



Sen. Laura Ellman

**Filed: 5/7/2025**

10400SB2319sam001

LRB104 09000 BAB 26010 a

1 AMENDMENT TO SENATE BILL 2319

2 AMENDMENT NO. \_\_\_\_\_. Amend Senate Bill 2319 by replacing  
3 everything after the enacting clause with the following:

4 "Section 1. Short title. This Act may be cited as the  
5 Digital Asset Kiosks Act.

6 Section 5. Purpose and construction. The purpose of this  
7 Act is to protect the People of Illinois against the fraud and  
8 scams in digital asset kiosk transactions by providing  
9 necessary registration requirements, disclosures, and other  
10 safeguards for customers. This Act shall be liberally  
11 construed to effectuate its purpose.

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

13 "Affiliate" means any person that controls, is controlled  
14 by, or is under common control with another person. As used in  
15 this paragraph, "control" means the possession, direct or

1 indirect, of the power to direct or cause the direction of the  
2 management and policies of a person.

3 "Applicant" means a person that applies for registration  
4 under this Act.

5 "Bank" means a bank, savings bank, savings-and-loan  
6 association, savings association, or industrial loan company  
7 chartered under the laws of this State or any other state or  
8 under the laws of the United States.

9 "Blockchain analytics" means the analysis of data from  
10 blockchains or public distributed ledgers, including  
11 associated transaction information.

12 "Blockchain analytics software" means a software service  
13 that uses blockchain analytics data to provide risk-specific  
14 information about digital asset wallet addresses, among other  
15 things.

16 "Charges" means: (i) fees or expenses paid by the  
17 customer; and (ii) the difference between the market price of  
18 the digital asset and the price of the digital asset charged to  
19 the customer.

20 "Confidential supervisory information" means information  
21 or documents obtained by employees, agents, or representatives  
22 of the Department in the course of any examination,  
23 investigation, audit, visit, registration, certification,  
24 review, licensing, or any other regulatory or supervisory  
25 activity pursuant to this Act, and any record prepared or  
26 obtained by the Department to the extent that the record

1 summarizes or contains information derived from any report,  
2 document, or record described in this Act.

3 "Credit union" means a credit union chartered under the  
4 laws of this State or any other state or under the laws of the  
5 United States.

6 "Department" means the Department of Financial and  
7 Professional Regulation.

8 "Digital asset" means a digital representation of value  
9 that is used as a medium of exchange, unit of account, or store  
10 of value and that is not fiat currency, whether or not  
11 denominated in fiat currency. "Digital asset" does not include  
12 any of the following: (i) a digital representation of value  
13 which a merchant grants, as part of an affinity or rewards  
14 program, and that cannot be taken from or exchanged with the  
15 merchant for fiat currency or a digital asset; (ii) a digital  
16 representation of value that is issued by or on behalf of a  
17 game publisher, used solely within a gaming platform, has no  
18 market or application outside of such gaming platform, and  
19 cannot be converted into, or redeemed for, fiat currency or  
20 digital assets; or (iii) a digital representation of value  
21 that is used as part of prepaid cards.

22 "Digital asset exchange" means an exchange that  
23 facilitates the buying, selling, or exchanging of digital  
24 assets for fiat currency or other digital assets that is  
25 licensed to conduct business in New York as a Virtual Currency  
26 Business Activity licensee or in California under the Digital

1 Financial Assets Law.

2 "Digital asset kiosk" means an automated teller machine  
3 that facilitates the buying, selling, or exchanging of digital  
4 assets for fiat currency or other digital assets.

5 "Digital asset kiosk operator" means a registrant or a  
6 person required to register pursuant to this Act.

7 "Existing customer" means a person who transacts with the  
8 operator following the new customer period. For the avoidance  
9 of doubt, "existing customer" includes any customer that is  
10 not a new customer.

11 "Federally insured depository institution" shall mean an  
12 insured depository institution as defined by Section 3(c)(2)  
13 of the Federal Deposit Insurance Act, 12 U.S.C. 1813(c)(2), as  
14 amended, or an insured credit union as defined by Section  
15 101(7) of the Federal Credit Union Act, 12 U.S.C. 1752(7), as  
16 amended.

17 "Fiat currency" means a medium of exchange or unit of  
18 value issued by the United States or a foreign government and  
19 that is designated as legal tender in its country of issuance.

20 "Insolvent" means any of the following: (i) having  
21 generally ceased to pay debts in the ordinary course of  
22 business other than as a result of a bona fide dispute, (ii)  
23 being unable to pay debts as they become due, and (iii) being  
24 insolvent within the meaning of federal bankruptcy law.

25 "Market price of the digital asset" means the current  
26 market price of a particular digital asset publicly quoted on

1 a digital asset exchange for a particular time, subject to any  
2 rules adopted by the Department.

3 "New customer" means a person who has never previously  
4 transacted with the operator. The new customer shall remain  
5 defined as such during the earlier of: (i) the customer's  
6 first 3 transactions after opening an account with the  
7 operator, or (ii) 7 days after opening an account with the  
8 operator.

9 "Operator" means a person who owns, operates, or manages a  
10 digital asset kiosk located in this State.

11 "Person" means, without limitation, any individual,  
12 corporation, business trust, estate, trust, partnership,  
13 proprietorship, syndicate, limited liability company,  
14 association, joint venture, government, governmental  
15 subsection, agency or instrumentality, public corporation or  
16 joint-stock company, or any other organization or legal or  
17 commercial entity.

18 "Record" means information that is inscribed on a tangible  
19 medium or that is stored in an electronic or other medium and  
20 is retrievable in perceivable form.

21 "Registrant" means a person registered under this Act.

22 "Request for assistance" means all inquiries, complaints,  
23 account disputes, and requests for documentation a digital  
24 asset kiosk operator receives from residents.

25 "Responsible individual" means an individual who has  
26 direct control over, or significant management, policy, or

1 decision-making authority with respect to, a person's digital  
2 asset kiosk business activity in this State.

3 "Secretary" means the Secretary of Financial and  
4 Professional Regulation and any authorized representative of  
5 the Secretary.

6 "Service provider" means any person that provides a  
7 material service to a digital asset kiosk operator in  
8 connection with the offering or provision by that operator of  
9 a digital asset business activity in this State, including a  
10 person that either (i) participates in designing, operating,  
11 or maintaining the digital asset business activity, or (ii)  
12 processes transactions relating to a digital asset kiosk  
13 transaction then unknowingly or incidentally transmitting or  
14 processing financial data in a manner that the data is  
15 undifferentiated from other types of data of the same form as  
16 the person transmits or processes.

17 "Tangible net worth" means the aggregate assets of a  
18 registrant, excluding all intangible assets, less liabilities,  
19 as determined in accordance with the United States' generally  
20 accepted accounting principles.

21 Section 15. General powers and duties.

22 (a) The Department shall have the following functions,  
23 powers, and duties, in carrying out its responsibilities under  
24 this Act:

25 (1) to issue or refuse to issue any registration or

1 other authorization under this Act;

2 (2) to revoke or suspend for cause any registration or  
3 other authorization under this Act;

4 (3) to keep records of all registrations or other  
5 authorizations under this Act;

6 (4) to receive, consider, investigate, and act upon  
7 complaints made by any person relating to any digital  
8 asset kiosk in this State;

9 (5) to prescribe the forms of and receive:

10 (A) applications for registrations or other  
11 authorizations under this Act; and

12 (B) all reports and all books and records required  
13 to be made under this Act;

14 (6) to subpoena documents and witnesses and compel  
15 their attendance and production, to administer oaths, and  
16 to require the production of any books, papers, or other  
17 materials relevant to any inquiry authorized by this Act  
18 or other law applicable to digital asset business activity  
19 in this State;

20 (7) to issue orders against any person:

21 (A) if the Secretary has reasonable cause to  
22 believe that an unsafe, unsound, or unlawful practice  
23 has occurred, is occurring, or is about to occur;

24 (B) if any person has violated, is violating, or  
25 is about to violate any law, rule, or written  
26 agreement with the Secretary; or

1           (C) for the purpose of administering the  
2           provisions of this Act or other applicable law.

3           (8) to address any inquiries to any digital asset  
4           kiosk operator or the directors, officers, or employees of  
5           the digital asset kiosk operator, or the affiliates or  
6           service providers of the digital asset kiosk operator, in  
7           relation to the digital asset kiosk operator's activities  
8           and conditions or any other matter connected with its  
9           affairs, and it shall be the duty of any person so  
10          addressed to promptly reply in writing to those inquiries.  
11          The Secretary may also require reports from any digital  
12          asset kiosk operator at any time the Secretary chooses;

13          (9) to examine the books and records of every digital  
14          asset kiosk operator, affiliate, or service provider;

15          (10) to enforce the provisions of this Act.

16          (11) to levy fees, fines, and civil penalties, charges  
17          for services, and assessments to defray operating  
18          expenses, including direct and indirect costs, of  
19          administering this Act.

20          (12) to appoint examiners, supervisors, experts, and  
21          special assistants as needed to effectively and  
22          efficiently administer this Act.

23          (13) to conduct hearings for the purpose of carrying  
24          out the purposes of this Act;

25          (14) to exercise visitorial power over a digital asset  
26          kiosk operator, affiliate, or service provider;

1           (15) to enter into cooperative agreements with federal  
2           and State regulatory authorities and to accept reports of  
3           examinations from federal and State regulatory  
4           authorities;

5           (16) to impose civil penalties against a digital asset  
6           kiosk operator, affiliate, or service provider for failing  
7           to respond to a regulatory request or reporting  
8           requirement;

9           (17) to perform any other lawful acts necessary or  
10          desirable to carry out the purposes and provisions of this  
11          Act.

12          (b) The Department may share any information obtained  
13          pursuant to this Act with law enforcement officials or other  
14          regulatory agencies.

15          Section 20. Funds.

16          (a) All moneys collected or received by the Department  
17          under this Act shall be deposited into the Digital Asset Kiosk  
18          Fund. The amounts deposited into the Digital Asset Kiosk Fund  
19          shall be used for the ordinary and contingent expenses of the  
20          Department in administering this Act and other financial laws.  
21          Nothing in this Act shall prevent the continuation of the  
22          practice of paying expenses involving salaries, retirement,  
23          social security, and State-paid insurance of State officers  
24          and employees by appropriation from the General Revenue Fund  
25          or any other fund. Moneys deposited into the Digital Asset

1 Kiosk Fund may be transferred to the Professions Indirect Cost  
2 Fund or any other Department fund.

3 (b) The expenses of administering this Act, including  
4 investigations and examinations provided for in this Act,  
5 shall be borne by and assessed against persons regulated by  
6 this Act. The Department may establish fees by rule, including  
7 in the following categories:

8 (1) investigation of registrants and registration  
9 applicant fees;

10 (2) examination fees;

11 (3) contingent fees; and

12 (4) such other categories as may be required to  
13 administer this Act.

14 (c) The Department shall charge and collect fees from  
15 digital asset kiosk operators, which shall be nonrefundable  
16 unless otherwise indicated, for the expenses of administering  
17 this Act as follows:

18 (1) Each digital asset kiosk operator shall pay \$150  
19 for each hour or part of an hour for each examiner or staff  
20 assigned to the supervision of the digital asset kiosk  
21 operator plus actual travel costs for any examination  
22 pursuant to the Act. Supervision of operators includes,  
23 but is not limited to, examination, audit, visit,  
24 registration, certification, review, investigation, or any  
25 other regulatory activity conducted pursuant to this Act.

26 (2) Each digital asset kiosk operator shall pay to the

1 Department its pro rata share of the cost for  
2 administration of this Act that exceeds other fees listed  
3 in this Act, as estimated by the Department, for the  
4 current year and any deficit actually incurred in the  
5 administration of the Act in prior years. The total annual  
6 assessment for all registrants shall initially be divided  
7 into a transaction-based assessment. Each registrant's pro  
8 rata share shall be based on the percentage of the total  
9 United States dollar value of all digital asset kiosk  
10 transactions by all registrants in Illinois per calendar  
11 year.

12 (d) The Department may, by rule, amend any fees set forth  
13 in this Act. The Department may establish additional fees by  
14 rule as set forth in this Section.

15 Section 25. Daily transaction limit.

16 (a) A digital asset kiosk operator shall not accept or  
17 dispense more than \$2,500 or equivalent monetary value in a  
18 day from or to the same new customer through a digital asset  
19 kiosk.

20 (b) A digital asset kiosk operator shall not accept or  
21 dispense more than \$10,500 or the equivalent monetary value in  
22 a day from or to any existing customer through a digital asset  
23 kiosk.

24 Section 30. Customer charges limit. A digital asset kiosk

1 operator may not, directly or indirectly, collect charges from  
2 a customer related to a single digital asset kiosk transaction  
3 that exceeds the greater of the following:

4 (1) \$5; or

5 (2) 18% of digital assets involved in the transaction  
6 according to the market price of the digital asset at the  
7 time the customer initiates the transaction.

8 Section 35. Customer disclosures.

9 (a) Before engaging in each digital asset kiosk  
10 transaction with a customer, a digital asset kiosk operator  
11 shall provide written disclosure, in English and in the same  
12 language principally used by the digital asset kiosk operator  
13 to advertise, solicit, or negotiate with a customer,  
14 containing the terms and conditions of the transaction that  
15 include, at a minimum, all of the following:

16 (1) The amount of the digital assets involved in the  
17 transaction.

18 (2) The amount, in United States dollars, of any  
19 charges collected by the operator.

20 (3) The United States dollar price of the digital  
21 assets that is charged to the customer and the United  
22 States dollar market price of the digital assets.

23 (4) All procedures for providing refunds as required  
24 by Section 45 of this Act and other methods to reverse or  
25 refund a transaction offered by the digital asset kiosk

1 operator.

2 (5) A warning written prominently in bold type stating  
3 the following: "Warning: Losses due to fraudulent or  
4 accidental transactions may not be recoverable and  
5 transactions are irreversible except as otherwise set  
6 forth in this disclosure."

7 (6) Digital assets are not legal tender, are not  
8 backed by the government, and accounts and value balances  
9 are not subject to Federal Deposit Insurance Corporation  
10 or Securities Investor Protection Corporation protections.

11 (7) Legislative and regulatory changes or actions at  
12 the State, federal, or international level may adversely  
13 affect the use, transfer, exchange, and value of digital  
14 assets.

15 (8) Some digital asset transactions shall be deemed to  
16 be made when recorded on a public ledger, which is not  
17 necessarily the date or time that the customer initiates  
18 the transaction.

19 (9) The value of a digital asset may be derived from  
20 the continued willingness of market participants to  
21 exchange fiat currency for digital assets, which may  
22 result in the potential for permanent and total loss of  
23 value of a particular digital asset should the market for  
24 that digital asset disappear.

25 (10) There is no assurance that a person who accepts a  
26 digital asset as payment today will continue to do so in

1 the future.

2 (11) The volatility and unpredictability of the price  
3 of a digital asset relative to fiat currency may result in  
4 significant loss over a short period of time.

5 (12) The nature of digital assets may lead to an  
6 increased risk of fraud or cyberattack.

7 (13) The nature of digital assets means that any  
8 technological difficulties experienced by the digital  
9 asset kiosk operator may prevent access or use of a  
10 customer's digital assets.

11 (14) Any bond or trust account maintained by the  
12 digital asset kiosk operator for the benefit of its  
13 customers may not be sufficient to cover all losses  
14 incurred by customers.

15 (b) The disclosures required by this Section shall be  
16 clear and conspicuous and provided separately from any other  
17 disclosure provided by the digital asset kiosk operator.

18 (c) A digital asset kiosk operator shall provide a  
19 customer with a receipt for any transaction made at the  
20 digital asset kiosk operator's digital asset kiosk that  
21 includes all of the following information:

22 (1) The name of the customer.

23 (2) The date and time of the transaction.

24 (3) The name and contact information of the digital  
25 asset kiosk operator.

26 (4) The amount of the digital assets and any digital

1 asset addresses involved in the transaction.

2 (5) The amount of United States dollars or other fiat  
3 currency involved in the transaction.

4 (6) The amount, in United States dollars, of any  
5 charges collected by the digital asset kiosk operator in  
6 relation to the transaction.

7 (7) The amount, in United States dollars, of any  
8 spread between the United States dollar price of the  
9 digital asset that is charged to the customer and the  
10 United States dollar market price of the digital asset.

11 (8) All procedures for providing refunds as required  
12 by this Act and any other methods to reverse or refund the  
13 transaction offered by the digital asset kiosk operator.

14 Section 40. Reporting physical addresses.

15 (a) A digital asset kiosk operator shall provide to the  
16 Department a list of all physical addresses of digital asset  
17 kiosks that the digital asset kiosk operator owns, operates,  
18 or manages in this State, in a form prescribed by the  
19 Department.

20 (b) A digital asset kiosk operator shall provide the  
21 Department with updates to the list required by subsection (a)  
22 of this Section within 30 days after any changes in a form  
23 prescribed by the Department.

24 (c) The Department shall make the list required by  
25 subsection (a) of this Section and contact information of each

1 digital asset kiosk operator available to the public on the  
2 Department's website.

3 Section 41. Customer service. All digital asset kiosk  
4 operators performing business in this State must provide live  
5 customer service during kiosk operating hours. The customer  
6 service toll-free number must be displayed on the digital  
7 asset kiosk or on the digital asset kiosk screen.

8 Section 42. Prevention of fraudulent activity. All digital  
9 asset kiosk operators must take reasonable steps to detect and  
10 prevent fraud, including establishing and maintaining a  
11 written anti-fraud policy.

12 Section 43. Blockchain analytics. All digital asset kiosk  
13 operators must use blockchain analytics software to help  
14 prevent transactions to wallets known to be affiliated with  
15 fraudulent activity at the time of a transaction and to detect  
16 transaction patterns indicative of fraud or other illicit  
17 activities.

18 Section 44. Law enforcement access to investigative  
19 information. All digital asset kiosk operators performing  
20 business in this State must provide a dedicated communications  
21 line for relevant government agencies through a posted U.S.  
22 phone number or email address. This dedicated line shall

1 facilitate law enforcement and regulatory agency  
2 communications with the digital asset kiosk operator in the  
3 event of a fraud report from a customer. The communications  
4 line must be frequently monitored.

5 Section 45. Refunds.

6 (a) A digital asset kiosk operator must issue a refund to a  
7 new customer for the full amount for up to 3 fraudulent  
8 transactions made within the new customer period, upon request  
9 of the customer. To receive a refund under this subsection, a  
10 new customer must:

11 (1) have been fraudulently induced to engage in a  
12 transaction or transactions involving the digital asset  
13 kiosk;

14 (2) within 30 days after the last transaction to occur  
15 during the new customer period, contact the digital asset  
16 kiosk operator to inform them of the fraudulent nature of  
17 the transaction or transactions at issue; and

18 (3) within 60 days after the last transaction to occur  
19 during the new customer period, submit proof of the  
20 fraudulent transaction or transactions to the digital  
21 asset kiosk operator. Proof may include, but is not  
22 limited to, a police report.

23 (b) A digital asset kiosk operator must issue a refund to  
24 an existing customer for the full amount of all charges upon  
25 request of an existing customer. To receive a refund under

1 this subsection, an existing customer must:

2 (1) have been fraudulently induced to engage in a  
3 transaction or transactions involving the digital asset  
4 kiosk;

5 (2) within 30 days after the transaction or  
6 transactions at issue, contact the digital asset kiosk  
7 operator to inform them of the fraudulent nature of the  
8 transaction or transactions at issue; and

9 (3) within 60 days after the transaction or  
10 transactions at issue, submit proof of the fraudulent  
11 transaction or transactions to the digital asset operator.  
12 Proof may include, but is not limited to, a police report.

13 Section 50. Registration required.

14 (a) A person shall not operate a digital asset kiosk in  
15 this State unless the person is registered with the Department  
16 pursuant to this Act or exempt from this Act.

17 (b) A person with any operational digital asset kiosks in  
18 this State as of the effective date of this Act shall not be  
19 required to be registered with the Department until July 1,  
20 2027.

21 Section 55. Applications.

22 (a) An application for a registration under this Act shall  
23 meet all of the following requirements:

24 (1) The application shall be in a form and medium

1 prescribed by the Department.

2 (2) The application shall provide all of the following  
3 information:

4 (A) The name of the applicant and the address of  
5 the principal place of business of the applicant and  
6 the address of all locations and proposed locations of  
7 the applicant in this State.

8 (B) The form of business organization of the  
9 applicant, including:

10 (i) a copy of its articles of incorporation  
11 and amendments thereto and a certified copy of its  
12 bylaws, if the applicant is a corporation;

13 (ii) a copy of its partnership agreement,  
14 certified by a partner, if the applicant is a  
15 partnership; or;

16 (iii) a copy of the documents that control its  
17 organizational structure, certified by a managing  
18 official, if the applicant is organized in some  
19 other form.

20 (C) The name, the business and home address, and a  
21 chronological summary of the business experience,  
22 material litigation history, and felony convictions  
23 over the preceding 10 years of:

24 (i) the proprietor, if the applicant is an  
25 individual;

26 (ii) every partner, if the applicant is a

1 partnership;

2 (iii) each officer, director, and controlling,  
3 person, if the applicant is a corporation; and

4 (iv) each person in a position to exercise  
5 control over, or direction of, the business of the  
6 applicant, regardless of the form of organization  
7 of the applicant.

8 (D) Financial statements, not more than one year  
9 old, prepared in accordance with generally accepted  
10 accounting principles and audited by a licensed public  
11 accountant or certified public accountant showing the  
12 financial condition of the applicant and an unaudited  
13 balance sheet and statement of operation as of the  
14 most recent quarterly report before the date of the  
15 application, certified by the applicant or an officer  
16 or partner thereof. If the applicant is a wholly owned  
17 subsidiary or is eligible to file consolidated federal  
18 income tax returns with its parent, however, unaudited  
19 financial statements for the preceding year along with  
20 the unaudited financial statements for the most recent  
21 quarter may be submitted if accompanied by the audited  
22 financial statements of the parent company for the  
23 preceding year along with the unaudited financial  
24 statement for the most recent quarter.

25 (E) Filings of the applicant with the Securities  
26 and Exchange Commission or similar foreign

1 governmental entity (English translation), if any.

2 (F) A list of all other states in which the  
3 applicant is licensed, registered, or the equivalent  
4 and whether the license, registration, or equivalent  
5 of the applicant for those purposes has ever been  
6 withdrawn, refused, canceled, or suspended in any  
7 other state, with full details.

8 (G) A sample of any contracts, disclosures, or  
9 terms of service applicable to its digital asset kiosk  
10 operations.

11 (H) The name and business address of any digital  
12 asset exchange or other person through which the  
13 applicant intends to conduct any business regulated  
14 under this Act.

15 (I) A surety bond as required by Section 70 of this  
16 Act.

17 (J) A written statement that the applicant is in  
18 full compliance with and agrees to continue to fully  
19 comply with all State and federal statutes and  
20 regulations relating to money laundering.

21 (K) All additional information the Secretary  
22 considers necessary in order to determine whether to  
23 issue the applicant a license under this Act.

24 (b) The application shall be accompanied by a  
25 nonrefundable fee of \$5,000 to cover the costs of application  
26 review.

1           (c) With good cause, the Secretary may waive, in part, any  
2 of the requirements of this Section.

3           Section 60. Refusal to issue registration.

4           (a) The Secretary may refuse to issue or a registration  
5 if: (i) the application does not comply with this Act; (ii) the  
6 proposed business operations do not comply with this Act;  
7 (iii) the competence, experience, and integrity of the  
8 officers, directors, controlling persons, and proposed  
9 management personnel, if the applicant is a corporation, or  
10 the competence, experience, and integrity of the owners,  
11 partners, and proposed management personnel, if the applicant  
12 is a partnership or other entity however organized, indicate  
13 that it is not in the interest of the public to permit the  
14 applicant to be registered under this Act; or (iv)  
15 registration is otherwise not in the best interest of the  
16 public.

17           (b) The Secretary shall issue a formal written notice of  
18 the denial of a license application within 30 days after the  
19 decision to deny the application. The Secretary shall set  
20 forth the specific reasons for the denial of the application  
21 in the notice of denial and serve the applicant, either  
22 personally or by certified mail. Service by certified mail  
23 shall be deemed completed when the notice is deposited into  
24 the U.S. Mail. An applicant whose application is denied by the  
25 Secretary under this Section may submit a written request for

1 a hearing that shall include the particular reasons why the  
2 applicant believes that the decision to deny the application  
3 was incorrect, within 10 days after service of the notice of  
4 the denial. If an applicant submits a timely request for a  
5 hearing, the Secretary shall schedule a hearing after the  
6 request for a hearing unless otherwise agreed to by the  
7 parties. The Secretary shall conduct hearings pursuant to this  
8 Section and in accordance with 38 Ill. Adm. Code 100, as  
9 amended or recodified.

10 Section 65. Renewal.

11 (a) A registration under this Act shall be renewed  
12 annually.

13 (b) A registrant shall submit a renewal report, in a form  
14 and in a medium prescribed by the Secretary by December 1 of  
15 each year. The form requires any information deemed necessary  
16 by the Secretary to review a renewal application. At a  
17 minimum, the renewal report must state or contain a  
18 description of each material change in information submitted  
19 by the registration in its original registration application  
20 or in its business operations which has not been reported to  
21 the Secretary.

22 (c) The Secretary may grant an extension of the renewal  
23 date.

24 Section 70. Surety bond.

1           (a) An applicant for a registration must provide, and a  
2 registrant at all times must maintain, security consisting of  
3 a surety bond in a form satisfactory to the Secretary. The bond  
4 shall run to the State of Illinois for the benefit of any  
5 claimant against the applicant or registrant with respect to  
6 any operations regulated by this Act. A claimant damaged by a  
7 breach of the conditions of a bond shall have a right to action  
8 upon the bond for damages suffered thereby and may bring suit  
9 directly on the bond, or the Secretary may bring suit on behalf  
10 of the claimant.

11           (b) The amount of the required security bond shall be the  
12 greater of \$100,000 or an amount equal to 100% of the monthly  
13 dollar value of all digital asset kiosk transactions in this  
14 State calculated for the most recently completed quarter, up  
15 to a maximum of \$2,000,000.

16           Section 75. Tangible net worth.

17           (a) A registrant under this Act shall maintain at all  
18 times a tangible net worth of the greater of \$100,000 or 3% of  
19 total assets for the first \$100,000,000, 2% of additional  
20 assets for \$100,000,000 to \$1,000,000,000, and 0.5% of  
21 additional assets for over \$1,000,000,000.

22           (b) Notwithstanding subsection (a), the Secretary shall  
23 have discretionary authority to exempt, in part or in whole,  
24 from the requirements of this Section any applicant or  
25 registrant.

1 Section 85. Enforcement generally.

2 (a) Upon written notice to a digital asset kiosk operator,  
3 the Secretary may suspend or revoke any registration issued  
4 pursuant to this Act if, in the notice, the Secretary makes a  
5 finding of one or more of the following:

6 (1) that any fact or condition exists that, if it had  
7 existed at the time of the original application for the  
8 registration, would have warranted the Secretary in  
9 refusing originally to issue the registration; or

10 (2) that if a registrant is other than an individual,  
11 any ultimate equitable owner, officer, director, or member  
12 of the registration partnership, association, corporation,  
13 or other entity has acted or failed to act in a way that  
14 would be cause for suspending or revoking a registration  
15 to that party as an individual; and

16 (3) any ground set forth in subsection (1).

17 (b) No registration shall be suspended or revoked, except  
18 as provided in this Section, nor shall any digital asset kiosk  
19 operator be fined without notice of the right to a hearing as  
20 provided in this Section.

21 (c) The Secretary, on good cause shown that an emergency  
22 exists, may suspend any registration for a period not  
23 exceeding 180 days, pending investigation.

24 (d) No revocation, suspension, or surrender of any  
25 registration shall impair or affect the obligation of any

1 preexisting lawful contract between the registrant and any  
2 person.

3 (e) Every registration issued under this Act shall remain  
4 in force and effect until the registration expires without  
5 renewal, is surrendered, is revoked, or is suspended in  
6 accordance with the provisions of this Act, but the Secretary  
7 shall have authority to reinstate a suspended registration or  
8 to issue a new registration to a digital asset kiosk operator  
9 whose registration has been revoked if no fact or condition  
10 then exists which would have warranted the Secretary in  
11 refusing originally to issue that registration under this Act.

12 (f) Whenever the Secretary revokes or suspends a  
13 registration issued pursuant to this Act or fines a digital  
14 asset kiosk operator under this Act, the Secretary shall  
15 execute a written order to that effect. The Secretary shall  
16 serve a copy of the order upon the digital asset kiosk  
17 operator.

18 (g) If the Secretary finds any digital asset kiosk  
19 operator in violation of the grounds set forth in subsection  
20 (1), the Secretary may enter an order imposing one or more of  
21 the following penalties:

22 (1) revocation of registration;

23 (2) suspension of a registration subject to  
24 reinstatement upon satisfying all reasonable conditions  
25 the Secretary may specify;

26 (3) placement of the digital asset kiosk operator or

1 applicant on probation for a period of time and subject to  
2 all reasonable conditions as the Secretary may specify;

3 (4) issuance of a reprimand;

4 (5) imposition of a fine not to exceed \$25,000 for  
5 each count of separate offense; except that a fine may be  
6 imposed that shall not exceed \$75,000 for each separate  
7 count of offense in violation of paragraph (2) or (14) of  
8 subsection (1);

9 (6) denial of a registration application; or

10 (7) restitution for the benefit of any person.

11 (h) The Secretary may issue a new registration to a  
12 digital asset kiosk operator whose registration has been  
13 revoked when facts or conditions which clearly would have  
14 warranted the Secretary in refusing originally to issue the  
15 registration no longer exist.

16 (i) For every order issued pursuant to this Section, the  
17 Secretary shall serve the digital asset kiosk operator with  
18 notice of the Secretary's action, including a statement of the  
19 reasons for the actions, either personally or by certified  
20 mail. Service by certified mail shall be deemed completed when  
21 the notice is deposited in the U.S. mail.

22 (j) Any order issued pursuant to this Section shall take  
23 effect upon service of the order unless the digital asset  
24 kiosk operator requests a hearing, in writing, within 10 days  
25 after the date of service. If a hearing is requested, the order  
26 shall be stayed until a final administrative order is entered

1 except for an emergency revocation and suspension as set forth  
2 subsection (c).

3 (1) If the digital asset kiosk operator requests a  
4 hearing, the Secretary shall schedule a hearing within 90  
5 days after the request for a hearing unless otherwise  
6 agreed to by the parties.

7 (2) The hearing shall be held at the time and place  
8 designated by the Secretary. The Secretary and any  
9 administrative law judge designated by the Secretary shall  
10 have the power to administer oaths and affirmations,  
11 subpoena witnesses and compel their attendance, take  
12 evidence, and require the production of books, papers,  
13 correspondence, and other records or information that the  
14 Secretary or the Secretary's designated administrative law  
15 judge considers relevant or material to the inquiry.

16 (k) The costs of administrative hearings conducted  
17 pursuant to this Section shall be paid by the digital asset  
18 kiosk operator.

19 (l) The following acts shall constitute grounds for which  
20 the disciplinary actions specified in subsection (g) may be  
21 taken:

22 (1) being convicted or found guilty, regardless of  
23 pendency of an appeal, of a crime in any jurisdiction that  
24 involves fraud, dishonest dealing, or any other act of  
25 moral turpitude;

26 (2) fraud, misrepresentation, deceit, or negligence in

1 any relation to any transaction regulated under this Act;

2 (3) a material or intentional misstatement of fact on  
3 an initial or renewal application;

4 (3.5) any fact or condition exists that, if it had  
5 existed at the time of the original application for the  
6 registration, would have warranted the Secretary in  
7 refusing to originally issue the registration;

8 (4) insolvency or filing under any provision of the  
9 United States Bankruptcy Code as a debtor;

10 (5) failure to account or deliver to any person any  
11 property, such as any money, fund, deposit, check, draft,  
12 or other document or thing of value, that has come into a  
13 digital asset kiosk operator's hands and that is not the  
14 digital asset kiosk operator's property or that the  
15 digital asset kiosk operator is not in law or equity  
16 entitled to retain, under the circumstances and at the  
17 time which has been agreed upon or is required by law, or,  
18 in the absence of a fixed time, upon demand of the person  
19 entitled to the accounting and delivery;

20 (6) failure to disburse funds in accordance with  
21 agreements;

22 (7) having a registration, or the equivalent, to  
23 practice any profession or occupation or operate any  
24 business revoked, suspended, or otherwise acted against,  
25 including the denial of licensure by a licensing authority  
26 of this State or another State, territory, or country, for

1 fraud, dishonest dealing, or any other act of moral  
2 turpitude;

3 (8) failure to comply with an order of the Secretary;

4 (9) engaging in activities regulated by this Act  
5 without a current, active registration unless specifically  
6 exempted by this Act;

7 (10) failure to pay in a timely manner any fee,  
8 charge, or fine under this Act;

9 (11) failure to maintain, preserve, and keep available  
10 for examination all books, accounts, or other documents  
11 required by the provisions of this Act;

12 (12) refusing, obstructing, evading, or unreasonably  
13 delaying an investigation, information request, or  
14 examination authorized under this Act, or refusing,  
15 obstructing, evading, or unreasonably delaying compliance  
16 with the Secretary's subpoena or subpoena duces tecum;

17 (13) failure to comply with or a violation of any  
18 provision of this Act; and

19 (14) any unfair, deceptive, or abusive business  
20 practice.

21 Section 90. Cease and desist order.

22 (a) The Secretary may issue a cease and desist order to any  
23 digital asset kiosk operator doing business without the  
24 required registration, when in the opinion of the Secretary  
25 the digital asset kiosk operator is violating or is about to

1 violate any provision of this Act or requirement imposed in  
2 writing by the Department as a condition of granting any  
3 authorization permitted by this Act. The cease and desist  
4 order permitted by this Section may be issued before a  
5 hearing.

6 (b) The Secretary shall serve notice of the Secretary's  
7 action, including, but not limited to, a statement of the  
8 reasons for the action, either personally or by certified  
9 mail. Service by certified mail shall be deemed completed when  
10 the notice is deposited in the U.S. Mail.

11 (c) Within 10 days after service of the cease and desist  
12 order, the digital asset kiosk operator may request a hearing  
13 in writing. The Secretary shall schedule a hearing within 90  
14 days after the request for a hearing unless otherwise agreed  
15 to by the parties.

16 (d) If it is determined that the Secretary had the  
17 authority to issue the cease and desist order, the Secretary  
18 may issue such orders as may be reasonably necessary to  
19 correct, eliminate, or remedy the conduct.

20 (e) The powers vested in the Secretary by this Section are  
21 in addition to any and all other powers and remedies vested in  
22 the Secretary by law, and nothing in this Section shall be  
23 construed as requiring that the Secretary shall employ the  
24 power conferred in this subsection instead of or as a  
25 condition precedent to the exercise of any other power or  
26 remedy vested in the Secretary.

1           Section 95. Civil action. A claim of violation of this Act  
2 may be asserted in a civil action. Additionally, a prevailing  
3 person, other than a digital asset kiosk operator, may be  
4 awarded reasonable attorney's fees and court costs.

5           Section 100. Rulemaking.

6           (a) The Department may adopt rules to implement the  
7 provisions of this Act, including, but not limited to:

8                 (1) rules in connection with the activities of digital  
9 asset kiosk operators as may be necessary and appropriate  
10 for the protection of persons in this State;

11                 (2) rules as may be necessary and appropriate to  
12 define improper or fraudulent business practices in  
13 connection with the activities of digital asset kiosk  
14 operators and digital asset kiosks;

15                 (3) rules that define the terms used in this Act and as  
16 may be necessary and appropriate to interpret and  
17 implement the provisions of this Act; and

18                 (4) rules as may be necessary for the implementation,  
19 enforcement and administration of this Act.

20           (b) The Secretary is hereby authorized and empowered to  
21 make specific rulings, demands, and findings that the  
22 Secretary deems necessary for the proper conduct of operators.

23           Section 105. Appeal and review.

1           (a) The Department may, in accordance with the Illinois  
2 Administrative Procedure Act, adopt rules to provide for  
3 review within the Department of the Secretary's decisions  
4 affecting the rights of persons under this Act. The review  
5 shall provide for, at a minimum:

6           (1) appointment of a hearing officer;

7           (2) appropriate procedural rules, specific deadlines  
8 for filings, and standards of evidence and of proof; and

9           (3) provision for apportioning costs among parties to  
10 the appeal.

11          (b) All final agency determinations of appeals to  
12 decisions of the Secretary may be reviewed in accordance with  
13 and under the provisions of the Administrative Review Law.  
14 Appeals from all final orders and judgments entered by a court  
15 in review of any final administrative decision of the  
16 Secretary or of any final agency review of a decision of the  
17 Secretary may be taken as in other civil cases.

18          (c) The Secretary shall conduct hearings pursuant to this  
19 Section and in accordance with 38 Ill. Adm. Code 100, as  
20 amended or recodified from time to time.

21          Section 110. Evasion. An agreement, contract, or  
22 transaction that is structured to evade the scope of this Act  
23 shall be deemed to fall within the scope of this Act.

24          Section 115. Injunction. The Secretary may, through the

1 Attorney General, maintain an action in the name of the people  
2 of the State of Illinois and may apply for an injunction in the  
3 Circuit Court to enjoin a person from violating this Act.

4 Section 120. Applicability. This Act governs any digital  
5 asset kiosk located in this State.

6 Section 125. Exemptions.

7 (a) This Act does not apply to the following persons:

8 (1) The United States; other states or political  
9 subdivisions of another state; agencies or  
10 instrumentalities of the federal government, another  
11 state, or local government; or a foreign government or a  
12 subdivision, department, agency, or instrumentality of a  
13 foreign government.

14 (2) A federally insured depository institution.

15 (3) A credit union with member share accounts insured  
16 by an insurer approved by the credit union's primary  
17 financial regulatory agency. An out-of-State credit union  
18 may not conduct any activity in this State that is not  
19 authorized for a credit union chartered under the laws of  
20 this State.

21 (b) Nothing in this Act grants persons described in this  
22 subsection (a) the authority to engage in any activity not  
23 otherwise granted under existing law.

24 (c) Notwithstanding any other provision of this Act, the

1 Department, by rule or order, may conditionally or  
2 unconditionally exempt any person, or any class of person or  
3 classes of persons, digital asset, or transaction from any  
4 provision of this Act or any rule adopted pursuant to this Act,  
5 to the extent that the exemption is necessary or appropriate,  
6 in the public interest, and consistent with the protection of  
7 residents.

8 Section 800. If and only if House Bill 742 of the 104th  
9 General Assembly becomes law in the form in which it passed the  
10 House on April 10, 2025, then Sections 15, 20, 50, 55, 60, 65,  
11 70, 75, 85, 90, 105, 115, 120, and 125 of this Act are repealed  
12 on the date that House Bill 742 of the 104th General Assembly  
13 becomes law.

14 Section 900. The State Finance Act is amended by adding  
15 Section 5.1030 as follows:

16 (30 ILCS 105/5.1030 new)

17 Sec. 5.1030. The Digital Asset Kiosk Fund. If and only if  
18 House Bill 742 of the 104th General Assembly becomes law in the  
19 form in which it passed the House on April 10, 2025, this  
20 Section is repealed.

21 Section 997. Severability. The provisions of this Act are  
22 severable under Section 1.31 of the Statute on Statutes.

1           Section 999. Effective date. This Act takes effect upon  
2    becoming law.".