

1 AN ACT concerning business.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 1. Short title. This Act may be cited as the
5 Identity Verification for Consumer Services Act.

6 Section 5. Purpose. The purpose of this Act is to protect
7 Illinois residents from identity theft by establishing
8 mandatory identity verification standards before allowing the
9 issuance of services that involve personal identifying
10 information, including credit services, telecommunications,
11 utilities, online platforms, healthcare access, and government
12 benefit systems.

13 Section 10. Definitions. As used in this Act:

14 "Covered service" means any utility, telecommunications,
15 credit account, online financial account, government benefit,
16 or other service that uses personal identifying information to
17 authorize access or extend service to those accounts or
18 benefits. "Covered service" includes any service that involves
19 a high-risk transaction. "Covered service" does not include
20 any public utility as defined in Section 3-105 of the Public
21 Utilities Act, alternative retail electric supplier as defined
22 in Section 16-102 of the Public Utilities Act, or alternative

1 gas supplier as defined in Section 19-105 of the Public
2 Utilities Act.

3 "High-risk transaction" means any transaction involving
4 the transfer of funds, issuance of credit, remote access to
5 financial records, or any financial service activation that
6 may expose personal identifying information.

7 "Identity theft" means the unauthorized acquisition and
8 use of personal identifying information to fraudulently obtain
9 credit, benefits, or services.

10 "Identity verification" means the process of verifying a
11 person's identity using 2 of the following forms of
12 authentication:

13 (1) valid, government-issued photo identification;

14 (2) proof of address, such as a recent utility bill,
15 bank statement, or rental lease;

16 (3) biometric data, such as a fingerprint or facial
17 scan;

18 (4) secure digital verification through multi-factor
19 authentication; or

20 (5) knowledge-based authentication.

21 "Personal identifying information" includes, but is not
22 limited to, full name, date of birth, social security number,
23 driver's license or State identification card number, passport
24 number, biometric identifiers, physical address, email
25 address, telephone number, financial account numbers,
26 insurance policy numbers, and medical or health-related

1 information.

2 Section 15. Identity verification requirements. An entity
3 that engages in a high-risk transaction involving a covered
4 service shall use identity verification to verify a person's
5 identity before initiating or modifying an agreement to
6 provide the covered service.

7 Section 20. Recordkeeping. An entity that provides a
8 covered service shall securely retain a record of the
9 documentation collected under the identity verification
10 process required under Section 15 for 3 years after the
11 identity verification or as long as needed for identity
12 verification purposes.

13 Section 25. Exemptions. The following are exempt from the
14 requirements of this Act:

15 (1) services exclusively performed using in-person
16 physical identification checks;

17 (2) services for individuals under the age of 13 with
18 verified parental consent, as required under State and
19 federal law;

20 (3) entities that are already subject to more
21 stringent federal identity verification regulations,
22 including, but not limited to, the customer identification
23 program regulations adopted by the Financial Crimes

1 Enforcement Network of the United States Department of the
2 Treasury;

3 (4) the Early Intervention Program when acting in
4 accordance with 89 Ill. Adm. Code 500 and regulations
5 adopted under Part C of the Individuals with Disabilities
6 Education Act (34 CFR 303.112(b)) for the purpose of
7 verifying identities; and

8 (5) the Child Care Assistance Program when acting in
9 accordance with 89 Ill. Adm. Code 500 and regulations
10 adopted under the Child Care and Development Block Grant
11 Act (45 CFR 98.20(c)) for the purpose of verifying
12 identities.

13 Section 30. Enforcement. A violation of this Act
14 constitutes an unlawful practice under the Consumer Fraud and
15 Deceptive Business Practices Act. All remedies, penalties, and
16 authority granted to the Attorney General by the Consumer
17 Fraud and Deceptive Business Practices Act shall be available
18 to the Attorney General for the enforcement of this Act.

19 Section 35. Whistleblower protections. Any employee or
20 agent of an entity that provides a covered service in this
21 State who reports in good faith the entity's noncompliance
22 with this Act shall be protected under the Whistleblower Act.

23 Section 40. Home rule. A home rule unit may not regulate

1 identity verification in a manner inconsistent with the
2 regulation by the State of identity verification under this
3 Act. This Section is a limitation under subsection (i) of
4 Section 6 of Article VII of the Illinois Constitution on the
5 concurrent exercise by home rule units of powers and functions
6 exercised by the State.

7 Section 90. The Consumer Fraud and Deceptive Business
8 Practices Act is amended by adding Section 2MMMM as follows:

9 (815 ILCS 505/2MMMM new)

10 Sec. 2MMMM. Violations of the Identity Verification for
11 Consumer Services Act. Any person who violates the Identity
12 Verification for Consumer Services Act commits an unlawful
13 practice within the meaning of this Act.

14 Section 99. Effective date. This Act takes effect January
15 1, 2027.