

286.13-125 Written notice or administrative complaint before commissioner takes restrictive action -- Hearing -- Service of notice -- Consent order. (Effective April 30, 2027)

- (1) As used in this section:
 - (a) "Applicant" includes:
 1. With respect to conditions placed on, or denial of an application for, an approval to engage in virtual currency kiosk business through an agent in this state, a proposed agent; and
 2. With respect to a denial of an application for approval of a change of control, a person that filed the application seeking the change of control; and
 - (b) "Person" means any applicant, licensee, virtual currency kiosk operator, agent, or other person.
- (2) The commissioner shall serve written notice on an applicant prior to:
 - (a) Placing conditions on:
 1. A license; or
 2. An approval to engage in virtual currency kiosk business at a location, or through an agent, in this state; or
 - (b) Denying any license or application made under this subtitle.
- (3) An applicant that is served a notice of intent to deny any license or application made under this subtitle shall be entitled to an administrative hearing on the notice conducted in accordance with KRS Chapter 13B if the applicant files a written request for a hearing with the commissioner within twenty (20) days of the date of service.
- (4) (a) The commissioner shall serve an administrative complaint on a person:
 1. Prior to doing any of the following:
 - a. Taking an adverse action against the person under KRS 286.13-130(1)(a)4.;
 - b. Issuing a cease and desist order against the person under KRS 286.13-140; or
 - c. Issuing an order that directs the person to:
 - i. Pay any fee or civil penalty;
 - ii. Provide any remedy; or
 - iii. Be subject to a penalty; and
 2. Simultaneous with the service of an emergency order on the person under KRS 286.13-135.
- (b) Except as provided in paragraph (c) of this subsection, a person that is served an administrative complaint under paragraph (a) of this subsection shall be entitled to an administrative hearing on the complaint conducted in accordance with KRS Chapter 13B if the person files both of the following with the commissioner within twenty (20) days of the date of service:

1. A written answer to the complaint; and
 2. A request for hearing.
- (c) A person that complies with paragraph (b) of this subsection in response to an administrative complaint and emergency order issued under KRS 286.13-130 shall be entitled to an emergency administrative hearing conducted in accordance with KRS 13B.125.
- (5) (a) Except as provided in paragraph (b) of this subsection, the commissioner shall serve any notice, complaint, or emergency order referenced in this section by certified mail or personal delivery to the person's last known address or upon the person's agent for service of process.
- (b) If the commissioner is unable to reasonably determine a person's last known address or agent for service of process, the commissioner may serve a notice, a complaint, or an emergency order by certified mail or personal delivery to any owner or operator of the premises or real property upon which the person's virtual currency kiosk or kiosks are located.
- (6) Service by certified mail shall be complete as provided in KRS 13B.050(2).
- (7) If any person fails to timely file a request for hearing under subsection (3) of this section, or a written answer and request for hearing under subsection (4) of this section, the commissioner may, as applicable and subject to KRS Chapter 13B, issue a final order:
- (a) Taking the action that was:
1. Set forth in the notice; or
 2. Sought in the complaint; or
- (b) Affirming the emergency action that was taken.
- (8) All other requirements of and rights arising under KRS Chapter 13B shall apply to administrative hearings conducted and orders issued under this subtitle.
- (9) The commissioner may, at any time, enter into a consent order with any person to resolve a matter arising under this subtitle.

Effective: April 30, 2027

History: Created 2026 Ky. Acts ch. 126, sec. 24, effective April 30, 2027.