SENATE FILE 2296
BY COMMITTEE ON TECHNOLOGY

(SUCCESSOR TO SSB 3086)

(As Amended and Passed by the Senate March 2, 2026)

[= New Language by the Senate
* = Language Stricken by the Senate

A BILL FOR

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

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

Section 1. Section 533C.1004, subsection 1, paragraph a, subparagraph (2), Code 2026, is amended to read as follows:

(2) The difference between the ~~current market price of a digital financial asset on a licensed digital financial asset exchange~~ prevailing market value of a digital financial asset at the time of a transaction and the price of the digital financial asset charged to a consumer.

Sec. 2. Section 533C.1004, subsection 1, paragraphs c and d, Code 2026, are amended to read as follows:

c. (1) *"Digital financial asset"* means a ~~virtual~~ digital representation of value ~~or rights~~ that ~~can be transferred, stored, or traded electronically and used for payment or investment purposes~~ is used as a medium of exchange, unit of account, or store of value, and is not money, whether or not denominated in money.

(2) *"Digital financial asset"* does not include any of the following:

(a) A transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from or exchanged with the merchant for money, bank credit, or a digital financial asset.

(b) A digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform, or family of games sold by the same publisher or offered on the same game platform.

d. *"Digital financial asset transaction kiosk"* means an electronic terminal ~~acting as a mechanical agent of an operator to enable the operator to facilitate the exchange of a digital financial asset for money, bank credit, or other digital financial asset, including but not limited to any of the following:~~

~~(1) By connecting directly to a separate licensed digital financial asset exchange that performs the digital financial asset transaction.~~

~~(2) By drawing upon a digital financial asset in the~~

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~~possession of the operator~~ that enables a digital financial asset kiosk operator to facilitate the exchange of digital financial assets for money, bank credit, or other digital financial assets.

Sec. 3. Section 533C.1004, subsection 1, paragraph f, Code 2026, is amended by striking the paragraph.

Sec. 4. Section 533C.1004, Code 2026, is amended by adding the following new subsection:

NEW SUBSECTION. 1A. *License required.* Any digital financial asset kiosk operator who owns, operates, solicits, markets, advertises, or facilitates a digital financial asset kiosk in this state shall be deemed to be engaged in the business of money transmission and must obtain a license under section 533C.301.

Sec. 5. Section 533C.1004, subsection 3, paragraph b, Code 2026, is amended to read as follows:

b. Fifteen percent of the United States currency equivalent of the digital financial assets involved in the digital financial asset transaction according to the ~~public quoted market price of the digital financial asset on a licensed digital financial asset exchange~~ prevailing market value of such digital financial asset at the date and time the consumer initiates the digital financial asset transaction.

Sec. 6. Section 533C.1004, subsection 5, paragraph e, Code 2026, is amended to read as follows:

e. ~~(1)~~ The dollar amount of all charges collected by the operator in relation to the digital financial asset transaction.

~~(2) The legal name of the licensed digital financial asset exchange the operator used to calculate the charges described in subsection 1, paragraph "a", subparagraph (2).~~

Sec. 7. Section 533C.1004, subsection 6, Code 2026, is amended to read as follows:

6. *Required report.* An operator shall ~~provide a list to the division of banking of the street address locations of all~~

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~~digital financial asset transaction kiosks that the operator owns, operates, or manages in this state~~ report to the division of banking the location of each digital financial asset transaction kiosk that the operator owns, operates, or manages within this state as an authorized delegate pursuant to section 533C.603. An operator shall provide the division with updates to the list within thirty calendar days of any change to the list. The division shall make each operator's list available to the public via the division's internet site.

Sec. 8. Section 533C.1004, subsection 7, paragraph a, Code 2026, is amended by striking the paragraph.

Sec. 9. Section 533C.1004, subsection 10, paragraphs a and b, Code 2026, are amended to read as follows:

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

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

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

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

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

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

Sec. 10. Section 714.16, subsection 2, Code 2026, is amended by adding the following new paragraph:

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

Sec. 11. EFFECTIVE DATE. This Act, being deemed of immediate importance, takes effect upon enactment.

Sec. 12. APPLICABILITY. This Act applies to civil actions commenced on or after the effective date of this Act.