

286.13-050 Bond -- Evidence of net worth -- Administrative regulation. (Effective April 30, 2027)

- (1) As used in this section:
 - (a) "Bond" means:
 1. A surety bond; or
 2. Another similar security acceptable to the commissioner;
 - (b) "Net worth" means assets less liabilities as determined by generally accepted accounting principles; and
 - (c) "Person" includes any applicant and licensee.
- (2)
 - (a) Except as otherwise provided in paragraph (b) of this subsection, an applicant shall submit with its license application, and a licensee shall at all times maintain, a bond in an amount that is not less than five hundred thousand dollars (\$500,000).
 - (b) The commissioner may require an applicant to submit before a license is issued, and a licensee to maintain at all times, a bond in an amount in excess of five hundred thousand dollars (\$500,000) but not exceeding five million dollars (\$5,000,000) if the commissioner determines the additional amount is necessary to cover the nature and extent of risks associated with the virtual currency kiosk business activity in this state of the:
 1. Applicant and its proposed agents; or
 2. Licensee and its agents.
 - (c) An applicant or a licensee that is required to increase its bond under paragraph (b) of this subsection shall submit to the commissioner evidence that it has secured the additional bond amount not later than thirty (30) days after the applicant or licensee is notified by the commissioner in writing of the required increase.
- (3)
 - (a) The bond required under this section shall:
 1. Be in a form satisfactory to the commissioner;
 2. Hold and bind the principal and surety to the Commonwealth of Kentucky for the benefit of any claimants against the person and its agents to secure the faithful performance of the obligations of the person and its agents in accordance with the requirements of this subtitle, including the payment of unpaid fee amounts and civil monetary penalties due to the department under this subtitle;
 3. Except as provided in paragraph (e) of this subsection, cover claims brought by a claimant for as long as the commissioner specifies, but not less than five (5) years after the later of the following:
 - a. The date of any violation of this subtitle by the person or its agents; or
 - b. The date the person ceases to do business in this state;
 4. Be continuous and remain in effect until canceled;
 5. Require the person and surety to provide the commissioner at least thirty

- (30) days' written notice of an intent to cancel the bond; and
6. Provide that cancellation of the bond shall not affect any liability incurred or accrued under the bond during the thirty (30) day notice period required under subparagraph 5. of this paragraph.
 - (b) The aggregate liability on a bond shall not exceed the principal sum of the bond.
 - (c) A claimant may maintain a civil action on a bond.
 - (d) The commissioner may maintain a civil action on a bond on behalf of the department or any other claimant in the Franklin Circuit Court or in any other court of competent jurisdiction, either in one (1) action or successive actions.
 - (e) The commissioner may permit the amount of a bond to be reduced or eliminated after a person ceases to do business in this state to the extent the amount of a person's and its agents' outstanding obligations in this state are reduced.
 - (4) In addition to the bond required under this section, an applicant shall submit with its license application, and a licensee shall at all times maintain, evidence of a net worth that is not less than five hundred thousand dollars (\$500,000).
 - (5) The commissioner may promulgate an administrative regulation in accordance with KRS Chapter 13A or issue an order to:
 - (a) Exercise his or her discretion under this section; or
 - (b) Otherwise carry out the requirements of this section.

Effective: April 30, 2027

History: Created 2026 Ky. Acts ch. 126, sec. 9, effective April 30, 2027.