To amend the Electronic Fund Transfer Act to treat municipalities and school districts as consumers for certain purposes under that Act.

IN THE SENATE OF THE UNITED STATES

Mr. SCHUMER introduced the following bill; which was read twice and referred to the Committee on

A BILL

To amend the Electronic Fund Transfer Act to treat municipalities and school districts as consumers for certain purposes under that Act.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. TREATMENT OF CERTAIN LOCAL GOVERNMENT ENTITIES AS CONSUMERS FOR PURPOSES OF THE ELECTRONIC FUND TRANSFER ACT.

Section 903 of the Electronic Fund Transfer Act (15 U.S.C. 1693a) is amended—

(1) in paragraph (2)—

(A) by striking “means a demand” and inserting the following: ”means—
“(A) a demand”; and

(B) by striking the semicolon at the end and inserting the following: ”; and

“(B) for purposes of section 909, an account of a municipality or a school district, as those terms are defined by rule of the Board, used for the purpose of carrying out the official duties of that municipality or school district;”;

and

(2) in paragraph (5), by inserting before the semicolon at the end the following: “, and includes, solely for purposes of section 909, a municipality or school district, as those terms are defined by rule of the Board”.

SEC. 2. RULEMAKING REQUIRED.

The Board of Governors of the Federal Reserve System shall issue final rules, not later than 180 days after the date of enactment of this Act—

(1) to define the terms “municipality” and “school district” for purposes of section 903 of the Electronic Fund Transfer Act, as amended by this Act; and

(2) to otherwise carry out the amendments made by this Act.