

111TH CONGRESS
2^D SESSION

H. R. 4966

To amend section 5316 of title 31, United States Code, to establish a reporting requirement for any stored value device carried out of, into, or through the United States, to establish registration requirements for stored value device businesses, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MARCH 25, 2010

Ms. GIFFORDS introduced the following bill; which was referred to the
Committee on Financial Services

A BILL

To amend section 5316 of title 31, United States Code, to establish a reporting requirement for any stored value device carried out of, into, or through the United States, to establish registration requirements for stored value device businesses, 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 “Stored Value Device
5 Registration and Reporting Act of 2010”.

1 **SEC. 2. DEFINITIONS.**

2 (a) DEFINITION OF FINANCIAL INSTITUTION.—Para-
3 graph (2) of section 5312(a) of title 31, United States
4 Code is amended—

5 (1) by redesignating subparagraphs (Y) and (Z)
6 as subparagraphs (Z) and (AA), respectively; and

7 (2) by inserting after subparagraph (X) the fol-
8 lowing new subparagraph:

9 “(Y) a person engaged in the business of—

10 “(i) issuing stored value devices; or

11 “(ii) processing transactions related to
12 a stored value device, including accessing
13 information pertaining to the funds stored
14 on such device, retrieving the funds stored
15 on such device, or adding funds to be
16 stored on such device;”.

17 (b) DEFINITION OF MONETARY INSTRUMENTS.—
18 Subparagraph (B) of section 5312(a)(3) of title 31,
19 United States Code, is amended by inserting after “trav-
20 elers’ checks,” the following: “stored value devices,”.

21 (c) STORED VALUE DEVICE DEFINED.—Subsection
22 (a) of section 5312 of title 31, United States Code, is
23 amended by adding at the end the following new para-
24 graphs:

25 “(7) STORED VALUE DEVICE DEFINED.—The
26 term ‘stored value device’ means a device that—

1 “(A) stores, or is capable of storing, funds
2 represented in electronic format (whether or not
3 specially encrypted) in such a way as to allow
4 such funds to be retrievable and transferable
5 electronically;

6 “(B) is used to obtain money, goods, serv-
7 ices, or any other thing of value, or that can be
8 used to initiate a transfer of funds (other than
9 a transfer originated solely by paper instru-
10 ment); and

11 “(C) is not a credit card or a debit card,
12 as such terms are defined by the Secretary of
13 the Treasury.”.

14 **SEC. 3. REGISTRATION OF STORED VALUE DEVICE BUSI-**
15 **NESSES.**

16 (a) IN GENERAL.—Subchapter II of chapter 53 of
17 title 31, United States Code, is amended by inserting after
18 section 5330 the following new section:

19 **“§ 5330A. Registration of stored value device busi-**
20 **nesses**

21 “(a) REGISTRATION WITH SECRETARY OF THE
22 TREASURY REQUIRED.—

23 “(1) IN GENERAL.—Any person who owns or
24 controls a stored value device business shall register
25 the business (whether or not the business is licensed

1 as a stored value device business in any State) with
2 the Secretary of the Treasury not later than the end
3 of the 180-day period beginning on the later of—

4 “(A) the date of the enactment of the
5 Stored Value Device Registration and Report-
6 ing Act of 2010; or

7 “(B) the date on which the business is es-
8 tablished.

9 “(2) FORM AND MANNER OF REGISTRATION.—

10 Subject to the requirements of subsection (b), the
11 Secretary of the Treasury shall prescribe, by regula-
12 tion, the form and manner for registering a stored
13 value device business pursuant to paragraph (1).

14 “(3) BUSINESSES REMAIN SUBJECT TO STATE
15 LAW.—This section shall not be construed as super-
16 seding any requirement of State law relating to
17 stored value device businesses operating in such
18 State.

19 “(4) FALSE AND INCOMPLETE INFORMATION.—

20 The filing of false or materially incomplete informa-
21 tion in connection with the registration of a stored
22 value device businesses shall be considered as a fail-
23 ure to comply with the requirements of this sub-
24 chapter.

1 “(b) CONTENTS OF REGISTRATION.—The registra-
2 tion of a stored value device business under subsection (a)
3 shall include the following information:

4 “(1) The name and location of the business.

5 “(2) The name and address of each person
6 who—

7 “(A) owns or controls the business;

8 “(B) is a director or officer of the busi-
9 ness; or

10 “(C) otherwise participates in the conduct
11 of the affairs of the business.

12 “(3) The name and address of any depository
13 institution at which the business maintains a trans-
14 action account (as defined in section 19(b)(1)(C) of
15 the Federal Reserve Act).

16 “(4) An estimate of the volume of business in
17 the coming year (which shall be reported annually to
18 the Secretary).

19 “(5) Such other information as the Secretary of
20 the Treasury may require.

21 “(c) AGENTS OF STORED VALUE DEVICE BUSI-
22 NESS.—

23 “(1) MAINTENANCE OF LISTS OF AGENTS.—
24 Pursuant to regulations which the Secretary of the

1 Treasury shall prescribe, each stored value device
2 business shall—

3 “(A) maintain a list containing the names
4 and addresses of all persons authorized to act
5 as an agent for such business in connection
6 with activities described in subsection (d)(1)
7 and such other information about such agents
8 as the Secretary may require; and

9 “(B) make the list and other information
10 available on request to any appropriate law en-
11 forcement agency.

12 “(2) TREATMENT OF AGENT.—The Secretary of
13 the Treasury shall prescribe regulations establishing,
14 on the basis of such criteria as the Secretary deter-
15 mines to be appropriate, a threshold point for treat-
16 ing an agent of a stored value device business as a
17 stored value device business for purposes of this sec-
18 tion.

19 “(d) STORED VALUE DEVICE BUSINESS DEFINED.—
20 For purposes of this section, the term ‘stored value device
21 business’ means a person other than the United States
22 Postal Service who—

23 “(1) is engaged in the business of—

24 “(A) issuing stored value devices; or

1 “(B) processing transactions related to a
2 stored value device, including accessing infor-
3 mation pertaining to the funds stored on such
4 device, retrieving the funds stored on such de-
5 vice, or adding funds to be stored on such de-
6 vice; and

7 “(2) is not a depository institution (as defined
8 in section 5313(g)).

9 “(e) CIVIL PENALTY FOR FAILURE TO COMPLY
10 WITH REGISTRATION REQUIREMENTS.—

11 “(1) IN GENERAL.—Any person who fails to
12 comply with any requirement of this section or any
13 regulation prescribed under this section shall be lia-
14 ble to the United States for a civil penalty of \$5,000
15 for each such violation.

16 “(2) CONTINUING VIOLATION.—Each day a vio-
17 lation described in paragraph (1) continues shall
18 constitute a separate violation for purposes of such
19 paragraph.

20 “(3) ASSESSMENTS.—Any penalty imposed
21 under this subsection shall be assessed and collected
22 by the Secretary of the Treasury in the manner pro-
23 vided in section 5321 and any such assessment shall
24 be subject to the provisions of such section.

1 “(f) **SMALL BUSINESS EXEMPTION.**—The Secretary
2 of the Treasury shall prescribe regulations establishing, on
3 the basis of such criteria as the Secretary determines to
4 be appropriate, a threshold point under which small stored
5 value device businesses will not be required to register
6 under this section.”.

7 (b) **CLERICAL AMENDMENT.**—The table of sections
8 for chapter 53 of title 31, United States Code, is amended
9 by inserting after the item relating to section 5330 the
10 following new item:

“5330A. Registration of stored value device businesses.”.

11 **SEC. 4. STORED VALUE DEVICE STUDY.**

12 (a) **IN GENERAL.**—The Secretary of the Treasury, in
13 consultation with the Attorney General, the Secretary of
14 Homeland Security, and the Director of National Intel-
15 ligence, shall carry out a study on stored value devices.
16 Such study shall include—

17 (1) an analysis of the extent to which stored
18 value devices are used for the purpose of pro-
19 viding—

20 (A) payments related to drug trafficking;

21 (B) payments related to human trafficking;

22 or

23 (C) financial support to terror cells oper-
24 ating within the United States;

1 (2) an analysis of the extent to which stored
2 value devices issued by foreign entities are being uti-
3 lized in the United States, including the typical
4 countries of origin of such devices and the typical
5 values of such devices when imported into the
6 United States;

7 (3) an analysis of the extent to which stored
8 value devices issued by United States entities are
9 being utilized outside the United States, including
10 the typical locations where value is added to such
11 device and where value is typically subtracted inter-
12 nationally;

13 (4) an identification of any trends in stored
14 value addition and subtraction that appear to be as-
15 sociated with drug trafficking or human trafficking;

16 (5) a list of stored value device types which are
17 now or may soon be used for money trafficking;

18 (6) recommendations on methods to collect data
19 related to stored value device transactions for pur-
20 poses of law enforcement and intelligence analysis in
21 a manner consistent with the Foreign Intelligence
22 Surveillance Act and privacy laws; and

23 (7) an analysis of whether requiring certain in-
24 formation to be printed, or otherwise made available,
25 on stored value devices would help customs and law

1 enforcement officers identify such devices and track
2 the origins of such devices, where such information
3 could include the name and address of the device
4 issuer, the maximum value of funds that can be
5 stored on such device, and the fact that the device
6 is a stored value device.

7 (b) REPORT.—Not later than the end of the 180-day
8 period beginning on the date of the enactment of this Act,
9 the Secretary of the Treasury shall submit a report to the
10 Congress containing all findings and determinations made
11 in carrying out the study required under subsection (a).

12 (c) STORED VALUE DEVICE DEFINED.—For pur-
13 poses of this section, the term “stored value device” shall
14 have the meaning given such term under section
15 5312(a)(7) of title 31, United States Code.

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