

KING 003

**AMENDMENT IN THE NATURE OF A SUBSTITUTE
TO H.R. 5767
OFFERED BY MR. KING OF NEW YORK**

Strike all after the enacting clause and insert the following:

1 SECTION 1. SHORT TITLE.

2 This Act may be cited as the "Payments System Pro-
3 tection Act of 2008".

4 SEC. 2. PROHIBITION.

5 The Secretary of the Treasury and the Board of Gov-
6 ernors of the Federal Reserve System, whether acting
7 jointly or separately, may not propose, prescribe, or imple-
8 ment any regulation under subchapter IV of chapter 53
9 of title 31, United States Code, or otherwise give effect
10 to such subchapter or any such regulation, including the
11 proposed regulations published in the Federal Register on
12 October 4, 2007, except as provided in this Act.

13 SEC. 3. DEFINITION OF UNLAWFUL INTERNET GAMBLING.

14 Notwithstanding section 2, the Secretary of the
15 Treasury and the Board of Governors of the Federal Re-
16 serve System, in consultation with the Attorney General,
17 shall jointly develop regulations (which the Secretary and
18 the Board jointly determine to be appropriate), on the

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1 record after opportunity for agency hearing, defining the
2 term "unlawful Internet gambling" for purposes of sub-
3 chapter IV of chapter 53 of title 31, United States Code,
4 and regulations prescribed under such subchapter.

5 **SEC. 4. RULEMAKING TO IMPLEMENT SUBCHAPTER ON**
6 **PROHIBITION ON FUNDING OF UNLAWFUL**
7 **INTERNET GAMBLING.**

8 (a) IN GENERAL.—Notwithstanding section 2, the
9 Secretary of the Treasury and the Board of Governors of
10 the Federal Reserve System, in consultation with the At-
11 torney General, shall commence the joint development of
12 regulations (which the Secretary and the Board jointly de-
13 termine to be appropriate), on the record after opportunity
14 for agency hearing, under subchapter IV of chapter 53
15 of title 31, United States Code after—

16 (1) the effective date of final regulations pre-
17 scribed under section 3, unless otherwise directed by
18 an Act of the Congress;

19 (2) resubmitting a new information collection
20 request under the Paperwork Reduction Act of 1995
21 to the Director of the Office of Management and
22 Budget and receiving an approval of such request by
23 the Director; and

24 (3) conducting a full economic impact study of
25 the proposed regulations under chapter 6 of title 5,

1 United States Code (commonly referred to as the
2 “Regulatory Flexibility Act”).

3 (b) TREASURY LIST OF UNLAWFUL INTERNET GAM-
4 BLING BUSINESSES.—No regulations under subsection (a)
5 to implement the requirements of section 5364 of title 31,
6 United States Code, shall be effective unless such regula-
7 tions—

8 (1) require the Secretary of the Treasury to
9 compile and maintain a list of unlawful Internet
10 gambling businesses; and

11 (2) do not require any person to block or refuse
12 to honor any transaction, or prohibit the acceptance
13 of any product or service of such person other than
14 in connection with a business on the list maintained
15 by the Secretary.

16 (c) COORDINATION WITH PROHIBITION.—Upon the
17 effective date of final regulations under subsection (a) that
18 meet the requirement of subsection (b), section 2 shall
19 cease to apply.

Amend the title so as to read: “A bill 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.”.



