer may initiate a con-
20 sumer credit transaction in payment for any
21 money, property, or services obtained by the
22 consumer; and

23 “(B) includes point-of-sale terminals, auto-
24 mated teller machines, and cash dispensing ma-
25 chines

1 “(2) GAMBLING DEVICE.—The term ‘gambling
2 device’ has the meaning given to such term in sec-
3 tion 41311(b) of title 49, United States Code.

4 “(3) GAMBLING ESTABLISHMENT.—The term
5 ‘gambling establishment’ has the meaning given to
6 such term in section 1081 of title 18, United States
7 Code.”.

8 (2) CLERICAL AMENDMENT.—The table of sec-
9 tions for chapter 2 of the Truth in Lending Act is
10 amended by inserting after the item relating to sec-
11 tion 139 the following new item:

“140. Prohibition on initiation of extensions of credit in certain gambling areas
 within gambling establishments.”.

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