



## 104TH GENERAL ASSEMBLY

### State of Illinois

2025 and 2026

HB4538

Introduced 1/30/2026, by Rep. Rita Mayfield

#### SYNOPSIS AS INTRODUCED:

New Act  
815 ILCS 505/2MMMMM new

Creates the Identity Verification for Consumer Services Act. Requires an entity that provides specified services to use identity verification to verify a person's identity before initiating or modifying an agreement to provide the service. Provides that an entity that provides a specified service that becomes aware of an attempted or confirmed identity theft through its compliance with the Act shall report the attempted or confirmed identity theft to the Attorney General. Provides that a violation of the Act constitutes an unlawful practice under the Consumer Fraud and Deceptive Business Practices Act. Limits home rule. Amends the Consumer Fraud and Deceptive Business Practices Act to make a conforming change. Effective January 1, 2027.

LRB104 17029 SPS 30444 b

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 mobile account, credit account, online financial account,  
16 government benefit, health insurance, or other service that  
17 uses personal identifying information to authorize access or  
18 extend service. "Covered service" includes any service that  
19 involves a high-risk transaction.

20 "High-risk transaction" means any transaction involving  
21 the transfer of funds, issuance of credit, remote access to  
22 financial records, or any service activation that may expose

1 sensitive personal data.

2 "Identity theft" means the unauthorized acquisition and  
3 use of personal identifying information to fraudulently obtain  
4 credit, benefits, or services.

5 "Identity verification" means the process of verifying a  
6 person's identity using a valid, government-issued photo  
7 identification and one additional form of authentication,  
8 including:

9 (1) proof of address, such as a recent utility bill,  
10 bank statement, or rental lease;

11 (2) biometric data, such as a fingerprint or facial  
12 scan;

13 (3) secure digital verification through multi-factor  
14 authentication; or

15 (4) knowledge-based authentication.

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

23 Section 15. Identity verification requirements. An entity  
24 that provides a covered service shall use identity  
25 verification to verify a person's identity before initiating

1 or modifying an agreement to provide the covered service.

2 Section 20. Reporting requirements. An entity that  
3 provides a covered service that becomes aware of an attempted  
4 or confirmed identity theft through its compliance with this  
5 Act shall report the attempted or confirmed identity theft to  
6 the Attorney General no later than 10 business days after the  
7 entity becomes aware of the attempted or confirmed identity  
8 theft.

9 Section 25. Recordkeeping. An entity that provides a  
10 covered service shall securely retain all records collected  
11 under the identity verification process required under Section  
12 15 for at least 3 years after the identity verification.

13 Section 30. 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; and

20 (3) entities that are already subject to more  
21 stringent federal identity verification regulations.

22 Section 35. Enforcement. A violation of this Act

1 constitutes an unlawful practice under the Consumer Fraud and  
2 Deceptive Business Practices Act. All remedies, penalties, and  
3 authority granted to the Attorney General by the Consumer  
4 Fraud and Deceptive Business Practices Act shall be available  
5 to the Attorney General for the enforcement of this Act.

6 Section 40. Whistleblower protections. Any employee or  
7 agent of an entity that provides a covered service in this  
8 State who reports in good faith the entity's noncompliance  
9 with this Act shall be protected under the Whistleblower Act.

10 Section 45. Home rule. A home rule unit may not regulate  
11 identity verification in a manner inconsistent with the  
12 regulation by the State of identity verification under this  
13 Act. This Section is a limitation under subsection (i) of  
14 Section 6 of Article VII of the Illinois Constitution on the  
15 concurrent exercise by home rule units of powers and functions  
16 exercised by the State.

17 Section 90. The Consumer Fraud and Deceptive Business  
18 Practices Act is amended by adding Section 2MMMMM as follows:

19 (815 ILCS 505/2MMMMM new)

20 Sec. 2MMMMM. Violations of the Identity Verification for  
21 Consumer Services Act. Any person who violates the Identity  
22 Verification for Consumer Services Act commits an unlawful

1 practice within the meaning of this Act.

2 Section 99. Effective date. This Act takes effect January  
3 1, 2027.