



Rep. Edgar González, Jr.

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1 AMENDMENT TO HOUSE BILL 743

2 AMENDMENT NO. _____. Amend House Bill 743 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 definition, "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 banks, 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 "Charges" means: (i) fees or expenses paid by the
10 customer; and (ii) the difference between the market price of
11 the digital asset and the price of the digital asset charged to
12 the customer.

13 "Confidential supervisory information" means information
14 or documents obtained by employees, agents, or representatives
15 of the Department in the course of any examination,
16 investigation, audit, visit, registration, certification,
17 review, licensing, or any other regulatory or supervisory
18 activity pursuant to this Act, and any record prepared or
19 obtained by the Department to the extent that the record
20 summarizes or contains information derived from any report,
21 document, or record described in this Act.

22 "Credit union" means a credit union chartered under the
23 laws of this State or any other state or under the laws of the
24 United States.

25 "Department" means the Department of Financial and
26 Professional Regulation.

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

15 "Digital asset exchange" means an exchange that
16 facilitates the buying, selling, or exchanging of digital
17 assets for fiat currency or other digital assets that is
18 licensed to conduct business in New York as a Virtual Currency
19 Business Activity licensee or in California under the Digital
20 Financial Assets Law.

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

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

26 "Existing customer" means a person who transacts with the

1 operator following the 30-day period after the first
2 transaction with the operator. "Existing customer" includes
3 any customer who is not a new customer.

4 "Federally insured depository institution" shall mean an
5 insured depository institution as defined by Section 3(c)(2)
6 of the Federal Deposit Insurance Act, 12 U.S.C. 1813(c)(2), as
7 amended, or an insured credit union as defined by Section
8 101(7) of the Federal Credit Union Act, 12 U.S.C. 1752(7), as
9 amended.

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

13 "Insolvent" means any of the following: (i) having
14 generally ceased to pay debts in the ordinary course of
15 business other than as a result of a bona fide dispute; (ii)
16 being unable to pay debts as they become due; and (iii) being
17 insolvent within the meaning of federal bankruptcy law.

18 "Market price of the digital asset" means the current
19 market price of a particular digital asset publicly quoted on
20 a digital asset exchange for a particular time, subject to any
21 rules adopted by the Department.

22 "New customer" means a person who has never previously
23 transacted with the operator. The new customer shall remain
24 defined as such during the 30-day period after the first
25 transaction with the operator.

26 "Operator" means a person who owns, operates, or manages a

1 digital asset kiosk located in this State.

2 "Person" means, without limitation, any individual,
3 corporation, business trust, estate, trust, partnership,
4 proprietorship, syndicate, limited liability company,
5 association, joint venture, government, governmental
6 subsection, agency or instrumentality, public corporation or
7 joint stock company, or any other organization or legal or
8 commercial entity.

9 "Record" means information that is inscribed on a tangible
10 medium or that is stored in an electronic or other medium and
11 is retrievable in perceivable form.

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

13 "Request for assistance" means all inquiries, complaints,
14 account disputes, and requests for documentation that a
15 digital asset kiosk operator receives from residents.

16 "Responsible individual" means an individual who has
17 direct control over, or significant management, policy, or
18 decision-making authority with respect to, a person's digital
19 asset kiosk business activity in this State.

20 "Secretary" means the Secretary of Financial and
21 Professional Regulation and any authorized representative of
22 the Secretary.

23 "Service provider" means any person that provides a
24 material service to a digital asset kiosk operator in
25 connection with the offering or provision by that operator of
26 a digital asset business activity in this State, including a

1 person that either: (i) participates in designing, operating,
2 or maintaining the digital asset business activity; or (ii)
3 processes transactions relating to a digital asset kiosk
4 transaction and unknowingly or incidentally transmits or
5 processes financial data in a manner that the data is
6 undifferentiated from other types of data of the same form as
7 the data the person transmits or processes.

8 "Tangible net worth" means the aggregate assets of a
9 registrant, excluding all intangible assets, less liabilities,
10 as determined in accordance with United States generally
11 accepted accounting principles.

12 Section 15. General powers and duties.

13 (a) The Department shall have the following functions,
14 powers, and duties, in carrying out its responsibilities under
15 this Act:

16 (1) to issue or refuse to issue any registration or
17 other authorization under this Act;

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

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

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

25 (5) to prescribe the form of and receive:

1 (A) applications for registrations or other
2 authorizations under this Act; and

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

5 (6) to subpoena documents and witnesses and compel
6 their attendance and production, to administer oaths, and
7 to require the production of any books, papers, or other
8 materials relevant to any inquiry authorized by this Act
9 or other law applicable to digital asset business activity
10 in this State;

11 (7) to issue orders against any person:

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

15 (B) who has violated, is violating, or is about to
16 violate any law, rule, or written agreement with the
17 Secretary; or

18 (C) for the purpose of administering the
19 provisions of this Act or other applicable law;

20 (8) to address any inquiries to any digital asset
21 kiosk operator or the directors, officers, or employees of
22 the digital asset kiosk operator, or the affiliates or
23 service providers of the digital asset kiosk operator, in
24 relation to the digital asset kiosk operator's activities
25 and conditions or any other matter connected with its
26 affairs, and it shall be the duty of any person so

1 addressed to promptly reply in writing to those inquiries.
2 The Secretary may also require reports from any digital
3 asset kiosk operator at any time the Secretary chooses;

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

6 (10) to enforce the provisions of this Act;

7 (11) to levy fees, fines, and civil penalties, charges
8 for services, and assessments to defray operating
9 expenses, including direct and indirect costs, of
10 administering this Act;

11 (12) to appoint examiners, supervisors, experts, and
12 special assistants as needed to effectively and
13 efficiently administer this Act;

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

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

18 (15) to enter into cooperative agreements with federal
19 and State regulatory authorities and to accept reports of
20 examinations from federal and State regulatory
21 authorities;

22 (16) to impose civil penalties against a digital asset
23 kiosk operator, affiliate, or service provider for failing
24 to respond to a regulatory request or reporting
25 requirement; and

26 (17) to perform any other lawful acts necessary or

1 desirable to carry out the purposes and provisions of this
2 Act.

3 (b) The Department may share any information obtained
4 pursuant to this Act with law enforcement officials or other
5 regulatory agencies.

6 Section 20. Funds.

7 (a) Except as set forth in Section 80, all moneys
8 collected or received by the Department under this Act shall
9 be deposited into the Digital Asset Kiosk Fund, a special fund
10 created in the State treasury. The amounts deposited into the
11 Digital Asset Kiosk Fund shall be used for the ordinary and
12 contingent expenses of the Department in administering this
13 Act and other financial laws. Nothing in this Act shall
14 prevent the continuation of the practice of paying expenses
15 involving salaries, retirement, social security, and
16 State-paid insurance of State officers and employees by
17 appropriation from the General Revenue Fund or any other fund.
18 Moneys deposited into the Digital Asset Kiosk Fund may be
19 transferred to the Professions Indirect Cost Fund or any other
20 Department fund.

21 (b) The expenses of administering this Act, including
22 investigations and examinations provided for in this Act,
23 shall be borne by and assessed against persons regulated by
24 this Act. The Department may establish fees by rule, including
25 in the following categories:

1 (1) investigation of registrants and registration
2 applicant fees;

3 (2) examination fees;

4 (3) contingent fees; and

5 (4) such other categories as may be required to
6 administer this Act.

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

11 (1) Each digital asset kiosk operator shall pay \$150
12 for each hour or part of an hour for each examiner or staff
13 assigned to the supervision of the digital asset kiosk
14 operator plus actual travel costs for any examination
15 pursuant to the Act. Supervision of operators includes,
16 but is not limited to, examination, audit, visit,
17 registration, certification, review, investigation, or any
18 other regulatory activity conducted pursuant to this Act.

19 (2) Each digital asset kiosk operator shall pay to the
20 Department its pro rata share of the cost for
21 administration of this Act that exceeds other fees listed
22 in this Act, as estimated by the Department, for the
23 current year and any deficit actually incurred in the
24 administration of the Act in prior years. The total annual
25 assessment for all registrants shall initially be divided
26 into a transaction-based assessment. Each registrant's pro

1 rata share shall be based on the percentage of the total
2 United States dollar value of all digital asset kiosk
3 transactions by all registrants in Illinois per calendar
4 year.

5 (d) The Department may, by rule, modify any fees set forth
6 in this Act. The Department may establish additional fees by
7 rule as set forth in this Section.

8 Section 25. Daily transaction limit. A digital asset kiosk
9 operator shall not accept or dispense more than \$1,000 or an
10 equivalent monetary value in a day from or to the same customer
11 via a digital asset kiosk.

12 Section 30. Customer charges limit. A digital asset kiosk
13 operator may not, directly or indirectly, collect charges from
14 a customer related to a single digital asset kiosk transaction
15 that exceed the greater of the following:

16 (1) \$5; or

17 (2) 15% of the digital assets involved in the
18 transaction according to the market price of the digital
19 asset at the time the customer initiates the transaction.

20 Section 35. Customer disclosures.

21 (a) Before engaging in each digital asset kiosk
22 transaction with a customer, a digital asset kiosk operator
23 shall provide written disclosure, in English and in the same

1 language principally used by the digital asset kiosk operator
2 to advertise, solicit, or negotiate with a customer,
3 containing the terms and conditions of the transaction that
4 include, at a minimum, all of the following:

5 (1) The amount of the digital assets involved in the
6 transaction.

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

9 (3) The United States dollar price of the digital
10 assets that is charged to the customer and the United
11 States dollar market price of the digital assets.

12 (4) All procedures for providing refunds as required
13 by Section 45 of this Act and other methods to reverse or
14 refund a transaction offered by the digital asset kiosk
15 operator.

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

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

24 (c) A digital asset kiosk operator shall provide a
25 customer with a receipt for any transaction made at the
26 digital asset kiosk operator's digital asset kiosk that

1 includes all of the following information:

2 (1) The name of the customer.

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

4 (3) The name and contact information of the digital
5 asset kiosk operator.

6 (4) The amount of the digital assets involved in the
7 transaction.

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

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

13 (7) The amount, in United States dollars, of any
14 spread between the United States dollar price of the
15 digital asset that is charged to the customer and the
16 United States dollar market price of the digital asset.

17 (8) The name of the digital asset exchange that the
18 operator used to calculate the spread described in
19 paragraph (7).

20 (9) All procedures for providing refunds, as required
21 by Section 45 of this Act, and any other methods to reverse
22 or refund the transaction offered by the digital asset
23 kiosk operator.

24 Section 40. Reporting physical addresses.

25 (a) A digital asset kiosk operator shall provide to the

1 Department a list of all physical addresses of digital asset
2 kiosks that the digital asset kiosk operator owns, operates,
3 or manages in this State, in a form prescribed by the
4 Department.

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

9 (c) The Department shall make the list required by
10 subsection (a) of this Section and contact information of each
11 digital asset kiosk operator available to the public on the
12 Department's website.

13 Section 45. Refunds.

14 (a) A digital asset kiosk operator must issue a refund to a
15 new customer for the full amount of any fraudulent transaction
16 made within the 30-day new customer time period, upon request
17 of the customer. To receive a refund under this Section, a
18 customer must:

19 (1) have been fraudulently induced to engage in a
20 transaction or transactions involving the digital asset
21 kiosk;

22 (2) within 60 days after the last transaction to occur
23 during the 30-day new customer time period, contact the
24 digital asset kiosk operator and a governmental or law
25 enforcement agency to inform them of the fraudulent nature

1 of the transaction or transactions at issue; and

2 (3) within 60 days after the last transaction to occur
3 during the 30-day new customer time period, submit proof
4 of the fraudulent transaction or transactions to the
5 digital asset kiosk operator. Proof may include, but is
6 not limited to, a police report or a sworn declaration
7 detailing the fraudulent nature of the transaction or
8 transactions.

9 Section 50. Registration required.

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

13 (b) A person with any operational digital asset kiosks in
14 this State on the effective date of this Act shall not be
15 required to be registered with the Department until July 1,
16 2026.

17 Section 55. Applications.

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

20 (1) The application shall be in a form and medium
21 prescribed by the Department.

22 (2) The application shall require all of the following
23 information:

24 (A) The name of the applicant, the address of the

1 principal place of business of the applicant, and the
2 address of all locations and proposed locations of the
3 applicant in this State.

4 (B) The form of business organization of the
5 applicant, including:

6 (i) a copy of its articles of incorporation
7 and amendments thereto and a certified copy of its
8 bylaws, if the applicant is a corporation;

9 (ii) a copy of its partnership agreement,
10 certified by a partner, if the applicant is a
11 partnership; or

12 (iii) a copy of the documents that control its
13 organizational structure, certified by a managing
14 official, if the applicant is organized in some
15 other form.

16 (C) The name, the business and home address, and a
17 chronological summary of the business experience,
18 material litigation history, and felony convictions
19 over the preceding 10 years of:

20 (i) the proprietor, if the applicant is an
21 individual;

22 (ii) every partner, if the applicant is a
23 partnership;

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

26 (iv) each person in a position to exercise

1 control over the direction of the business of the
2 applicant, regardless of the form of organization
3 of the applicant.

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

22 (E) Filings of the applicant with the Securities
23 and Exchange Commission, or similar foreign
24 governmental entity, which shall be translated into
25 English, if any.

26 (F) A list of all other states in which the

1 applicant is licensed or registered, or the
2 equivalent, and whether the license or registration,
3 or the equivalent, of the applicant for those purposes
4 has ever been withdrawn, refused, canceled, or
5 suspended in any other state, with full details.

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

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

13 (I) A surety bond as required by Section 70 of this
14 Act.

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

19 (K) All additional information the Secretary
20 considers necessary in order to determine whether to
21 issue the applicant a registration under this Act.

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

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

1 Section 60. Refusal to issue registration.

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

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

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

8 Section 65. Renewal.

9 (a) A registration under this Act shall be renewed
10 annually.

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

20 (c) The Secretary may grant an extension of the renewal
21 date.

22 Section 70. Surety bond.

23 (a) An applicant for a registration must provide, and a
24 registrant at all times must maintain, security consisting of

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

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

14 Section 75. Tangible net worth.

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

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

24 Section 80. Per kiosk fee.

1 (a) On or before July 1, 2026, and on or before July 1 of
2 each year thereafter, each digital asset kiosk operator shall
3 pay an annual fee of \$35,000 for each digital asset kiosk
4 located in this State.

5 (b) The fee shall be deposited into the General Revenue
6 Fund.

7 Section 85. Enforcement generally.

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

12 (1) that any fact or condition exists that, if it had
13 existed at the time of the original application for the
14 registration, clearly would have originally constituted
15 good cause for the Secretary to refuse to issue the
16 registration;

17 (2) that, if a registrant is not an individual, any
18 ultimate equitable owner, officer, director, or member of
19 the registration partnership, association, corporation, or
20 other entity has acted or failed to act in a way that would
21 be cause for suspending or revoking a registration to that
22 party as an individual; or

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

24 (b) No registration shall be suspended or revoked, except
25 as provided in this Section, nor shall any digital asset kiosk

1 operator be fined without notice of the operator's right to a
2 hearing as provided in this Section.

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

6 (d) No revocation, suspension, or surrender of any
7 registration shall impair or affect the obligation of any
8 preexisting lawful contract between the registrant and any
9 person.

10 (e) Every registration issued under this Act shall remain
11 in force and effect until the registration expires without
12 renewal, is surrendered, is revoked, or is suspended in
13 accordance with the provisions of this Act. The Secretary
14 shall have authority to reinstate a suspended registration or
15 to issue a new registration to a digital asset kiosk operator
16 whose registration has been revoked if no fact or condition
17 then exists that would have originally constituted good cause
18 for the Secretary to refuse to issue the registration under
19 this Act.

20 (f) Whenever the Secretary revokes or suspends a
21 registration issued pursuant to this Act or fines a digital
22 asset kiosk operator under this Act, the Secretary shall
23 execute a written order to that effect. The Secretary shall
24 serve a copy of the order upon the digital asset kiosk
25 operator.

26 (g) If the Secretary finds any digital asset kiosk

1 operator in violation of the grounds set forth in subsection
2 (1), the Secretary may enter an order imposing one or more of
3 the following penalties:

4 (1) revocation of registration;

5 (2) suspension of a registration subject to
6 reinstatement upon satisfying all reasonable conditions
7 the Secretary may specify;

8 (3) placement of the digital asset kiosk operator or
9 applicant on probation for a period of time and subject to
10 all reasonable conditions as the Secretary may specify;

11 (4) issuance of a reprimand;

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

17 (6) denial of a registration application; or

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

19 (h) The Secretary may issue a new registration to a
20 digital asset kiosk operator whose registration has been
21 revoked if facts or conditions that clearly would have
22 originally constituted good cause for the Secretary to refuse
23 to issue the registration no longer exist.

24 (i) For every order issued pursuant to this Section, the
25 Secretary shall serve the digital asset kiosk operator with
26 notice of the Secretary's action, including a statement of the

1 reasons for the Secretary's action, either personally or by
2 certified mail. Service by certified mail shall be deemed
3 completed when the notice is deposited into the U.S. mail.

4 (j) Any order issued pursuant to this Section shall take
5 effect upon service of the order unless the digital asset
6 kiosk operator requests a hearing, in writing, within 10 days
7 after the date of service. If a hearing is requested, the order
8 shall be stayed until a final administrative order is entered,
9 except for an emergency revocation and suspension as set forth
10 subsection (c).

11 (1) If the digital asset kiosk operator requests a
12 hearing, the Secretary shall schedule a hearing within 90
13 days after the request for a hearing, unless otherwise
14 agreed to by the parties.

15 (2) The hearing shall be held at the time and place
16 designated by the Secretary. The Secretary and any
17 administrative law judge designated by the Secretary shall
18 have the power to administer oaths and affirmations,
19 subpoena witnesses and compel their attendance, take
20 evidence, and require the production of books, papers,
21 correspondence, and other records or information that the
22 Secretary or the administrative considers relevant or
23 material to the inquiry.

24 (k) The costs of administrative hearings conducted
25 pursuant to this Section shall be paid by the digital asset
26 kiosk operator.

1 (1) The following acts or conditions shall constitute
2 grounds for which the disciplinary actions specified in
3 subsection (g) may be taken:

4 (1) being convicted or found guilty, regardless of
5 pendency of an appeal, of a crime in any jurisdiction that
6 involves fraud, dishonest dealing, or any other act of
7 moral turpitude;

8 (2) fraud, misrepresentation, deceit, or negligence in
9 any relation to any transaction regulated under this Act;

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

12 (3.5) any fact or condition existing that, if it had
13 existed at the time of the original application for the
14 registration, would have originally provided good cause
15 for the Secretary to refuse to issue the registration;

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

18 (5) failure to account or deliver to any person any
19 property, such as any money, fund, deposit, check, draft,
20 or other document or thing of value, that has come into the
21 digital kiosk operator's hands and that is not the
22 operator's property or that the operator is not in law or
23 equity entitled to retain, under the circumstances and at
24 the time which has been agreed upon or is required by law,
25 or, in the absence of a fixed time, upon demand of the
26 person entitled to the accounting and delivery;

1 (6) failure to disburse funds in accordance with
2 agreements;

3 (7) having a registration, or the equivalent, to
4 practice any profession or occupation or operate any
5 business revoked, suspended, or otherwise acted against,
6 including the denial of licensure by a licensing authority
7 of this State or another state, territory, or country, for
8 fraud, dishonest dealing, or any other act of moral
9 turpitude;

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

11 (9) engaging in activities regulated by this Act
12 without a current, active registration unless specifically
13 exempted by this Act;

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

16 (11) failure to maintain, preserve, and keep available
17 for examination all books, accounts, or other documents
18 required by this Act;

19 (12) refusing, obstructing, evading, or unreasonably
20 delaying an investigation, information request, or
21 examination authorized under this Act or refusing,
22 obstructing, evading, or unreasonably delaying compliance
23 with the Secretary's subpoena or subpoena duces tecum;

24 (13) violating or failing to comply with any provision
25 of this Act; and

26 (14) any unfair, deceptive, or abusive business

1 practice.

2 Section 90. Cease and desist order.

3 (a) The Secretary may issue a cease and desist order to any
4 digital asset kiosk operator doing business without the
5 required registration when, in the opinion of the Secretary,
6 the digital asset kiosk operator is violating or is about to
7 violate any provision of this Act or requirement imposed in
8 writing by the Department as a condition of granting any
9 authorization permitted by this Act. The cease and desist
10 order permitted by this Section may be issued before a
11 hearing.

12 (b) The Secretary shall serve notice of the Secretary's
13 action, including, but not limited to, a statement of the
14 reasons for the action, either personally or by certified
15 mail. Service by certified mail shall be deemed completed when
16 the notice is deposited into the U.S. Mail.

17 (c) Within 10 days after service of the cease and desist
18 order, the digital asset kiosk operator may request a hearing
19 in writing. The Secretary shall schedule a hearing within 90
20 days after the request for a hearing unless otherwise agreed
21 to by the parties.

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

1 (e) The powers vested in the Secretary by this Section are
2 in addition to any and all other powers and remedies vested in
3 the Secretary by law, and nothing in this Section shall be
4 construed as requiring the Secretary to employ the power
5 conferred in this subsection instead of, or as a condition
6 precedent to, the exercise of any other power or remedy vested
7 in the Secretary.

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

12 Section 100. Rulemaking.

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

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

18 (2) rules as may be necessary and appropriate to
19 define improper or fraudulent business practices in
20 connection with the activities of digital asset kiosk
21 operators and digital asset kiosks;

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

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

3 (b) The Secretary is hereby authorized and empowered to
4 make specific rulings, demands, and findings that the
5 Secretary deems necessary for the proper conduct of digital
6 kiosk operators.

7 Section 105. Appeal and review.

8 (a) The Department may, in accordance with the Illinois
9 Administrative Procedure Act, adopt rules to provide for
10 review within the Department of the Secretary's decisions
11 affecting the rights of persons under this Act. The review
12 shall provide for, at a minimum:

13 (1) appointment of a hearing officer;

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

16 (3) provision for apportioning costs among parties to
17 the appeal.

18 (b) All final agency determinations of appeals to
19 decisions of the Secretary may be reviewed in accordance with
20 and under the provisions of the Administrative Review Law.
21 Appeals from all final orders and judgments entered by a court
22 in review of any final administrative decision of the
23 Secretary or of any final agency review of a decision of the
24 Secretary may be taken as in other civil cases.

25 (c) The Secretary shall conduct hearings pursuant to this

1 Section and in accordance with 38 Ill. Adm. Code 100, as
2 amended or recodified from time to time.

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

6 Section 115. Injunction. The Secretary may, through the
7 Attorney General, maintain an action in the name of the people
8 of the State of Illinois and may apply for an injunction in the
9 Circuit Court to enjoin a person from violating this Act.

10 Section 120. Applicability. This Act governs any digital
11 asset kiosk located in this State.

12 Section 125. Exemptions.

13 (a) This Act does not apply to the following persons or
14 entities:

15 (1) The United States; other states or political
16 subdivisions of another state; agencies or
17 instrumentalities of the federal government, another
18 state, or a local government; or a foreign government or a
19 subdivision, department, agency, or instrumentality of a
20 foreign government.

21 (2) A federally insured depository institution.

22 (3) A credit union with member share accounts insured

1 by an insurer approved by the credit union's primary
2 financial regulatory agency. An out-of-state credit union
3 may not conduct any activity in this State that is not
4 authorized for a credit union chartered under the laws of
5 this State.

6 (b) Nothing in this Act grants persons described in
7 subsection (a) authority to engage in any activity not
8 otherwise granted under existing law.

9 (c) Notwithstanding any other provision of this Act, the
10 Department, by rule or order, may conditionally or
11 unconditionally exempt any person, or any class or classes of
12 persons, digital assets, or transactions, from any provision
13 of this Act or of any rule thereunder, to the extent that the
14 exemption is necessary or appropriate, in the public interest,
15 and consistent with the protection of residents

16 Section 130. The State Finance Act is amended by adding
17 Section 5.1030 as follows:

18 (30 ILCS 105/5.1030 new)

19 Sec. 5.1030. The Digital Asset Kiosk Fund.

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

22 Section 999. Effective date. This Act takes effect upon

1 becoming law.".