

HB259 INTRODUCED



1 HB259
2 HG1VL68-1
3 By Representative Shaw
4 RFD: Financial Services
5 First Read: 15-Jan-26



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4 SYNOPSIS:

5 This bill would prohibit a person from issuing
6 certain digital assets known as a payment stablecoins
7 in the state unless the person is licensed as a
8 permitted payment stablecoin issuer.

9 This bill would authorize the Alabama Securities
10 Commission to process and license applicants to become
11 Alabama qualified payment stablecoin issuers.

12 This bill would authorize the Alabama Securities
13 Commission to implement and administer this act, and
14 implement the federal Guiding and Establishing National
15 Innovation for U.S. Stablecoins Act and any regulation
16 adopted pursuant to that act.

17 Beginning in 2028, this bill would prohibit the
18 offer or sale of a payment stablecoin that is not
19 issued by a permitted payment stablecoin issuer.

20 This bill would authorize the Alabama Securities
21 Commission to recognize certain payment stablecoins for
22 use by a state governmental entity to make payments to
23 vendors and contractors for goods and services
24 rendered.

25 This bill would authorize governmental entities
26 to pay for contracts, if requested by the vendor or
27 contractor, using payment stablecoins.

28 This bill would require a governmental entity to



29 give certain disclosures to vendors and contractors
30 before entering a contract where a payment stablecoin
31 is used as payment.

32 This bill would also create civil and criminal
33 penalties for violations of this act.

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36 A BILL

37 TO BE ENTITLED

38 AN ACT

39

40 Relating to cryptocurrency; to add a new Chapter 7B to
41 Title 8, Code of Alabama 1975; to prohibit a person from
42 issuing digital assets as a payment stablecoin unless that
43 person is a permitted payment stablecoin issuer; to prohibit
44 the offer or sale of any payment stablecoin, beginning in
45 2028, unless the payment stablecoin is issued by a permitted
46 payment stablecoin issuer; to authorize the use of certain
47 authorized payment stablecoins to make payments to vendors and
48 contractors; to require payment to vendors and contractors to
49 be made by payment stablecoin beginning in 2031; to authorize
50 the Alabama Securities Commission to process and license
51 applicants to become Alabama qualified payment stablecoin
52 issuers; to authorize the Alabama Securities Commission to
53 enforce and implement this act, the GENIUS Act, and any
54 federal regulation adopted under that act; and to create civil
55 and criminal penalties for violations.

56 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

HB259 INTRODUCED



57 Section 1. Chapter 7B, commencing with Section 8-7B-1,
58 is added to Title 8, Code of Alabama 1975, to read as follows:

59 Chapter 7B

60 §8-7B-1

61 (a) This chapter shall be known and may be cited as the
62 Financial Innovation and Market Expansion Act.

63 (b) The intent of this chapter is to implement Section
64 4(c) of the federal Guiding and Establishing National
65 Innovation for U.S. Stablecoins Act, 12 U.S.C. § 5903(c),
66 governing regulation of payment stablecoins at the state
67 level.

68 §8-7B-2

69 For the purposes of this act, the following terms have
70 the following meanings:

71 (1) ALABAMA QUALIFIED PAYMENT STABLECOIN ISSUER. A
72 stablecoin issuer licensed and approved by the commission
73 through the licensing process in 8-7B-5.

74 (2) AUTHORIZED PAYMENT STABLECOIN. A payment stablecoin
75 that complies with the requirements of Section 8-7B-4.

76 (3) COMMISSION. The Alabama Securities Commission.

77 (4) COMPTROLLER. The Office of the Comptroller of the
78 Currency.

79 (5) DIGITAL ASSET SERVICE PROVIDER. A person that, in
80 the United States and for compensation or profit, engages in
81 the business of exchanging digital assets for monetary value,
82 exchanging digital assets for other digital assets,
83 transferring digital assets to a third party, acting as a
84 digital asset custodian, or participating in financial



85 services relating to digital asset insurance. The term does
86 not include a person that engages in the business of
87 developing or operating distributed ledger protocols,
88 self-custodial software interfaces, or validating transactions
89 through a distributed ledger. The term does not include a
90 person that participates in a liquidity poll or other similar
91 mechanism for the provisioning of liquidity for peer-to-peer
92 transactions.

93 (6) GENIUS ACT. The Guiding and Establishing National
94 Innovation for U.S. Stablecoins Act, 12 U.S.C. §§ 5901-5916.

95 (7) GOVERNMENTAL ENTITY. Any state or local agency or
96 instrumentality thereof located in the state.

97 (8) INTENTIONALLY. A person acts intentionally with
98 respect to a result or to conduct described by a statute
99 defining an offense, when his or her purpose is to cause that
100 result or to engage in that conduct.

101 (9) KNOWINGLY. A person acts knowingly with respect to
102 conduct or to a circumstance described by a statute defining
103 an offense when he or she is aware that his or her conduct is
104 of that nature or that the circumstance exists.

105 (10) OPEN, PUBLIC, OR DECENTRALIZED NETWORK. A
106 blockchain network that is open to use by the public without
107 permission of use by governing authorities or a network that
108 is operated using distributed ledger technology, where the
109 data is stored in separate physical locations.

110 (11) PAYMENT STABLECOIN. A digital asset or assets
111 designed to maintain a stable value that is, or is designed to
112 be, used as a means of payment or settlement. The issuer of



113 the token:

114 a. Is obligated to convert, redeem, or repurchase the
115 token for a fixed amount of monetary value; and

116 b. Represents, or creates the reasonable expectation,
117 that the token will maintain a stable value relative to the
118 value of a fixed amount of monetary value.

119 (12) PERMITTED PAYMENT STABLECOIN ISSUER. A person
120 formed in the United States that is one of the following:

121 a. A subsidiary of an insured depository institution
122 that has been approved to issue payment stablecoins under
123 Section 5 of the GENIUS Act, 12 U.S.C. § 5904.

124 b. A nonbank entity approved by the comptroller,
125 pursuant to Section 5 of the GENIUS Act, 12 U.S.C. § 5904, to
126 issue payment stablecoins.

127 c. An uninsured national bank that is chartered by the
128 comptroller and is approved by the comptroller, pursuant to
129 Section 5 of the GENIUS Act, 12 U.S.C. § 5904, to issue
130 payment stablecoins.

131 d. A federal branch that is approved by the
132 comptroller, pursuant to Section 5 of the GENIUS Act, 12
133 U.S.C. § 5904, to issue payment stablecoins.

134 e. An entity legally established under the laws of a
135 state and approved to issue payment stablecoins by a state
136 payment stablecoin regulator, including Alabama qualified
137 payment stablecoin issuers.

138 §8-7B-3

139 (a) No person may issue a payment stablecoin in the
140 state, unless that person is a permitted payment stablecoin



141 issuer.

142 (b) Beginning on July 18, 2028, no digital asset
143 service provider may offer or sell a payment stablecoin to a
144 person in the state, unless the payment stablecoin is issued
145 by a permitted payment stablecoin issuer.

146 (c) This section shall not apply to the following
147 transactions:

148 (1) Any direct transfer of payment stablecoin between
149 two individuals, each acting on his or her own behalf and for
150 his or her own lawful purposes, without the involvement of an
151 intermediary.

152 (2) Any transaction involving the receipt of payment
153 stablecoin by an individual between an account owned by the
154 individual in the United States and an account owned by the
155 individual abroad which are offered by the same parent
156 company.

157 (3) Any transaction by means of a software or hardware
158 wallet that facilitates an individual's own custody of payment
159 stablecoin.

160 §8-7B-4

161 (a) (1) Once the commission authorizes a payment
162 stablecoin under subsection (b), governmental entities may use
163 a payment stablecoin issued by a permitted payment stablecoin
164 issuer to make payments to vendors or contractors for
165 contracted goods or services.

166 (2) Vendors and contractors may elect to receive
167 payment in an authorized payment stablecoin through procedures
168 established pursuant to Section 8-7B-9. No vendor or



169 contractor shall be required to accept payment stablecoin as
170 consideration.

171 (3) If the vendor or contractor elects to receive
172 payment in a payment stablecoin, the payment shall be
173 enforceable as satisfaction of the monetary obligations owed
174 by the state.

175 (b) The commission may recognize and authorize any
176 payment stablecoin that complies with the following
177 requirements:

178 (1) The payment stablecoin is issued by a permitted
179 payment stablecoin issuer that is incorporated and
180 headquartered in the United States.

181 (2) The permitted payment stablecoin issuer has
182 corporate founders and controlling shareholders who are United
183 States citizens.

184 (3) The payment stablecoin is fully backed on a
185 one-to-one basis by the United States dollar or short-term
186 United States Treasury obligations.

187 (4) The permitted payment stablecoin issuer maintains
188 reserves held in accounts with United States-chartered banks
189 or federally regulated custodians.

190 (5) The payment stablecoin is redeemable at par value
191 on demand by holders.

192 (6) The payment stablecoin is subject to quarterly
193 independent attestations by an accounting firm registered with
194 the Public Company Accounting Oversight Board.

195 (7) The permitted payment stablecoin issuer publishes
196 monthly reserve reports disclosing asset composition and



197 location.

198 (8) The permitted payment stablecoin issuer and payment
199 stablecoin both operate in compliance with the GENIUS Act and
200 all regulations issued thereunder.

201 (c) The commission shall not authorize any payment
202 stablecoin if the payment stablecoin is:

203 (1) Issued by any entity that is headquartered outside
204 of the United States;

205 (2) Issued by any entity that is controlled by
206 individuals who are not citizens of the United States;

207 (3) Backed by synthetic assets, commodities, foreign
208 currencies, or other digital assets; or

209 (4) Issued by a person that is not a permitted payment
210 stablecoin issuer.

211 (d) The commission shall maintain a list of authorized
212 payment stablecoins under subsection (b) and shall publish the
213 list on the commission's website.

214 (e) The commission shall conduct an annual review of
215 all authorized stablecoins and may suspend or revoke
216 recognition of any token that fails to meet the requirements
217 in subsections (c) or (d).

218 (f) Before entering an agreement to pay vendors and
219 contractors with an authorized stablecoin under this section,
220 the governmental entity shall provide a disclosure to the
221 vendor or contractor that outlines the redemption rights and
222 procedures of the applicable payment stablecoin, the reserve
223 backing and audit requirements for payment stablecoins under
224 this chapter and the GENIUS Act, and the risks that are

HB259 INTRODUCED



225 associated with digital asset custody and use.

226 §8-7B-5

227 (a) (1) The commission shall receive, review, and
228 consider for approval applications from any person that seeks
229 to issue or sell payment stablecoins as an Alabama qualified
230 payment stablecoin issuer, and the commission shall establish
231 a process and framework for the licensing, regulation,
232 examination, and supervision of such entities, through the
233 adoption of rules pursuant to Section 8-7B-9.

234 (2) The commission, upon receipt of a substantially
235 complete application received under subdivision (1), shall
236 evaluate and make a determination on each application based
237 only on the criteria established under this chapter, and rules
238 adopted pursuant to this chapter.

239 (b) The commission shall consider the following factors
240 when determining whether an applicant, who submitted a
241 substantially complete application, shall be licensed as an
242 Alabama qualified payment stablecoin issuer:

243 (1) The ability of the applicant, based on the
244 applicant's financial condition and resources, to meet the
245 requirements set forth under 12 U.S.C. § 5903.

246 (2) Whether an individual who has been convicted of a
247 felony offense involving insider trading, embezzlement,
248 cybercrime, money laundering, financing of terrorism, or
249 financial fraud is serving as an officer or director of the
250 applicant.

251 (3) The competence, experience, and integrity of the
252 officers, directors, and principal shareholders of the



253 applicant, its subsidiaries, and parent company, including:

254 a. The record of those officers, directors, and

255 principal shareholders of compliance with laws and

256 regulations; and

257 b. The ability of those officers, directors, and

258 principal shareholders to fulfill any commitments to, and any

259 conditions imposed by, the commission in connection with the

260 application at issue and any prior applications.

261 (4) Whether the redemption policy of the applicant

262 meets the standards under 12 U.S.C. § 5903.

263 (5) Any other factors established under federal

264 regulations pursuant to the GENIUS Act or rules adopted

265 pursuant to this chapter which are necessary to ensure the

266 safety and soundness of the Alabama qualified payment

267 stablecoin issuer.

268 (c) The commission shall render a decision on a

269 substantially complete application submitted under subsection

270 (a) no later than 120 days after receipt of the application.

271 (d) (1) For purposes of this section an application

272 shall be considered substantially complete if the application

273 contains sufficient information for the commission to render a

274 decision on whether the applicant satisfies the factors

275 described in subsection (a).

276 (2) No later than 30 days after receiving any

277 application, the commission shall notify the applicant as to

278 whether the commission considers the application to be

279 substantially complete and, if the application is not

280 substantially complete, the additional information the



281 applicant must provide in order for the application to be
282 considered substantially complete.

283 (3) An application considered substantially complete
284 under this subsection shall remain substantially complete
285 unless there is a material change in circumstances that
286 requires the commission to treat the application as a new
287 application.

288 (e) (1) The commission may only deny a substantially
289 complete application received if the commission determines
290 that the activities of the applicant would include any conduct
291 that would authorize the commission to suspend or revoke a
292 license under Section 8-7B-10(a).

293 (2) The issuance of a payment stablecoin on an open,
294 public, or decentralized network shall not be a valid ground
295 for denial of an application.

296 (f) If the commission denies a substantially complete
297 application received under subsection (a), the commission no
298 later than 30 days after the date of denial, shall provide the
299 applicant with written notice explaining the denial with
300 specificity, including all findings made by the commission
301 with respect to all identified material shortcomings in the
302 application, including actionable recommendations on how the
303 applicant could address the identified material shortcomings.

304 (g) The denial of an application under subsection (e)
305 shall not prohibit the applicant from filing any subsequent
306 application.

307 §8-7B-6

308 A provider is not required to obtain any other license

HB259 INTRODUCED



309 or charter, except for the requirement under this chapter, to
310 perform the activities permitted in Section 8-7B-3.

311 §8-7B-7

312 No later than 180 days after the approval of an
313 application, and afterwards on an annual basis, each Alabama
314 qualified payment stablecoin issuer shall submit to the
315 commission a certification that the issuer has implemented
316 anti-money laundering and economic sanctions compliance
317 programs that are reasonably designed to prevent the Alabama
318 qualified payment stablecoin issuer from facilitating money
319 laundering, in particular, facilitating money laundering for
320 cartels and organizations designated as foreign terrorist
321 organizations under 8 U.S.C. § 1189 and the financing of
322 terrorist activities, consistent with the requirements of the
323 GENIUS Act.

324 §8-7B-8

325 (a) An Alabama qualified payment stablecoin issuer
326 shall comply with 12 U.S.C. § 5902(a) and any regulations
327 adopted by federal governmental entities implementing the
328 GENIUS Act.

329 (b) The commission, through the adoption of rules
330 pursuant to Section 8-7B-9 or other means of notice, shall
331 identify the federal laws and regulations applicable to
332 Alabama qualified payment stablecoin issuers. The commission
333 shall ensure that the minimum federal requirements apply to
334 all Alabama qualified payment stablecoin issuers in the state.

335 §8-7B-9

336 (a) (1) The commission shall adopt rules to administer



337 and implement this chapter. These rules may include provisions
338 that govern the recovery of the cost of administering and
339 enforcing this chapter by imposing and collecting fees, fines,
340 penalties, and costs associated with applications,
341 examinations, investigations, and other actions required to
342 implement this chapter.

343 (2) The rules adopted under subsection (a) shall
344 include the following:

345 a. The establishment of a secure system for processing
346 payments made under Section 8-7B-4.

347 b. The technical integration of payment stablecoin
348 payment systems with state accounting and payment systems.

349 c. Security and fraud prevention measures.

350 d. The creation of educational material regarding the
351 use of payment stablecoins.

352 (b) The commission may conduct an examination or
353 investigation of an Alabama qualified payment stablecoin
354 issuer or otherwise take action authorized by this chapter or
355 by a rule adopted or order issued under this chapter as
356 reasonably necessary or appropriate to administer and
357 implement this chapter, federal regulations implementing the
358 GENIUS Act, and other applicable state and federal law. In
359 performing the examination or investigation, the commission
360 may:

361 (1) Conduct an on-site or off-site examination of the
362 Alabama qualified payment stablecoin issuer as the commission
363 may reasonably require;

364 (2) Conduct an examination in conjunction with other

HB259 INTRODUCED



365 state agencies or federal government agencies;

366 (3) Accept the examination report of another state
367 agency or federal government agency, or a report prepared by
368 an independent accounting firm, which, upon being accepted by
369 the commission, shall be considered an official report of the
370 commission; and

371 (4) Summon and examine, under oath, individuals or
372 employees of an Alabama qualified payment stablecoin issuer
373 and require the individuals to produce records regarding any
374 matter related to the condition and business of the licensee
375 or an agent of the licensee.

376 (c) An Alabama qualified payment stablecoin issuer
377 shall provide, and the commission shall have full and complete
378 access to, all records the commission may reasonably require
379 to conduct an examination. The records must be provided at the
380 location and in the format specified by the commission,
381 provided the commission may utilize multistate record
382 production standards and examination procedures when such
383 standards will reasonably achieve the requirements of this
384 section.

385 (d) Unless otherwise directed by the commission, a
386 licensee shall pay all costs reasonably incurred in connection
387 with an examination of the licensee or the licensee's
388 authorized delegates.

389 (e) Information obtained during any examination under
390 this chapter may be disclosed only as prescribed in Section
391 8-7B-16.

392 (f) In the course of an examination or investigation



393 under subsection (b), the commission may do any of the
394 following:

395 (1) Make such public or private investigations within
396 or outside of this state as it deems necessary to determine
397 whether: (i) any license under this chapter should be granted,
398 denied, suspended, or revoked; (ii) any person has violated or
399 is about to violate any provision of this chapter or any rule
400 or order issued under this chapter; or (iii) any enforcement
401 measures are necessary to be imposed on an Alabama qualified
402 payment stablecoin issuer under this chapter.

403 (2) Require or permit any person to file a statement in
404 writing, under oath, or otherwise as the commission may
405 determine, as to all the facts and circumstances concerning
406 the matter to be investigated.

407 (3) Publish information concerning any violation of
408 this chapter or any rule or order adopted or issued under this
409 chapter.

410 (4) Administer oaths and affirmations, subpoena
411 witnesses, compel their attendance, take evidence, and require
412 the production of any books, papers, correspondence,
413 memoranda, agreements, or other documents or records which the
414 commission deems relevant to the inquiry.

415 (g) In case of refusal to obey a subpoena, upon
416 application by the commission, the Circuit Court of Montgomery
417 County may issue an order to the person failing to obey the
418 subpoena requiring the individual to appear before the
419 commission or the officer designated by it, to produce
420 documentary evidence if so ordered, or to give evidence



421 touching the matter under investigation or in question. The
422 court may hold any person who fails to obey an order of the
423 court in contempt of court.

424 (h) No person is excused from attending and testifying
425 or from producing any document or record before the commission
426 or any officer designated by it, in any proceeding instituted
427 by the commission, on the ground that the testimony or
428 evidence, documentary or otherwise, required of the person may
429 tend to incriminate him or her or subject him or her to a
430 penalty or forfeiture. No individual may be prosecuted or
431 subjected to any penalty or forfeiture using or based on
432 information he or she offered after asserting such privilege,
433 except that the individual so testifying shall not be exempt
434 from prosecution and punishment for perjury committed in so
435 testifying. Nothing in this section shall prohibit the
436 commission from prosecuting any person compelled to testify or
437 provide evidence, if the commission has sufficient evidence,
438 derived from other sources not discovered, derived, or
439 revealed from such compelled testimony or evidence, to sustain
440 a prosecution for a violation under this chapter.

441 (i) The commission may prescribe additional enforcement
442 procedures under subsection (a) to ensure compliance with the
443 GENIUS Act.

444 (j) The commission shall submit an annual report to the
445 Legislature which shall include the current list of authorized
446 payment stablecoins, the volume of transactions and cost
447 savings, assessment of risks and safeguards, and any
448 recommendations for legislative changes. The report shall be



449 made publicly available on the commission's website.

450 (k) This chapter shall not apply to an Alabama
451 qualified payment stablecoin issuer to the extent that federal
452 law precludes or preempts or has been determined to preclude
453 or preempt the application of the provisions of this chapter
454 to any Alabama qualified payment stablecoin issuer.

455 (l) In addition to any other exempt positions as
456 otherwise allowed by law, the exempt positions in the
457 commission shall include up to three highly trained, highly
458 specialized securities professionals.

459 §8-7B-10

460 (a) The commission may suspend or revoke a license if
461 the Alabama qualified payment stablecoin issuer:

462 (1) Violates this chapter or a rule adopted or an order
463 issued under this chapter;

464 (2) Does not cooperate with an examination or
465 investigation by the commission;

466 (3) Engages in fraud, intentional misrepresentation, or
467 gross negligence;

468 (4) The competence, experience, character, or general
469 fitness of the issuer, person in control of an issuer, key
470 individual, or responsible individual of the authorized
471 delegate indicates that it is not in the public interest to
472 permit the issuer to issue a payment stablecoin;

473 (5) Engages in an unsafe or unsound practice; or

474 (6) Is insolvent, suspends payment of its obligations,
475 or makes a general assignment for the benefit of its
476 creditors.



HB259 INTRODUCED

477 (b) In determining the severity of the violation, the
478 commission may consider the size and condition of the issuer's
479 payment stablecoin issuance, the magnitude of the loss, the
480 gravity of the violation of this chapter, and the previous
481 conduct of the person involved.

482 § 8-7B-11

488 (1) Issue an order, with or without a prior hearing or
489 notice, against the person or persons engaged in the act or
490 practice, directing them to cease and desist from engaging in
491 the act or practice.

492 (2) Issue an order appointing a receiver or conservator
493 over a respondent or the respondent's assets.

494 (3) Order restitution or disgorgement against any
495 person who has violated this chapter or any rule adopted or
496 order issued pursuant to this chapter.

497 (4) Bring an action in the Circuit Court of Montgomery
498 County to enjoin an action or practice and to enforce
499 compliance with this chapter or any rule adopted or order
500 issued pursuant to this chapter. Upon a proper showing, the
501 court may issue a temporary restraining order or permanently
502 enjoin any unlawful act or practice.

503 (b) The commission shall not be required to post a bond
504 for any actions taken pursuant to subsection (a).



505 §8-7B-12

506 (a) Any person aggrieved by an order or denial issued
507 under this chapter shall be entitled to a hearing, as
508 authorized for contested cases, pursuant to the Administrative
509 Procedure Act, Chapter 22 of Title 41, if the aggrieved
510 person, within 28 days after delivery of the order or denial,
511 submits a written request for a hearing before the commission.
512 The order shall disclose the right to a hearing upon written
513 request within 28 days after delivery of the order. If no
514 timely request for a hearing is made, the order shall
515 constitute a final order of the commission.

516 (b) Any appeal from any final order of the commission
517 shall be made to the Circuit Court of Montgomery County and
518 shall be governed by the provisions of the Administrative
519 Procedure Act, Chapter 22 of Title 41, pertaining to judicial
520 review.

521 §8-7B-13

522 The commission may enter into a consent order at any
523 time with a person to resolve a matter arising under this
524 chapter or a rule adopted or order issued under this chapter.
525 A consent order must be signed by the person to whom it is
526 issued or by the person's authorized representative, and must
527 indicate agreement with the terms contained in the order.

528 §8-7B-14

529 (a) It is unlawful for any person, in connection with
530 the offer, sale, or purchase of any stablecoin, directly or
531 indirectly, to knowingly:

532 (1) Employ any device, scheme, or artifice to defraud a



533 person;

534 (2) Make any untrue statement of a material fact or to
535 omit to state a material fact necessary in order to make the
536 statements made not misleading in the light of the
537 circumstances under which they are made; or

538 (3) Engage in any act, practice, or course of business
539 that operates or would operate as a fraud or deceit upon any
540 person.

541 (b) (1) A person that knowingly violates subsection (a),
542 (b), or (c) shall be guilty of a Class B felony.

543 (2) The limitations period for any prosecution under
544 this section does not commence or begin to accrue until the
545 discovery of the facts constituting the deception, after which
546 the prosecution shall be commenced within five years.

547 (c) A person that intentionally makes a false
548 statement, misrepresentation, or false certification in a
549 record filed or required to be maintained under this chapter
550 or intentionally makes a false entry or omits a material entry
551 in such a record is guilty of a Class C felony.

552 (d) A person that intentionally engages in an activity
553 for which a license is required under this chapter without
554 being licensed under this chapter and who receives more than
555 five thousand dollars (\$5,000) in compensation within a 30-day
556 period from this activity is guilty of a Class C felony.

557 (e) A person that intentionally engages in an activity
558 for which a license is required under this chapter without
559 being licensed under this chapter and who receives five
560 thousand dollars (\$5,000) or less in compensation within a



561 30-day period from this activity is guilty of a Class D
562 felony.

563 (f) The enforcement of this chapter shall be vested in
564 the commission. It is the duty of the commission to enforce
565 this chapter and to investigate, prevent, and detect
566 violations of this chapter. The commission is vested with the
567 rights, privileges, and powers conferred by law upon district
568 attorneys, including the power to appear before grand juries
569 and to interrogate witnesses before such grand jury. A
570 district attorney may empower the commission to proceed on his
571 or her behalf in any proceeding under this chapter.

572 (g) In any proceeding under this chapter, intent or
573 knowledge need not be alleged and proved in prosecutions of
574 violations involving unlicensed issuers.

575 (h) A proceeding under this chapter shall not preempt
576 or foreclose any criminal action or liability which may arise
577 under any other criminal provision.

578 §8-7B-15

579 (a) The commission may assess a civil penalty against a
580 person that violates this chapter or a rule adopted or an
581 order issued under this chapter in an amount not to exceed one
582 hundred thousand dollars (\$100,000) per day for each day the
583 violation is outstanding, plus the state's costs and expenses
584 for the investigation and prosecution of the matter, including
585 reasonable attorney fees. All assessments collected under this
586 section shall be deposited in the State General Fund.

587 (b) The commission may assess an administrative charge
588 for the actual cost of any investigation resulting from any



589 violation of this chapter, a violation of any rule or order
590 issued under this chapter, or the cost of any examination made
591 by the commission pursuant to this chapter, to the person or
592 persons subject to the investigation or examination. All
593 charges assessed for costs shall be deposited in the Alabama
594 Securities Commission Fund in the State Treasury to be drawn
595 upon by the commission for its use in the administration of
596 this chapter.

597 (c) For the purposes of determining the amount or
598 extent of an administrative assessment, if any, to be imposed
599 under this section, the commission shall consider among other
600 factors, the frequency, persistence, and willfulness of the
601 conduct constituting a violation of any provision of this
602 chapter or any rule or order issued under this chapter, and
603 the number of persons adversely affected by the conduct.

604 (d) The administrative assessment under this section is
605 in addition to any other penalty, remedy, or sanction that may
606 be imposed under this chapter.

607 §8-7B-16

608 (a) Except as otherwise provided in subsection (b), all
609 information or reports obtained by the commission from the
610 applicant, licensee, or authorized delegate and all
611 information contained in or related to examination,
612 investigation, operation, or condition reports prepared by, or
613 on behalf of, or for the use of the commission, are
614 confidential and are not subject to disclosure under Article 3
615 of Chapter 12, Title 36.

616 (b) The commission may disclose information not

HB259 INTRODUCED



617 otherwise subject to disclosure under subsection (a) to
618 representatives of state and federal agencies, provided the
619 agencies submit an undertaking to maintain the confidentiality
620 of the information in a record.

621 (c) This section shall not prohibit the commission from
622 disclosing to the public a list of persons licensed under this
623 chapter or the aggregated financial data concerning those
624 licensees.

625 §8-7B-17

626 In any insolvency proceeding of an Alabama qualified
627 payment stablecoin issuer, including any insolvency proceeding
628 administered by the commission, the following shall apply:

629 (1) The claim of a person holding any payment
630 stablecoin issued by the Alabama qualified payment stablecoin
631 issuer shall have priority, on a ratable basis with the claims
632 of other persons holding the payment stablecoin, over the
633 claims of the Alabama qualified payment stablecoin issuer and
634 any other holder of claims against the Alabama qualified
635 payment stablecoin issuer, with respect to required payment
636 stablecoin reserves.

637 (2) Notwithstanding any other provision of law, any
638 person holding a payment stablecoin issued by the Alabama
639 qualified payment stablecoin issuer shall be deemed to hold a
640 claim.

641 (3) The priority under subdivision (1) shall not apply
642 to claims other than those arising directly from the holding
643 of payment stablecoins.

644 Section 2. This act shall become effective on October



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645 1, 2026.