

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.

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## IN THE HOUSE OF REPRESENTATIVES

JULY 19, 2001

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

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## 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 **COMMENDATIONS 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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