

House Bill 1272

By: Representatives Jones of the 25th, Hilton of the 48th, Douglas of the 78th, Williamson of the 112th, Mitchell of the 88th, and others

A BILL TO BE ENTITLED

AN ACT

1 To amend Title 7 of the Official Code of Georgia Annotated, relating to banking and finance,
2 so as to provide for use of certain terms in the advertisement and place of business of
3 licensed payment stablecoin issuers; to provide for licensing of payment stablecoin issuers;
4 to provide for rules and regulations; to provide for application procedures; to provide for
5 requirements for licensed payment stablecoin issuers; to provide for license renewal; to
6 provide for information sharing with certain entities; to prohibit unlicensed persons from
7 issuing payment stablecoin; to provide for the Department of Banking and Finance to request
8 and receive conviction data; to provide for certain disqualifying conditions for licensure; to
9 provide for procedures for denying applications; to provide for appeals; to provide for certain
10 fees and assessments; to provide for certain certifications to the department; to require
11 licensed payment stablecoin issuers to maintain certain reserves; to provide for procedures
12 for failure by a licensed payment stablecoin issuer to meet certain reserves; to provide for
13 certain capital requirements; to provide for reserves to be held in trust for consumers; to
14 provide for certain disclosures; to provide for treatment as a financial institution; to provide
15 for certain activities in which licensed payment stablecoin issuers can participate; to prohibit
16 certain activities; to provide for annual financial statements; to provide for requirements for
17 annual financial statements; to provide for examination and investigation of licensed
18 payment stablecoin issuers; to provide for powers of the department relating to examination

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19 and investigation; to provide for third-party examination or investigation; to provide for
20 payment of certain fees and costs of examination and investigation; to provide for suspension
21 or revocation of a license and procedures therefor; to provide for cease and desist orders; to
22 provide for removal of certain officers and members; to provide for a short title; to provide
23 for legislative purpose and intent; to provide for definitions; to provide for related matters;
24 to provide for an effective date and applicability; to repeal conflicting laws; and for other
25 purposes.

26 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

27 **SECTION 1.**

28 Title 7 of the Official Code of Georgia Annotated, relating to banking and finance, is
29 amended by revising subparagraphs (K) and (L) of and adding a new subparagraph to
30 paragraph (21) of Code Section 7-1-4, relating to definitions regarding purposes and
31 preliminary matters, to read as follows:

32 "(K) Federal credit unions for the purposes of Part 6 of Article 2 of this chapter,
33 relating to deposits, safe-deposit agreements, and money received for transmission, and
34 Article 8 of this chapter, relating to multiple-party accounts; ~~and~~

35 (L) Banks and credit unions chartered by states other than Georgia, national banks,
36 federal credit unions, and federal savings and loan associations for the purposes of
37 paragraph (1) of Code Section 7-1-650, provided that such institutions have federal
38 deposit insurance; and

39 (M) Licensed payment stablecoin issuers as defined by Code Section 7-11-3 for the
40 purpose of the following provisions:

41 (i) Code Section 7-1-2, relating to findings of the General Assembly;

42 (ii) Code Section 7-1-8, relating to supplementary principles of law;

43 (iii) Code Section 7-1-37, relating to restrictions on officials and personnel;

- 44 (iv) Code Section 7-1-70, relating to disclosure of information;
45 (v) Code Section 7-1-90, relating to judicial review of department actions;
46 (vi) Code Sections 7-1-113 and 7-1-114, relating to voluntary dissolution;
47 (vii) Code Sections 7-1-150 through 7-1-225, relating to receivership powers and
48 procedures; and
49 (viii) Code Sections 7-1-910 through 7-1-917, relating to records and reports of
50 currency transactions."

51 **SECTION 2.**

52 Said title is further amended in Article 2, relating to banks and trust companies, by revising
53 paragraph (2) of subsection (c) of and adding a new subsection to Code Section 7-1-243,
54 relating to restrictions on banking and trust nomenclature, to read as follows:

55 "(b.1) Except as provided in subsection (c) of this Code section, no person or corporation,
56 except a federal qualified payment stablecoin issuer or a licensed payment stablecoin
57 issuer, as such terms are defined in Code Section 7-1-3, shall use the words 'stablecoin'
58 or 'payment stablecoin' upon any sign at its place of business or elsewhere, or in any form
59 of marketing, including, but not limited to, its letterheads, billheads, blank checks, blank
60 notes, receipts, certificates, circulars, advertisements, or any other written or printed
61 matter."

62 "(2) Prohibit advertisement in media distributed in or transmitted into this state by
63 persons or corporations lawfully engaged in the banking, credit union, or trust business,
64 or persons or corporations lawfully issuing payment stablecoins outside of this state; or"

65 **SECTION 3.**

66 Said title is further amended by adding a new chapter to read as follows:

67 "CHAPTER 1168 7-11-1.69 This chapter shall be known and may be cited as the 'Georgia Payment Stablecoin Act.'70 7-11-2.71 (a) The purpose of this chapter is to enact Section 4(c) of the Guiding and Establishing
72 National Innovation for U.S. Stablecoins Act, Pub. L. No. 119-27.73 (b) It is the intent of the General Assembly that this chapter;74 (1) Provides for the regulation of payment stablecoins;75 (2) Enables financial service providers in this state the opportunity to issue payment
76 stablecoins;77 (3) Ensures the law of this state is substantially similar to the GENIUS Act; and78 (4) Empower the department to issue regulations to implement federal regulations
79 promulgated to implement the GENIUS Act.80 7-11-3.81 As used in this chapter, the term:82 (1) 'Department' means the Department of Banking and Finance.83 (2) 'Digital asset' means any digital representation of value that is recorded on a
84 cryptographically secured distributed ledger.85 (3) 'Distributed ledger' means technology in which data is shared across a network that
86 creates a public digital ledger of verified transactions or information among network
87 participants and cryptography is used to link the data to maintain the integrity of the
88 public ledger and execute other functions.

- 89 (4) 'Federal qualified payment stablecoin issuer' means an entity approved by the federal
90 Office of the Comptroller of the Currency pursuant to the GENIUS Act to issue payment
91 stablecoins.
- 92 (5) 'GENIUS Act' means the Guiding and Establishing National Innovation for U.S.
93 Stablecoins Act, Pub. L. No. 119-27, as amended.
- 94 (6) 'Licensed payment stablecoin issuer' means a payment stablecoin issuer that is
95 incorporated or organized under the laws of Georgia or the laws of a foreign country and
96 that holds a license pursuant to this chapter.
- 97 (7) 'Payment stablecoin' means a digital asset that:
98 (A) Is designed or marketed to be used as a means of payment or settlement;
99 (B) The issuer of which undertakes to convert, redeem, or repurchase for a fixed
100 amount of monetary value; and
101 (C) Is not legal tender, a deposit, or a security registered under federal securities laws.
- 102 (8) 'Payment stablecoin issuer' means a person that issues a payment stablecoin.
- 103 (9) 'Permitted payment stablecoin issuer' means a subsidiary of an insured depository
104 institution that has been approved to issue payment stablecoins as described in Section 5
105 of the GENIUS Act, a licensed payment stablecoin issuer, a federal qualified payment
106 stablecoin issuer, or a state qualified payment stablecoin issuer.
- 107 (10) 'Person' means an individual, corporation, limited liability company, partnership,
108 association, trust, or any other entity.
- 109 (11) 'State payment stablecoin regulator' means a state agency of another state that has
110 primary regulatory and supervisory authority in such state over payment stablecoin
111 issuers.
- 112 (12) 'State qualified payment stablecoin issuer' means a payment stablecoin issuer that
113 is legally established under the laws of a state and approved to issue payment stablecoins
114 by a state payment stablecoin regulator.
- 115 (13)(A) 'Ultimate equitable owner' means a person that, directly or indirectly:

- 116 (i) Owns a 10 percent or more interest in a corporation or any other form of business
117 organization;
118 (ii) Owns 10 percent or more of the voting shares of any corporation or any other
119 form of business organization; or
120 (iii) Exerts control over a corporation or any other form of business organization,
121 regardless of whether such person owns or controls such interest through one or more
122 natural persons or one or more proxies, powers of attorney, nominees, corporations,
123 associations, limited liability companies, partnerships, trusts, joint stock companies,
124 or other entities or devices, or any combination thereof.
125 (B) For purposes of determining ultimate equitable ownership by an individual, the
126 individual's interest shall be aggregated with the interest of any other immediate family
127 member, including the individual's spouse, parents, children, siblings, mothers- and
128 fathers-in-law, sons- and daughters-in-law, brothers- and sisters-in-law, and any other
129 individual who shares such individual's home.

130 7-11-4.

- 131 (a) The department may make reasonable rules and regulations, not inconsistent with law,
132 for:
133 (1) The interpretation of this chapter, including, but not limited to, language to achieve
134 substantial similarity with the provisions of the GENIUS Act; and
135 (2) The enforcement of this chapter, including, but not limited to, prescribing
136 administrative fines for violations of this chapter and of any rules promulgated by the
137 department pursuant to this chapter.
138 (b) The department shall by rule prescribe application, licensing, examination, and
139 supervision fees or assessments.
140 (c) The department shall:

- 141 (1) Receive, review, and consider for approval applications from any person that seeks
142 to issue payment stablecoins as a licensed payment stablecoin issuer;
- 143 (2) Establish a process and framework for the licensing, regulation, examination, and
144 supervision of licensed payment stablecoin issuers;
- 145 (3) Issue regulations consistent with the process and framework established pursuant to
146 paragraph (2) of this subsection; and
- 147 (4) Accept and process applications pursuant to the regulations issued in paragraph (3)
148 of this subsection.
- 149 (d) The department may initiate receivership proceedings against a licensed payment
150 stablecoin issuer pursuant to Code Section 7-1-150. If such proceedings are initiated, the
151 department has the powers, authorities, and duties prescribed by Code Sections 7-1-150
152 through 7-1-225.
- 153 (e) The department may initiate conservatorship proceedings against a licensed payment
154 stablecoin issuer pursuant to Code Section 7-1-640. If such proceedings are initiated, the
155 department has the powers, authorities, and duties prescribed by Code Sections 7-1-640
156 through 7-1-645.
- 157 7-11-5.
- 158 (a) The department may share information on an ongoing basis with the Board of
159 Governors of the Federal Reserve System with respect to licensed payment stablecoin
160 issuers, including a copy of the initial application and any accompanying documents.
- 161 (b) The department may enter into a memorandum of understanding with the Board of
162 Governors of the Federal Reserve System under which the Board of Governors of the
163 Federal Reserve System may participate in the supervision, examination, and enforcement
164 of the GENIUS Act with respect to licensed payment stablecoin issuers.

165 7-11-6.

166 (a) It shall be unlawful for any person other than a permitted payment stablecoin issuer to
167 issue a payment stablecoin in this state.

168 (b) Beginning July 18, 2028, it shall be unlawful to offer or sell a payment stablecoin
169 unless the payment stablecoin is issued by a licensed payment stablecoin issuer, a permitted
170 payment stablecoin issuer, or a state qualified payment stablecoin issuer.

171 (c) This Code section shall not apply to:

172 (1) The direct transfer of digital assets between two individuals acting on their own
173 behalf and for their own lawful purposes, without the involvement of an intermediary;

174 (2) Any transaction involving the receipt of digital assets by an individual between an
175 account owned by the individual in the United States and an account owned by the
176 individual abroad that are offered by the same parent company; or

177 (3) Any transaction by means of a software or hardware wallet that facilitates an
178 individual's own custody of digital assets.

179 7-11-7.

180 (a) A licensed payment stablecoin issuer shall at all times maintain an office in this state.

181 (b) Within one year after the date it begins operations, a licensed payment stablecoin issuer
182 shall have the minimum number of employees in this state as determined by the
183 commissioner to assure the continued and substantive presence of the licensed payment
184 stablecoin issuer in this state for the purpose of conducting its corporate affairs and
185 operations.

186 7-11-8.

187 (a) The department is authorized to:

188 (1) Participate in the Nationwide Multistate Licensing System and Registry;

189 (2) Enter into operating agreements and other contracts necessary for the department's
190 participation in the Nationwide Multistate Licensing System and Registry;

191 (3) Disclose or cause to be disclosed without liability, via the Nationwide Multistate
192 Licensing System and Registry, applicant and licensed payment stablecoin issuer
193 information, including, but not limited to, violations of this chapter and enforcement
194 actions;

195 (4) Request that the Nationwide Multistate Licensing System and Registry adopt an
196 appropriate privacy, data security, and security breach notification policy that is in full
197 compliance with existing state and federal law; and

198 (5) Establish and adopt, by rule or regulation, requirements for participation by
199 applicants and licensed payment stablecoin users in the Nationwide Multistate Licensing
200 System and Registry upon the department's determination that each requirement is
201 consistent with both the public interest and purposes of this chapter.

202 (b) The department shall enact rules and regulations establishing a process whereby
203 licensed payment stablecoin issuers may challenge information entered by the department
204 on the Nationwide Multistate Licensing System and Registry.

205 (c) Irrespective of its participation in the Nationwide Multistate Licensing System and
206 Registry, the department shall retain full and exclusive authority over determinations of
207 whether to grant, renew, suspend, or revoke licenses issued under this chapter. Nothing in
208 this Code section shall be construed to reduce or otherwise limit such authority.

209 (d) Information disclosed through the Nationwide Multistate Licensing System and
210 Registry is deemed to be disclosed directly to the department and is subject to the
211 provisions of Code Section 7-1-70. Such information shall not be disclosed to the public
212 and shall remain privileged and confidential pursuant to Code Section 7-1-70.

213 7-11-9.

214 (a) Each applicant for a license under this chapter shall:

- 215 (1) Submit an application in writing, which is made under oath and in such form as the
216 department may prescribe;
- 217 (2) Provide to the Nationwide Multistate Licensing System and Registry the following
218 information:
- 219 (A) The legal name and principle office address of the person applying for the license;
220 (B) The name, residence, and business address of each director, ultimate equitable
221 owner, and executive officer; and
- 222 (C) The location where the initial registered office will be located in this state, if any;
223 and
- 224 (3) Submit such other data, financial statements, and pertinent information as the
225 department may require with respect to the applicant, its directors, trustees, officers,
226 members, ultimate equitable owners, subsidiaries, or affiliates.
- 227 (b) The application for license shall be filed with:
- 228 (1) An investigation and supervision fee established by the department through rule or
229 regulation which shall not be refundable but which, if the license is granted, shall satisfy
230 the fee requirement for the first licensed year or the remaining part thereof;
- 231 (2) Any other items required by this chapter; and
- 232 (3) Other information as may be required by the department.
- 233 (c) The department shall pay all fees received from licensed payment stablecoin issuers
234 and applicants related to applications, licenses, and renewals to the Office of the State
235 Treasurer; provided, however, that the department may net such fees to recover the cost of
236 participation in the Nationwide Multistate Licensing System and Registry.
- 237 (d) The department shall enact rules and regulations regarding the time frame by which
238 all persons shall submit an original or renewal application for licensure through the
239 Nationwide Multistate Licensing System and Registry.
- 240 (e) A substantially complete application shall be evaluated by the department using the
241 factors listed in Code Section 7-11-10.

242 7-11-10.

243 (a) As used in this Code section, the term 'conviction data' means a record of a finding,
244 verdict, or plea of guilty or nolo contendere with regard to any crime, regardless of whether
245 an appeal of the conviction has been sought.

246 (b) In evaluating initial applications received from prospective licensed payment
247 stablecoin issuers or renewal applications for licensed payment stablecoin issuers, the
248 department shall consider various factors, including, but not limited to:

249 (1) The ability of the applicant, based on financial condition and resources, to meet the
250 requirements prescribed by this chapter;

251 (2)(A) Whether an individual who has been convicted of a felony offense involving
252 conversion, theft, money laundering, financing of terrorism, bribery, dishonesty, false
253 statements or omissions, perjury, extortion, breach of trust, forgery, counterfeiting,
254 embezzlement, insider trading, tax evasion, kickbacks, identity theft, cybercrime, cyber
255 attacks, social engineering, fraud, including but not limited to check fraud, credit card
256 fraud, mortgage fraud, medical fraud, corporate fraud, bank account fraud, point of sale
257 fraud, currency fraud, bank fraud, and securities fraud, or a felony directly related to the
258 financial services business is serving as an officer, director, or ultimate equitable owner
259 of the applicant.

260 (B)(i) For the purposes of this chapter, a person shall be deemed to have been
261 convicted of a crime if such person has pleaded guilty or nolo contendere to a charge
262 before a court or federal magistrate or have been found guilty by the decision or
263 judgment of a court or federal magistrate or by the verdict of a jury, irrespective of
264 the pronouncement of sentence or the suspension of such sentence. Additionally, a
265 person shall be deemed to have been convicted of a crime regardless of whether first
266 offender treatment without adjudication of guilt pursuant to the charge was entered
267 or an adjudication or sentence was otherwise withheld or not entered on that charge.

268 (ii) A person shall be deemed to have been convicted of a crime unless and until the
269 plea of guilty or nolo contendere or the decision, judgment, or verdict has been set
270 aside, reversed, or otherwise abrogated by lawful judicial process, or until probation,
271 sentence, or both probation and sentence of a first offender without adjudication of
272 guilt have been successfully completed and documented or unless the person
273 convicted of the crime shall have received a pardon from the President of the United
274 States or the governor or other pardoning authority in the jurisdiction where the
275 conviction occurred.

276 (C) The department shall be authorized to obtain conviction data with respect to any
277 applicant or licensed payment stablecoin issuer; and any person who is a director,
278 officer, or ultimate equitable owner of an applicant or licensed payment stablecoin
279 issuer. Criminal history record checks may be requested by the department through the
280 Georgia Crime Information Center and the Federal Bureau of Investigation. The
281 department shall have the authority to receive the results of such checks. The
282 department may use the Nationwide Multistate Licensing System and Registry as a
283 channeling agent for the submission of fingerprints to the Federal Bureau of
284 Investigation and any governmental agency or entity authorized to receive such
285 information for a state, national, and international criminal history background check
286 and the receipt of such checks by the department. Fees required for a criminal history
287 record check by the Georgia Crime Information Center or the Federal Bureau of
288 Investigation shall be paid by the applicant or licensed payment stablecoin issuer.

289 (D)(i) Upon request by the department, each applicant or licensed payment stablecoin
290 issuer and each person who is a director, officer, or ultimate equitable owner of an
291 applicant or licensed payment stablecoin issuer shall submit to the department
292 fingerprints, the required records search fees, and such other information as may be
293 required;

- 294 (ii) Fees for background checks that the department administers shall be submitted
295 to the department by applicants and licensed payment stablecoin issuers together with
296 fingerprints, and the department is authorized to net such fees to recover any costs
297 incurred by the department related to running the background checks;
- 298 (iii) Upon receipt of fingerprints, fees, and other required information from the
299 department, the Georgia Crime Information Center shall promptly transmit
300 fingerprints to the Federal Bureau of Investigation for a search of bureau records and
301 an appropriate report and promptly conduct a search of its own records and records
302 to which it has access;
- 303 (iv) The Georgia Crime Information Center shall notify the department in writing of
304 any derogatory finding, including, but not limited to, any conviction data regarding
305 the fingerprint records check, or if there is no such finding;
- 306 (v) All conviction data received by the department shall be used by the department
307 for the exclusive purpose of carrying out the responsibilities of this chapter, shall not
308 be a public record, shall be confidential, and shall not be disclosed to any other person
309 or agency except to any person or agency which otherwise has a legal right to inspect
310 such data; and
- 311 (vi) All such records shall be maintained by the department pursuant to laws
312 regarding such records and the rules and regulations of the Georgia Crime
313 Information Center and the Federal Bureau of Investigation, as applicable;
- 314 (3) The competence, experience, financial responsibility, character, integrity, and general
315 fitness of the applicant and of the ultimate equitable owners, officers, and directors of the
316 applicant, its subsidiaries, and parent company, including:
- 317 (A) The record of those ultimate equitable owners, officers, and directors of
318 compliance with laws and regulation; and

319 (B) The ability of those ultimate equitable owners, officers, and directors to fulfill any
320 commitments to and any conditions imposed by the department in connection with the
321 application at issue and any prior applications;

322 (4) Whether the redemption policy of the applicant meets the standards under Code
323 Section 7-11-21;

324 (5) Any other factors established under federal law or regulations as applying to state
325 qualified payment stablecoin users; and

326 (6) Any other factors established by this chapter or regulation of the department
327 implementing this chapter.

328 7-11-11.

329 (a) No later than 120 days after receiving a substantially complete application, the
330 department shall render a decision on the application.

331 (b) An application shall be deemed substantially complete when all required fees have
332 been paid, all portions of the application have been completed, and the department has
333 sufficient information to determine whether the applicant satisfies the factors described in
334 Code Section 7-11-10.

335 (c) Not later than 30 days after receiving an application, the department shall notify the
336 applicant as to whether the department considers the application to be substantially
337 complete, and, if the application is not substantially complete, the additional information
338 the applicant shall provide in order for the application to be considered substantially
339 complete.

340 (d) An application considered substantially complete remains substantially complete
341 unless there is a material change in circumstances that requires the department to treat the
342 application as a new application.

343 (e) If the department fails to render a decision on a substantially complete application with
344 120 days of deeming such application substantially complete, the application shall be
345 deemed approved.

346 7-11-12.

347 (a) The department shall deny an application for licensure if:

348 (1) The department determines that the applicant does not satisfy the factors listed in
349 Code Section 7-11-10 or that the applicant is operating or would operate in an unsafe or
350 unsound manner;

351 (2) Such applicant is subject to a final cease and desist order that has been issued within
352 the preceding five years if such order was based on a violation of this chapter; or

353 (3) Such applicant had a license issued pursuant to this chapter revoked within the
354 previous five years.

355 (b) The issuance of a payment stablecoin on an open, public, or centralized network shall
356 not be a valid ground for denial of an application.

357 (c)(1) As used in this subsection, the term 'email address of record' means the email
358 address that the applicant has designated as his or her email address for regulatory contact
359 on file with the Nationwide Multistate Licensing System and Registry.

360 (2) Notice of the department's intent to deny an application for a license shall be given
361 to the applicant, sent by registered or certified mail or statutory overnight delivery
362 addressed to the principal place of business of such applicant or to the email address of
363 record of such applicant. If a person refuses to accept service of the notice by registered
364 or certified mail or statutory overnight delivery, the notice or denial shall be served by
365 the commissioner, or the commissioner's authorized representative, under any other
366 method of lawful service, and the person shall be personally liable to the commissioner
367 for a sum equal to the actual costs incurred to serve the notice or order. This liability
368 shall be paid upon notice and demand by the commissioner or the commissioner's

369 representative and shall be assessed and collected in the same manner as other fees or
370 finances administered by the commissioner.

371 (d) Within 30 days of the date of the notice of intention to deny an application, the
372 applicant may request in writing a hearing to contest the denial. If a hearing is not
373 requested within 30 days of such notice of intention, the department shall enter the denial.

374 (e) If a timely request for a hearing pursuant to subsection (d) of this Code section is
375 received by the department, the department shall notice a time and place at which the
376 applicant may appear for a hearing.

377 (f) The department shall issue a final decision on the application not later than 60 days
378 after the date of the hearing.

379 (g) The department shall state the ground upon which it denied the application and such
380 denial shall be effective on the date of issuance. A copy of the denial shall be sent by mail
381 addressed to the principal place of business of the applicant or licensed payment stablecoin
382 user.

383 (h) A decision by the department denying the application shall be subject to review in
384 accordance with Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.'

385 (i) Whenever the department initiates an administrative action against an applicant, the
386 department may pursue such action to its conclusion despite the fact that an applicant may
387 withdraw its application.

388 (j) Judicial review of any final decision the department entered pursuant to the Code
389 section shall be available solely in the superior court of the county of domicile of the
390 department.

391 (k) The denial of an application pursuant to this Code section shall not prohibit an
392 applicant from filing a subsequent application.

393 7-11-13.

394 The department shall:

395 (1) Notify the General Assembly upon receipt of the first application filed pursuant to
396 this chapter; and

397 (2) Annually report to the General Assembly on any substantially complete applications
398 that have been pending for 180 days or more since the date the initial application was
399 filed and for which the applicant has been informed that the application remains
400 incomplete.

401 7-11-14.

402 A permitted payment stablecoin issuer is not required to obtain any other license or charter
403 to issue payment stablecoins or to offer, sell, or redeem such payment stablecoin. Issuance
404 of payment stablecoin shall not be considered to be money transmission as defined by Code
405 Section 7-1-680. To the extent a permitted payment stablecoin issuer that is not a licensed
406 payment stablecoin issuer engages in activity that satisfies the definition of money
407 transmission other than the issuing of a payment stablecoin and offering, selling, or
408 redeeming such stablecoin, such permitted payment stablecoin issuer will be required to
409 obtain a license to conduct money transmission.

410 7-11-15.

411 (a) Except as otherwise provided for in this chapter, all licenses issued pursuant to this
412 chapter shall expire on December 31 of each year, and each application for renewal shall
413 be made annually on or before December 1 of each year.

414 (b) A license may be renewed by filing an application substantially conforming with the
415 requirements of Code Section 7-11-9 and department rules and regulations. No
416 investigation fee shall be payable in connection with such renewal application; provided,
417 however, that an annual license fee established by the department shall be paid with each
418 renewal application and shall not be refunded or prorated.

419 (c) The department is authorized to establish an annual assessment to further defray the
420 cost of supervision and such assessment shall not be refunded or prorated.

421 7-11-16.

422 (a) Not later than 180 days after approval of an application and at the time of filing a
423 renewal application thereafter, each licensed payment stablecoin issuer shall submit to the
424 department a certification that the issuer has implemented anti-money laundering and
425 economic sanctions compliance programs that are reasonably designed to prevent the
426 licensed payment stablecoin issuer from facilitating money laundering, in particular, money
427 laundering for cartels and organizations designated as foreign terrorist organizations.

428 (b) The department shall make such certifications available to the Secretary of the
429 Treasury upon request.

430 (c)(1) The department may revoke the license of a licensed payment stablecoin issuer
431 that does not submit a certification pursuant to subsection (a) of this Code section.

432 (2)(A) Any person that knowingly submits a false certification shall be subject to Code
433 Section 16-10-20.

434 (B) If a person knowingly violates this Code section, the department may refer the
435 matter to the Attorney General or the United States Attorney General.

436 7-11-17.

437 (a) A licensed payment stablecoin issuer shall maintain identifiable reserves backing the
438 outstanding payment stablecoins of the licensed payment stablecoin issuer on at least a one
439 to one basis, which reserves are composed of:

440 (1) United States coins and currency or money standing to the credit of an account with
441 a federal reserve bank;

442 (2) Funds held as demand deposits, or other deposits that may be withdrawn upon
443 request at any time, or insured shares at an insured depository institution subject to

444 limitations established by the Federal Deposit Insurance Corporation and the National
445 Credit Union Administration, as applicable, to address safety and soundness risks of such
446 insured depository institution;
447 (3) Treasury bills, notes, or bonds:
448 (A) With a remaining maturity of 93 days or less; or
449 (B) Issued with a maturity of 93 days or less;
450 (4) Money received under repurchase agreements, with the permitted payment stablecoin
451 issuer acting as a seller of securities and with an overnight maturity, that are backed by
452 Treasury bills with a maturity of 93 days or less;
453 (5) Reverse repurchase agreements, with the permitted payment stablecoin issuer acting
454 as a purchaser of securities and with an overnight maturity, that are collateralized by
455 Treasury notes, bills, or bonds on an overnight basis, subject to collateralization in line
456 with standard market terms that are;
457 (A) Tri-party;
458 (B) Centrally cleared through a clearing agency registered with the Securities and
459 Exchange Commission; or
460 (C) Bilateral with a counterparty that the issuer has determined to be adequately
461 credit-worthy even in the event of severe market stress;
462 (6) Securities issued by an investment company registered under Section 8(a) of the
463 federal Investment Company Act of 1940, or other registered government money market
464 fund, and that are invested solely in underlying assets described in paragraphs (1)
465 through (5) of this subsection;
466 (7) Any other similarly liquid federal government issued asset approved by the primary
467 federal payment stablecoin regulator in consultation with the department; or
468 (8) Any reserve described in paragraphs (1) through (3) or paragraphs (6) and (7) of this
469 subsection in tokenized form, provided that such reserves comply with all applicable laws
470 and regulations.

471 (b)(1) Licensed payment stablecoin issuers shall publish the monthly composition of the
472 issuer's reserves on the website of the issuer. Such publication shall include:

473 (A) The total number of outstanding payment stablecoins issued by the issuer; and

474 (B) The amount and composition of the reserves described in subsection (a) of this
475 Code section, including the average tenor and geographic location of custody of each
476 category of reserve instrument.

477 (2) Each month, the chief executive officer and the chief financial officer of a licensed
478 payment stablecoin issuer shall submit a certification as to the accuracy of the monthly
479 report to the department in such form and manner as required by the department.

480 (3) Any person who submits a certification pursuant to paragraph (2) of this subsection
481 knowing that such certification is false shall be subject to the same criminal penalties as
482 those set forth in Code Section 16-10-20.

483 (c) Reserves required under this Code section may not be pledged, rehypothecated, or
484 reused by the licensed payment stablecoin issuer, either directly or indirectly, except for
485 the purpose of:

486 (1) Satisfying margin obligations in connection with investments in permitted reserves
487 pursuant to paragraphs (4) and (5) of subsection (a) of this Code section.

488 (2) Satisfying obligations associated with the use, receipt, or provision of standard
489 custodial services; or

490 (3) Creating liquidity to meet reasonable expectations of requests to redeem payment
491 stablecoins, such that reserves in the form of Treasury bills may be sold as purchase
492 securities for repurchase agreements with a maturity date of 93 days or less, provided that
493 either:

494 (A) The repurchase agreements are cleared by a clearing agency registered with the
495 Securities and Exchange Commission; or

496 (B) The licensed payment stablecoin issuer receives the prior approval of the
497 department.

498 7-11-18.

499 (a) In the event a licensed payment stablecoin issuer fails to maintain identifiable reserves
500 required by Code section 7-11-17, the licensed payment stablecoin issuer shall:

501 (1) Calculate the mark-to-market value of all reserve assets;

502 (2) If the mark-to-market value of all reserve assets is less than the amount needed for
503 a one to one reserve requirement, the licensed payment stablecoin issuer shall:

504 (A) Inject capital into the reserve holdings at an amount required to ensure the one to
505 one reserve is maintained; or

506 (B) Halt redemptions, hold all reserves to maturity, and distribute the reserve to
507 payment stablecoin holders in accordance with the terms provided by the GENIUS Act.

508 (b)(1) If a licensed payment stablecoin issuer fails to maintain identifiable reserves
509 required by Code Section 7-11-17 and the licensed payment stablecoin issuer fails to
510 comply with subsection (a) of this Code section, the department may order the licensed
511 payment stablecoin issuer to halt redemptions.

512 (2) Failure of a licensed payment stablecoin issuer to halt redemptions when ordered by
513 the department may result in additional action by the department, including, but not
514 limited to, license revocation or receivership.

515 (c) A reserve is presumed to meet the one to one requirement of the GENIUS Act if the
516 payment stablecoin maintains its peg to the reference asset.

517 (d) If a payment stablecoin's value falls below 100 percent of the reference asset, the
518 licensed payment stablecoin issuer is required to comply with subsection (a) of this Code
519 section in a timeframe that reduces the likelihood of a potential run on the reserve assets.

520 7-11-19.

521 The department shall establish by rule minimum capital requirements, liquidity and risk
522 standards, governance standards, third-party risk management requirements, and
523 operational risk and information technology risk standards for applicants and licensed

524 payment stablecoin issuers. Such standards shall meet or exceed the requirements of
525 Section (4)(A) of the GENIUS Act and the related regulations promulgated by the federal
526 payment stablecoin regulators.

527 7-11-20.

528 (a) Each licensed payment stablecoin issuer shall hold the reserves required by Code
529 Section 7-11-17 in trust for the benefit of the holders of such payment stablecoins in the
530 event of insolvency, the filing of a petition by or against the licensee under the United
531 States Bankruptcy Code, the filing of a petition by or against the licensee for receivership,
532 the commencement of any other judicial or administrative proceeding for its dissolution or
533 reorganization, or in the event of an action by a creditor against the licensee who is not a
534 beneficiary of the statutory trust.

535 (b) No reserve impressed with a trust pursuant to this Code section shall be subject to
536 attachment, levy of execution, or sequestration by order of any court, except for a
537 beneficiary of the statutory trust.

538 (c) A licensed payment stablecoin issuer and its officers shall have a fiduciary duty to
539 preserve and account for its reserves as contemplated by this Code section.

540 7-11-21.

541 (a) Each licensed payment stablecoin issuer shall publicly disclose such issuer's
542 redemption policy.

543 (b) A licensed payment stablecoin issuer's redemption policy shall, at a minimum:

544 (1) Establish clear and conspicuous procedures for timely redemption of outstanding
545 payment stablecoins;

546 (2) Publicly, clearly, and conspicuously disclose in plain language all fees associated
547 with purchasing or redeeming the payment stablecoins, provided that such fees can only
548 be changed upon not less than seven days prior notice to consumers. Such notice shall

549 provide that the consumer can redeem prior to the effective date of the change at the
550 existing rate; and

551 (3) Comply with this chapter, the GENIUS Act, and any applicable state or federal
552 regulations.

553 7-11-22.

554 (a) A licensed payment stablecoin issuer shall be treated as a financial institution for the
555 purposes of the federal Bank Secrecy Act of 1970 and shall be subject to all federal laws
556 applicable to a financial institution located in the United States relating to economic
557 sanctions, prevention of money laundering, customer identification, and due diligence,
558 including, but not limited to:

559 (1) Maintenance of an effective anti-money laundering program, which shall include
560 appropriate risk assessments and designation of an officer to supervise the program;

561 (2) Retention of appropriate records;

562 (3) Monitoring and reporting of any suspicious transactions relevant to possible
563 violations of laws or regulation;

564 (4) Technical capabilities, policies, and procedures to block, freeze, and reject specific
565 or impermissible transactions that violate federal or state laws, rules, or regulations;

566 (5) Maintenance of an effective customer identification program, including identification
567 and verification of account holders with the permitted payment stablecoin issuer,
568 high-value transactions, and appropriate enhanced due diligence; and

569 (6) Maintenance of effective economic sanctions compliance programs, which at a
570 minimum shall include verification of sanctions lists consistent with federal law.

571 (b) Licensed payment stablecoin issuers shall comply with the provisions of Code
572 Sections 7-1-970 through 7-1-917.

573 7-11-23.

574 (a) A licensed payment stablecoin issuer shall only:

575 (1) Issue payment stablecoins;

576 (2) Redeem payment stablecoins;

577 (3) Manage related reserves, including purchasing, selling, and holding reserve assets or
578 providing custodial services for reserve assets consistent with federal and state law;

579 (4) Provide custodial or safekeeping services for payment stablecoins, required reserves,
580 or private keys of payment stablecoins consistent with this chapter; and

581 (5) Undertake other activities that directly support any of the activities listed in this Code
582 section, or that are incidental to such activities, with the express permission of the
583 department; provided, however, that the claims of payment stablecoin holders are senior
584 to any potential claims of nonpayment stablecoin creditors with respect to reserve assets.

585 (b) A licensed payment stablecoin issuer that engages in other activities not authorized by
586 this Code section may be subject to revocation or suspension of such license.

587 7-11-24.

588 A licensed payment stablecoin issuer shall not provide services to a customer on the
589 condition that such customer obtain an additional paid product or service from the licensed
590 payment stablecoin issuer or any of its subsidiaries, or on the condition that such customer
591 agree not to obtain a product or service from a competitor.

592 7-11-25.

593 A licensed payment stablecoin issuer shall not:

594 (1) Use any name or combination of terms that are:

595 (A) Barred by the GENIUS Act;

596 (B) Related to this state or the government of this state; or

597 (C) Barred by Code Section 7-1-243 as a corporate name; and

598 (2) Market a payment stablecoin in such a way that a reasonable person would perceive
599 the payment stablecoin to be:

600 (A) Legal tender, as described in 31 U.S.C. Section 5103;

601 (B) Issued by the United States or by this state;

602 (C) Guaranteed or approved by the government of the United States or the government
603 of this state;

604 (D) Insured or guaranteed by a governmental entity, including, but not limited to, by
605 the Federal Deposit Insurance Corporation or the National Credit Union
606 Administration; or

607 (E) Backed by deposits that are federally insured.

608 7-11-26.

609 (a) A licensed payment stablecoin issuer shall prepare, in accordance with generally
610 accepted accounting principles, an annual financial statement which shall include the
611 disclosure of any related party transaction, as defined by such generally accepted
612 accounting principles.

613 (b) A registered public accounting firm acceptable to the department shall perform an audit
614 of the annual financial statements. Such audit shall be conducted with all applicable
615 auditing standards established by the Public Company Accounting Oversight Board,
616 including those relating to auditor independence, internal controls, and related party
617 transactions.

618 (c) Each licensed payment stablecoin issuer shall submit such audited financial statements
619 annually to the department.

620 7-11-27.

621 No licensed payment stablecoin issuer shall pay the holder of any payment stablecoin any
622 form of interest or yield, whether in cash, tokens, or other consideration, solely in
623 connection with the holding, use, or retention of such payment stablecoin.

624 7-11-28.

625 Each licensed payment stablecoin issuer shall submit to the department an annual report
626 listing:

627 (1) The financial condition of the licensed payment stablecoin issuer;

628 (2) The systems of the licensed payment stablecoin issuer for monitoring and controlling
629 financial and operating risks;

630 (3) Compliance by the licensed payment stablecoin issuer with this chapter; and

631 (4) The compliance of the licensed payment stablecoin issuer with the requirements of
632 the federal Bank Secrecy Act of 1970 and with laws authorizing the imposition of
633 sanctions implemented by the federal Secretary of the Treasury.

634 7-11-29.

635 (a) The department shall investigate and examine a licensed payment stablecoin issuer in
636 order to assess:

637 (1) The nature of the operations and financial condition of the licensed payment
638 stablecoin issuer;

639 (2) The financial, operational, technological, and other risks associated with the licensed
640 payment stablecoin issuer that may pose a threat to the:

641 (A) Safety and soundness of the licensed payment stablecoin issuer; or

642 (B) The stability of the financial system of the United States or this state;

643 (3) The systems of the licensed payment stablecoin issuer for monitoring and controlling
644 the risks described in subsection (b) of this Code section; and

645 (4) Compliance with state and federal laws and regulations.

646 (b)(1) The department shall examine or investigate all licensed payment stablecoin
647 issuers at least once each year and may examine or investigate any licensed payment
648 stablecoin issuer more frequently at any time it deems such action necessary or desirable.

649 (2) At least annually, such examination or investigation shall consist of a comprehensive
650 review of accounts, records, and affairs of the licensed payment stablecoin issuer.

651 (3) To aid in its examination or investigation of a licensed payment stablecoin issuer, the
652 department may conduct an examination or investigation of the licensed payment
653 stablecoin issuer's holding companies, subsidiaries, affiliates, or support organizations
654 provide material services to the licensed payment stablecoin issuer or that the failure of
655 such entities would have a material impact on the services provided by the licensed
656 payment stablecoin issuer.

657 (c) Notwithstanding subsections (b) and (d) of this Code section, the department may,
658 consistent with the purposes of this chapter and the rules enacted pursuant to this chapter,
659 alter the examination frequency and scope in order to assure that appropriate time and
660 attention are devoted to the supervision of troubled entities regulated by the department or
661 to minimize the examination burden on well-managed licensed payment stablecoin issuers
662 which have consistently been operated with safe and sound practices.

663 (d) In addition to any other authority set forth under this chapter, the department shall be
664 authorized to conduct investigations and examinations of applicants, licensed payment
665 stablecoin issuers, ultimate equitable owners, officers, and directors as follows:

666 (1) The department shall have the authority to access, receive, and use any books,
667 accounts, records, files, documents, information, or evidence, including, but not limited
668 to:

669 (A) Criminal, civil, and administrative history information, including nonconviction
670 data;

- 671 (B) Personal history and experience information, including, but not limited to,
672 independent credit reports;
- 673 (C) For an individual who has resided outside of the United States, an international
674 investigative background report prepared by a competent independent search firm,
675 which shall include at a minimum comprehensive credit, criminal, employment, medial,
676 and financial services regulatory history information; and
- 677 (D) Any other documents, information, or evidence the department deems relevant to
678 the inquiry, examination, or investigation, regardless of the location, possession,
679 control, or custody of such documents, information, or evidence;
- 680 (2) Each licensed payment stablecoin issuer or person subject to this chapter shall make
681 available to the department, upon request, any books and records relating to the issuance
682 of payment stablecoins;
- 683 (3) No licensed payment stablecoin issuer or person subject to investigation or
684 examination pursuant to this chapter shall knowingly withhold, abstract, remove,
685 mutilate, destroy, or secrete any books, records, documents, files, computer records,
686 evidence, or other information; and
- 687 (4) To carry out the purposes of this Code section, the department may:
- 688 (A) Enter into agreements or relationships with other government officials or
689 regulatory associations in order to improve efficiencies and reduce regulatory burden
690 by sharing resources, documents, records, information, or evidence or by utilizing
691 standardized or uniform methods or procedures;
- 692 (B) Accept and rely on examination or investigation reports made by other government
693 officials made within or outside this state;
- 694 (C) Accept audit reports or portions of audit reports made by an independent certified
695 public accountant on behalf of the licensed payment stablecoin issuer or person subject
696 to this chapter covering the same general subject matter as the audit and may

697 incorporate the audit report in the report of examination, report of investigation, or
698 other writing of the department; and

699 (D) Use, hire, contract, or employ analytical systems, methods, or software.

700 (e)(1) Each licensed payment stablecoin issuer shall pay an examination fee as
701 established by the rules and regulations of the department to cover the costs of an
702 examination or investigation.

703 (2) To aid the department in examining or investigating a licensed payment stablecoin
704 issuer or its holding companies, affiliates, or subsidiaries, the department may retain a
705 third-party expert to assist with such examination or investigation. The third-party expert
706 shall analyze the accounts, records, affairs, systems, data, or information requested by the
707 department and provide results to the department.

708 (3) Any fees or costs associated with a third-party expert retained to aid the department
709 with the examination or investigation of the licensed payment stablecoin issuer shall be
710 paid by the licensed payment stablecoin issuer.

711 (f) If a department enters into an agreement with a third-party expert for the purpose of
712 aiding the department in evaluating a payment stablecoin issuer application or examining
713 or investigating a licensed payment stablecoin issuer, the agreement may provide:

714 (1) All fees and costs incurred by the third-party expert shall be paid by the applicant or
715 licensed payment stablecoin issuer;

716 (2) The fees may vary depending on the services provided by such third-party expert but
717 as set forth in a general fee schedule;

718 (3) The purpose of the agreement is to aid the department in determining if the applicant
719 or licensed payment stablecoin issuer, its holding companies, and affiliates have complied
720 with this chapter, any rules and regulations promulgated pursuant to this chapter, and are
721 operating in a safe and sound manner;

722 (4) The department shall direct the focus and scope of such third-party expert's analysis,
723 including, but not limited to, the accounts, records, affairs, data, or information to be
724 reviewed;

725 (5) The third-party expert shall produce at least one detailed report to the department
726 which shall reach conclusions about its review and provide support for any conclusions
727 in the report;

728 (6) The third-party expert shall have access to all of the records of the applicant or
729 licensed payment stablecoin issuer, its holding companies, subsidiaries, and affiliates that
730 the department may review;

731 (7) All information reviewed by the third-party expert shall be confidential and not
732 subject to disclosure other than to the department or as may otherwise be required by law;
733 and

734 (8) All services shall be performed in accordance with applicable professional standards.

735 (g) The department may:

736 (1) Make such public or private examination or investigation within or outside of this
737 state as it deems necessary to determine whether any person has violated this chapter, any
738 rule or regulation, or order issued under this chapter, to aid in the enforcement of this
739 chapter, or to assist in prescribing rules and regulations pursuant to this chapter;

740 (2) Require or permit any person to file a statement in writing, under oath or otherwise,
741 as to all the facts and circumstances concerning the matter to be investigated;

742 (3) Request any financial data from an applicant or licensed payment stablecoin issuer;

743 (4) Conduct an on-site examination of a licensed payment stablecoin issuer at any
744 location of the licensed payment stablecoin issuer without prior notice to such licensed
745 payment stablecoin issuer. The licensed payment stablecoin issuer shall pay all
746 reasonably incurred costs of the examination. The department is authorized to net its
747 out-of-state travel expenses incurred as a result of an examination or investigation of a

748 licensed payment stablecoin issuer against payment from the licensed payment stablecoin
749 issuer.

750 (h) For the purpose of conducting any examination or investigation pursuant to this Code
751 section, the department shall have the power to:

752 (1) Administer oaths;

753 (2) Call any party to testify under oath in the course of an examination or investigation;

754 (3) Require attendance of witnesses;

755 (4) Require the production of books, accounts, records, documents, and papers; and

756 (5) Issue subpoenas for witnesses for the production of documentary evidence for such

757 purposes. Such subpoenas may be served by certified mail or statutory overnight

758 delivery, return receipt requested, to the addressee's business mailing address or by

759 examiners appointed by the department, or shall be directed for service to the sheriff of

760 the county where such witness resides or is found or where the person in custody of any

761 books, accounts, records, documents, or papers resides or is found.

762 (i) The department may issue and apply to enforce subpoenas in this state at the request

763 of any government agency, department, organization, or entity regulating payment

764 stablecoins in another state if the activities constituting the alleged violation for which the

765 information is sought would be a violation of this chapter if the alleged activities had

766 occurred in this state.

767 (j) In case of refusal to obey a subpoena issued under this chapter to any person, a court

768 of appropriate jurisdiction, upon application by the department, may issue to the person an

769 order requiring him or her to appear before the court to show cause why he or she should

770 not be held in contempt for refusal to obey the subpoena. Failure to obey a subpoena may

771 be punished as contempt by the court.

772 (k)(1) Examinations and investigations conducted pursuant to this chapter and

773 information obtained by the department in the course of conducting its duties pursuant

774 to this chapter are confidential, except as provided in this subsection, pursuant to the
775 provisions of Code Section 7-1-70.

776 (2) In addition to the exceptions set forth in subsection (b) of Code Section 7-1-70, the
777 department is authorized to share information obtained under this chapter with other state
778 and federal regulatory agencies or law enforcement authorities. The safeguards to
779 confidentiality already in place within such agencies or authorities shall be deemed to be
780 adequate for the purposes of this paragraph.

781 (3) The commissioner, or a designated examiner, may disclose such information as is
782 necessary to conduct a civil or administrative investigation or proceeding.

783 (4) Information contained in the records of the department that is not confidential and
784 may be made available to the public either on the department's website, upon receipt of
785 a written request, or in the Nationwide Multistate Licensing System and Registry shall
786 include:

787 (A) The name, business address, telephone number, facsimile number, and unique
788 identifier of a licensed payment stablecoin issuer;

789 (B) The names and titles of the principal officers or directors;

790 (C) The name of the owner or owners;

791 (D) The business address of a licensed payment stablecoin issuer's registered agent for
792 service;

793 (E) Information concerning any violation of this chapter, any rule or regulation, or any
794 order issued pursuant to this chapter, provided that the information is derived from a
795 final decision of the department; and

796 (F) Imposition of an administrative fine or penalty pursuant to this chapter.

797 (I) The authority to conduct an examination or investigation as provided for in this Code
798 section shall remain in effect whether a licensed payment stablecoin issuer or person acts
799 or claims to act pursuant to any licensing or registration law of this state or claims to act
800 without such authority.

801 (m) In the absence of malice, fraud, or bad faith, a person is not subject to civil liability
802 arising out of furnishing the department with any information required by this chapter or
803 required by the department under the authority granted in this chapter. No civil cause of
804 action of any nature shall arise against a person for any information:

805 (1) Relating to suspected prohibited conduct furnished to or received from law
806 enforcement officials, their agents, or employees or to or from other regulatory licensing
807 authorities;

808 (2) Furnished to or received from other persons subject to the provisions of this chapter;
809 or

810 (3) Furnished in complaints filed with the department.

811 (n) The commissioner or any employee or agent of the department shall not be subject to
812 civil liability, and no civil cause of action of any nature shall exist against such individuals
813 arising out of the performance of activities or duties pursuant to this chapter or by
814 publication of any report of activities pursuant to this Code section.

815 7-11-30.

816 (a)(1) Except as provided in this Code section, no person or group of persons acting in
817 concert shall become an ultimate equitable owner of any licensed payment stablecoin
818 issuer through acquisition or other change in control as a result of such acquisition or
819 other change in control unless such person or group of persons acting in concert has first
820 received approval for such acquisition, change in control, or designation as an executive
821 officer from the department.

822 (2) To obtain such approval, such person or group of persons acting in concert shall:

823 (A) File an application with the department in such form as the department may
824 prescribe from time to time;

825 (B) Provide such other information as the department may require concerning the
826 financial responsibility, background, experience, and activities of the applicant, its

827 directors and executive officers, if a corporation, and its members, if applicable, and of
828 any proposed new directors, executive officers, members, or ultimate equitable owners
829 of the licensed payment stablecoin issuer; and

830 (C) Pay such application fee as the department may prescribe.

831 (b) The department may prescribe additional requirements for the approval of such
832 acquisition, change in control, or designation as an executive officer as a result of such
833 acquisition or other change in control through rules and regulations.

834 (c) If the application is denied, the department shall notify the applicant in writing of the
835 denial and the reasons for such denial.

836 7-11-31.

837 (a)(1) The department is authorized to suspend or revoke a license issued pursuant to this
838 chapter if it finds that any grounds exist that would require or warrant the denial of an
839 application for the issuance of a license.

840 (2) The department may also suspend or revoke a license if it finds the licensed payment
841 stablecoin issuer has:

842 (A) Violated:

843 (i) This chapter or any regulation or decision issued pursuant to this chapter;

844 (ii) The GENIUS Act; or

845 (iii) Any condition imposed by the department in writing;

846 (B) Committed any fraud or engaged in any dishonest activities;

847 (C) Made a false statement in an application or failed to give a true reply to a question
848 in an application or renewal;

849 (D) Demonstrated incompetency or untrustworthiness to act as a licensed payment
850 stablecoin issuer;

851 (E) Failed to pay a judgment recovered in any court by a claimant or creditor in an
852 action arising out of the licensed payment stablecoin issuer's business in this state
853 within 30 days after such judgment becomes final;

854 (F) Purposefully withheld, deleted, destroyed, or altered information requested by an
855 examiner of the department or made false statements or misrepresentations to the
856 department;

857 (G) Operated in an unsafe or unsound manner; or

858 (H) Made a general assignment for the benefit of its creditors, suspended payment of
859 its obligations, or is insolvent.

860 (b) The department may revoke a license if the licensed payment stablecoin issuer is
861 subject to a final cease and desist order that has been issued within the five proceeding
862 years if such order was based on a violation of this chapter.

863 (c)(1) As used in this subsection, the term 'email address of record' means the email
864 address that the licensed payment stablecoin issuer designated as the email address for
865 regulatory contact on file with the Nationwide Multistate Licensing System and Registry.

866 (2) Notice of the department's intention to suspend or revoke a license shall be given to
867 the licensed payment stablecoin issuer, sent by registered or certified mail or statutory
868 overnight delivery addressed to the principal place of business of such licensed payment
869 stablecoin issuer or sent to the email address of record of the licensed payment stablecoin
870 issuer.

871 (3) If a person refuses to accept service of the notice of intention to suspend or revoke
872 by certified mail or statutory overnight delivery, the notice shall be served by the
873 commissioner or the commissioner's authorized representative pursuant to any other
874 method of lawful service, and the person shall be personally liable to the commissioner
875 for a sum equal to the actual costs incurred to serve the notice. This liability shall be paid
876 upon notice and demand by the commissioner or commissioner's representative and shall

877 be assessed and collected in the same manner as other fees or fines administered by the
878 commissioner.

879 (d) Within 30 days of the date of notice of intention to suspend or revoke, the licensed
880 payment stablecoin issuer may request a hearing to contest the order in writing. If a
881 hearing is not requested within 30 days of such notice of intention, the department shall
882 enter a final decision on the suspension or revocation of the license.

883 (e) If the department receives a timely request for a hearing, the department shall notice
884 a time and place at which the licensed payment stablecoin issuer may appear for a hearing
885 within 30 days of the receipt of such request.

886 (f) Not later than 60 days after the date of the hearing, the department shall issue a final
887 decision on the suspension or revocation.

888 (g) Any final decision of the department suspending or revoking a license shall state the
889 grounds upon which such suspension or revocation is based and shall be effective on the
890 date of issuance. A copy of the final decision shall be forwarded promptly by mail
891 addressed to the principal place of business of the licensed payment stablecoin issuer, the
892 authorized agent of said issuer, or the licensed payment stablecoin issuer.

893 (h) Any decision by the department suspending or revoking a license shall be subject to
894 review pursuant to Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.'

895 (i) Judicial review of any final decision of the department entered pursuant to this chapter
896 shall be available solely in the superior court of the county of domicile of the department.

897 (j) Whenever the department initiates an administrative action against a licensed payment
898 stablecoin issuer, the department may pursue such action to its conclusion even if a
899 licensed payment stablecoin issuer withdraws or surrenders its license.

900 7-11-32.

901 (a) The department is authorized to issue an order requiring a licensed payment stablecoin
902 issuer to cease and desist immediately from unauthorized activities whenever it shall

903 appear to the department that the licensed payment stablecoin issuer has violated any law
904 of this state, any applicable federal law or regulation, or any decision, order, or regulation
905 of the department. Such cease and desist order shall be final 20 days after it is issued,
906 unless the licensed payment stablecoin issuer submits a written request for a hearing within
907 such 20 day period.

908 (b) The department may issue an order requiring a person to cease and desist immediately
909 from unauthorized activities whenever it shall appear to the department that the person has
910 engaged in activities requiring a license pursuant to this chapter and such person is not a
911 licensed or permitted stablecoin issuer. Such cease and desist order shall be final 30 days
912 from the date of issuance, and there shall be no opportunity for an administrative hearing.
913 If the proper license or authority to engage in such activities is obtained and provided to
914 the department within the 30 day period, such order shall be rescinded by the department.

915 (c) Any cease and desist order issued pursuant to this Code section shall be in writing, sent
916 by registered or certified mail or statutory overnight delivery, and addressed to the person's
917 business address or, if the person is an individual, to the individual's personal address.

918 (d) Any hearing authorized under this Code section shall be conducted in pursuant to
919 Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.'

920 (e) Judicial review of any final order entered by the department pursuant to this chapter
921 shall be available solely in the superior court of the county of domicile of the department.

922 7-11-33.

923 (a) Whenever a person fails to comply with the terms of a final decision or order of the
924 department issued pursuant to this chapter, the department, through the Attorney General
925 and upon three days' notice to such person, petition the superior court where the person is
926 domiciled for an order directing such person to obey the final decision or order within a
927 period of time as shall be fixed by the court. Upon the filing of a petition, the court shall
928 allow a motion to show cause as to why it should not be granted. After a hearing on the

929 merits or after a failure of such person to appear when ordered, the court shall grant the
930 petition of the department upon a finding that the order of the department was properly
931 issued.

932 (b)(1) Any person who violates the terms of any final decision or order issued pursuant
933 to this chapter shall be liable for a civil penalty not to exceed \$1,000.00. Each day the
934 violation continues shall constitute a separate offense.

935 (2) In determining the amount of the penalty, the department shall take into account:

936 (A) The appropriateness of the penalty relative to the financial resources of such
937 person;

938 (B) Good faith efforts of such person to comply with the order;

939 (C) The severity of the violation;

940 (D) The history of previous violations by such person; and

941 (E) Any other factors or circumstances that contributed to the violation.

942 (3) The department is authorized to compromise, modify, or refund any penalty which
943 has been imposed pursuant to this Code section.

944 (4) Any person penalized pursuant to this subsection shall have the right to request a
945 hearing within ten days of notification of such penalty has been served upon such person.

946 Otherwise, such penalty shall be considered final except as to judicial review as provided
947 in Code Section 7-1-90.

948 7-11-34.

949 The department shall be authorized to remove a director, officer, employee, ultimate
950 equitable owner, or controlling stockholder of a licensed payment stablecoin issuer from
951 the position or office he or she holds, and prohibit further participation in the affairs of the
952 licensed payment stablecoin issuer and any entity supervised, licensed, or registered with
953 the department if the department determines that:

954 (1) The director, officer, employee, or controlling stockholder has knowingly committed
955 a violation or attempted a violation of this chapter, the GENIUS Act, or any regulation,
956 decision, or order issued pursuant to this chapter; or
957 (2) The director, officer, employee, or controlling stockholder has knowingly committed
958 a violation of a federal or state law or regulation, including, but not limited to,
959 Subchapter II of Chapter 53 of Title 31 of the United States Code."

960 **SECTION 4.**

961 Subject to appropriations by the General Assembly, this Act shall become effective upon the
962 earlier of:

963 (1) January 18, 2027; or

964 (2) 120 days after the issuance of final implementing regulations for the GENIUS Act.

965 **SECTION 5.**

966 All laws and parts of laws in conflict with this Act are repealed.