

Senate File 2296 - Introduced

SENATE FILE 2296
BY COMMITTEE ON TECHNOLOGY

(SUCCESSOR TO SSB 3086)

A BILL FOR

1 An Act relating to digital financial kiosks, modifying civil
2 penalties, and including effective date and applicability
3 provisions.

4 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. Section 533C.1004, subsection 10, paragraphs a and
2 b, Code 2026, are amended to read as follows:

3 a. ~~If the attorney general has reasonable belief that an~~
4 ~~operator is in violation of this section, the attorney general~~
5 ~~has the sole authority to bring civil action to provide for all~~
6 ~~of the following:~~

7 ~~(1) Enjoin further violations by the operator.~~

8 ~~(2) Enforce compliance with this section.~~

9 ~~(3) Civil penalties in an amount not more than ten thousand~~
10 ~~dollars for each violation of this section.~~

11 ~~(4) Other remedies permitted under law~~ A violation of this
12 section is an unlawful practice under section 714.16.

13 b. If Notwithstanding the civil penalty limit under section
14 714.16, subsection 7, paragraph "b", if the attorney general has
15 reasonable belief that a person is in violation of an injunction
16 issued under this subsection section 714.16, subsection 2,
17 paragraph "t", the attorney general has the sole authority to
18 bring a civil action to provide for a civil penalties penalty
19 for violation of the injunction in an amount not more than one
20 hundred thousand dollars.

21 Sec. 2. Section 714.16, subsection 2, Code 2026, is amended
22 by adding the following new paragraph:

23 NEW PARAGRAPH. t. It shall be an unlawful practice for a
24 person to violate section 533C.1004.

25 Sec. 3. EFFECTIVE DATE. This Act, being deemed of immediate
26 importance, takes effect upon enactment.

27 Sec. 4. APPLICABILITY. This Act applies to civil actions
28 commenced on or after the effective date of this Act.

29 EXPLANATION

30 The inclusion of this explanation does not constitute agreement with
31 the explanation's substance by the members of the general assembly.

32 This bill relates to digital financial asset transaction
33 kiosks.

34 The bill strikes existing enforcement and civil penalty
35 provisions that authorize the attorney general to bring civil

1 actions, seek injunctions and civil penalties, and enforce
2 compliance for violations of Code section 533C.1004 (digital
3 financial asset transaction kiosks). Instead, the bill provides
4 that a violation of Code section 533C.1004 constitutes an
5 unlawful practice under Code section 714.16 (consumer frauds),
6 and subjects such violations to the remedies and enforcement
7 provisions available under that section.

8 Under current law, the attorney general may request and a
9 court may impose a civil penalty not to exceed \$40,000 per
10 violation for unlawful methods, acts, or practices under Code
11 section 714.16. The bill provides that notwithstanding this
12 civil penalty limit, if the attorney general has reasonable
13 belief that a person is in violation of an injunction issued to
14 enforce Code section 533C.1004, the attorney general may bring
15 a civil action to seek a civil penalty of up to \$100,000 for a
16 violation of the injunction.