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(Original Signature of Member)

110TH CONGRESS
2D SESSION

H. R.

To ensure that implementation of proposed regulations under subchapter IV of chapter 53 of title 31, United States Code, does not cause harm to the payments system, and for other purposes

IN THE HOUSE OF REPRESENTATIVES

Mr. FRANK of Massachusetts (for himself and Mr. KING of New York) introduced the following bill; which was referred to the Committee on

A BILL

To ensure that implementation of proposed regulations under subchapter IV of chapter 53 of title 31, United States Code, does not cause harm to the payments system, and for other purposes

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 “Payments System Pro-
5 tection Act of 2008”.

1 **SEC. 2. PROHIBITION.**

2 The Secretary of the Treasury and the Board of Gov-
3 ernors of the Federal Reserve System, whether acting
4 jointly or separately, may not propose, prescribe, or imple-
5 ment any regulation under subchapter IV of chapter 53
6 of title 31, United States Code, or otherwise give effect
7 to such subchapter or any such regulation, including the
8 proposed regulations published in the Federal Register on
9 October 4, 2007, except to the extent as any such regula-
10 tion pertains to wagering of the type that is prohibited
11 (as of the date of the enactment of this Act) under chapter
12 178 of title 28, United States Code (relating to profes-
13 sional and amateur sports protection) or except as pro-
14 vided in section 3.

15 **SEC. 3. RULEMAKING TO IMPLEMENT SUBCHAPTER ON**
16 **PROHIBITION ON FUNDING OF UNLAWFUL**
17 **INTERNET GAMBLING AND DEFINE UNLAW-**
18 **FUL INTERNET GAMBLING.**

19 (a) IN GENERAL.—Notwithstanding section 2, the
20 Secretary of the Treasury and the Board of Governors of
21 the Federal Reserve System, in consultation with the At-
22 torney General, shall jointly develop and implement regu-
23 lations (which the Secretary and the Board jointly deter-
24 mine to be appropriate), on the record after opportunity
25 for agency hearing involving an administrative law judge
26 or similar official, under subchapter IV of chapter 53 of

1 title 31, United States Code, that shall include a definition
2 of the term “unlawful Internet gambling” for purposes of
3 such subchapter and such regulations, after conducting a
4 full economic impact study of the proposed regulations
5 under chapter 6 of title 5, United States Code (commonly
6 referred to as the “Regulatory Flexibility Act”).

7 (b) COORDINATION WITH PROHIBITION.—Upon the
8 effective date of final regulations under subsection (a),
9 section 2 shall cease to apply.