

**Virtual Currency Kiosk Fraud Prevention Bill**  
*(December 2025)*

**SECTION 1. DEFINITIONS.**

- **User.** “User” means any individual or entity that initiates, authorizes, or completes a transaction involving virtual currency through a virtual currency kiosk, whether for the purpose of purchasing, selling, transferring, or otherwise exchanging virtual currency.
- **Virtual currency.** “Virtual currency” means a natively electronic asset that confers economic, proprietary, or access rights or powers and is recorded using cryptographically secured distributed ledger technology, or any similar analogue.
- **Virtual currency address.** “Virtual currency address” means an alphanumeric identifier associated with a virtual currency wallet identifying the location to which a virtual currency transaction can be sent.
- **Virtual currency wallet.** “Virtual currency wallet” means a software application or other mechanism providing a means to hold the keys necessary to access and transfer virtual currency.
- **Virtual currency kiosk.** “Virtual currency kiosk” means a person acting on the behalf of, or a mechanical agent of, the virtual currency kiosk operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual currency for money, bank credit, or other virtual currency, including but not limited to by (1) connecting directly to a separate “virtual currency exchange” that performs the actual virtual currency transmission, or (2) drawing upon the virtual currency in the possession of the electronic terminal's operator.
- **Virtual currency kiosk operator.** “Virtual currency kiosk operator” means a person that engages in virtual currency business activity via a virtual currency kiosk located in this State or a person that owns, operates, or manages a virtual currency kiosk located in this State through which virtual currency business activity is offered. This definition applies whether or not the operator owns the kiosks used in transactions, or if they provide custodial or non-custodial services. Operators would include those that facilitate or enable the purchase of virtual currency through a product or application that directs a customer to remit payment in person, including through a clerk or other intermediary, for the purpose of completing the transaction.
- **Virtual currency kiosk transaction.** “Virtual currency kiosk transaction” means a transaction conducted or performed, in whole or in part, by electronic means via a virtual currency kiosk. Virtual currency kiosk transaction also means a transaction made at a virtual currency kiosk to purchase virtual currency with U.S. dollars or to sell virtual currency for U.S. dollars.
- **Blockchain analytics.** “Blockchain analytics” means the analysis of data from blockchains or public distributed ledgers, including associated transaction information.
- **Blockchain analytics and tracing software.** “Blockchain analytics and tracing software” means a software service that uses blockchain analytics data to provide risk-specific information and tracing of virtual currency wallet addresses, among other things.
- **Charges.** “Charges” means:
  - Fees or expenses paid by the user; and,
  - The difference between the market price of the virtual currency and the price of the virtual currency charged to the user.

**SECTION 2. VIRTUAL CURRENCY KIOSK OPERATOR LICENSING AND REPORTING.**

- **Licensing.** A virtual currency kiosk operator shall not engage in a virtual currency kiosk transaction or hold itself out as being able to engage in virtual currency kiosk transactions with or on behalf of another person unless the kiosk operator is licensed in the State as a money transmitter and under any local applicable ordinance.

- Each applicant for a money transmission license shall pay to the [STATE REGULATOR] any required fees.
- A virtual currency kiosk operator shall not locate, or allow a third party to locate, a virtual currency kiosk in this State unless the virtual currency kiosk operator registers with, and obtains the prior approval of, [STATE REGULATOR] for its activation.
- **Reporting.** The following reports shall be submitted to the [STATE REGULATOR].
  - **Quarterly report.** Each virtual currency kiosk operator shall submit a quarterly report on the location of each virtual currency kiosk located within the State within 45 days of the end of the calendar quarter. The location report shall include, at a minimum, the following regarding the location where a virtual currency kiosk is located:
    - Company legal name;
    - Any fictitious or trade name;
    - Company physical address;
    - Start date of operation of virtual currency kiosk at location;
    - End date of operation of virtual currency kiosk at location, if applicable;
    - Virtual currency address(es) used by the virtual currency kiosk operator to service users at each location in the state; and,
    - The number of transactions declined due to a suspicion of illicit activity.
  - **Annual report.** On or before March thirty-first of each year, a virtual currency kiosk operator shall submit an annual report to the department relating to the operator's business conducted during the prior calendar year in this State. The report shall be on a form prescribed by the department and include, at a minimum:
    - Gross revenue attributable to virtual currency transactions conducted via virtual currency kiosks in the State;
    - Copies of each complaint filed by a user against the operator with the Better Business Bureau or a state or federal agency other than the department and a description of the resolution, if any, of each such complaint;
    - Total number and value of virtual currency transactions conducted via virtual currency kiosks in the State;
    - Total number of refunds requested by users, including the number of requests granted and the number denied by the operator;
    - Total dollar amount of refunds the operator provided to users;
    - Contact details of the operator's compliance officer;
    - Total number of virtual currency corresponding locations; and
    - Total number and dollar amount of Suspicious Activity Reports (SAR) filed by the operator pursuant to the Bank Secrecy Act, 31 U.S.C. 5311 et seq.
  - **Transaction data.** At the request of [STATE REGULATOR], the virtual currency kiosk operator must provide any transaction and user information requested, including related to transactions that were attempted but denied.
  - **Department data collection and annual public reporting.** Data collected by the department pursuant to this section is confidential and may be released only in composite form, except as otherwise provided by law. The department shall prepare and make available to the public an annual report based on the above data.

### SECTION 3. DISCLOSURES.

- **Disclosures.** A virtual currency kiosk operator shall disclose in a clear, conspicuous, and easily readable manner in the chosen language of the user, all relevant terms and conditions generally associated with the products, services, and activities of the virtual currency kiosk operator and virtual

currency including but not limited to transaction charges collected and exchange rates used by the operator.

- **Acknowledgment of disclosures.** Each time a user engages with a virtual currency kiosk, the virtual currency kiosk operator shall receive acknowledgement of receipt of all disclosures required under this section via confirmation of consent at the virtual currency kiosk.
- **Relevant disclosures.** The disclosures under this subdivision shall at least address the following, in a substantially similar form:

- A warning, written prominently and in bold type, and provided separately from the disclosures below, stating in substantially similar form:

- **WARNING:** this technology can be used to defraud you.

If someone asked you to deposit money in this machine and/or is on the phone with you and claims to be a:

- friend or family member,
- government agent,
- computer software representative,
- bill collector,
- law enforcement officer,
- or anyone you do not know personally,

**STOP THIS TRANSACTION IMMEDIATELY** and contact your local law enforcement and the kiosk operator. This may be a scam.  
**NEVER SEND MONEY** to someone you don't know.

- The material risks associated with virtual currency and virtual currency transactions shall be disclosed to the user at the virtual currency kiosk, including:
  - Virtual currency is not issued or backed by the U.S. government and is not legal tender in the United States. Virtual currency is not subject to protections by the Federal Deposit Insurance Corporation, National Credit Union Administration, or Securities Investor Protection Corporation protections and its value relative to the U.S. dollar may fluctuate significantly.
  - The name, address, and telephone number of the owner of the kiosk and the days, time, means by which a user can contact the owner for assistance, and any relevant state and local law enforcement and or government agency for reporting fraud shall be displayed on or at the location of the virtual currency kiosk, or on the first screen of such kiosk.
  - Any other disclosure that [STATE REGULATOR] may require.
- Many disclosures in this section are intended to serve as warnings to users who may be conducting a virtual currency kiosk transaction as a result of a scam. The disclosures in this section shall not affect or prevent a fraud victim's ability to be eligible for a refund.
- **Transaction receipt.** Upon the completion of each transaction the virtual currency kiosk operator shall provide users with paper and electronic receipts in a retainable form. The receipt shall include the following information:
  - Virtual currency kiosk operator's name and toll-free customer service phone number;
  - Relevant contact information for state and/or local law enforcement and/or government agency to report fraud;
  - Type, value, date, and precise time of the transaction, and each applicable virtual currency address and transaction hash where available;

- All charges;
- Exchange rate of the virtual currency to U.S. dollars;
- Statement of the virtual currency kiosk operator's refund policy;
- Any additional information the virtual kiosk operator may determine; and,
- Any additional information the [STATE REGULATOR] may require.

#### **SECTION 4. PREVENTION OF FRAUDULENT ACTIVITY AND MONEY LAUNDERING.**

- **Fraud and anti-money laundering policy.** All virtual currency kiosk operators shall take reasonable steps to detect and prevent fraud and money laundering, including establishing and maintaining a written anti-fraud policy and abiding by Bank Secrecy Act, 31 U.S.C. 5311 et seq., provisions. The anti-fraud and money laundering policy shall, at a minimum, include:
  - Identification and assessment of fraud and money laundering related risk areas;
  - Procedures and controls to protect against identified risks;
  - Allocation of responsibility for monitoring risks; and,
  - Procedures for the periodic evaluation and revision of the anti-fraud and money laundering procedures, controls, and monitoring mechanisms.
- **Blockchain Analytics.** All virtual currency kiosk operators shall use blockchain analytics and tracing software to assist in the prevention of sending virtual currency to a virtual currency wallet known or likely to be affiliated with fraudulent activity at the time of a transaction and to detect transaction patterns indicative of fraud or other illicit activities. Virtual currency kiosk operators shall block transactions to virtual currency wallets associated with overseas exchanges non-accessible for U.S. users. State regulators may request evidence from any virtual currency kiosk operator of their current use of blockchain analytics.
- **Posted Warning.** An operator shall post a conspicuous written warning on or near, and within readable sight, of the virtual currency kiosk providing notice to users that criminals may direct victims of fraud or scams to send money via virtual currency kiosks. This warning shall include the kiosk operator's toll-free customer service phone number.
- **User identification.** For each virtual currency transaction, the virtual currency kiosk operator or their authorized delegate shall verify the identity of the user prior to accepting payment from the user. A virtual currency kiosk operator or their authorized delegate shall obtain a copy of a government-issued identification card that identifies the user and shall collect additional user information, including the user's name, date of birth, telephone number, address, and email address prior to accepting a payment from a user at a virtual-currency kiosk. A virtual-currency kiosk operator shall not allow a user to engage in any transaction at a virtual-currency kiosk under any name, account, or identity other than the user's own true name and identity. An operator shall be strictly liable for any violation of this subsection.
- **Training.** On an annual basis, the virtual currency kiosk operator shall provide the store or locale where the kiosk is located with staff training materials, approved by [STATE REGULATOR], outlining how criminals may exploit virtual currency kiosks in illicit activity, including red flag indicators that a virtual currency kiosk user may be the victim of fraud or scams as well as signs of financial abuse and exploitation. The virtual currency kiosk operator may not prohibit or prevent staff at the location of the virtual currency kiosk from warning virtual currency kiosk users about fraud and scams.
- The transaction limits and protections provided for in this act shall apply to all products or services offered by an operator through a virtual currency kiosk. Operators shall not use alternative methods, including but not limited to online portals, affiliated kiosks, or over-the-counter transactions, to evade or exceed the limits provided for in this section.

## SECTION 5. REFUNDS IN THE CASE OF FRAUD.

- **Refunds.** For cases related to fraud, a virtual currency kiosk operator shall issue a refund to a user in the full amount of all transactions paid by the victim, including, but not limited to any transaction charges, at the time of the transaction, regardless of any acknowledgements the user may have made prior to finalizing the transactions. This refund is to be paid in the originating currency. Operators may not charge fees to issue a refund.
  - To receive a full refund, a user must:
    - Have engaged in a transaction or transactions involving the virtual currency kiosk that were affected by fraud, whether authorized or unauthorized;
    - Contact the virtual currency kiosk operator to inform them of the fraudulent nature of the transaction or transactions at issue and be within ninety (90) days after the last transaction to occur or becoming aware of the theft; and
    - Within one hundred twenty (120) days after contacting the virtual kiosk operator, submit a police report, government agency report, or a sworn statement detailing the fraudulent nature of the transaction or transactions to the virtual currency kiosk operator.
- **Communications:** For all communications between the virtual currency kiosk operator and the user pursuant to this Section, the virtual currency kiosk operator shall provide any written notices in both English and Spanish, and communicate with the user in their preferred language either through staff or through oral interpretation services and/or by auxiliary aids and services.
- **Issuance of refunds.** If the conditions for a refund under this section are met, the owner or operator shall issue a full refund within seventy-two (72) hours after being notified by the user and receiving a copy of the police or government agency report or sworn statement.

## SECTION 6. DAILY TRANSACTION LIMIT.

- **Daily transaction limit.** A virtual currency kiosk operator shall not accept transactions of more than \$1,000 in U.S. dollars or the equivalent in virtual currency for any user per day. In addition, the transaction limit shall not exceed \$10,000 in U.S. dollars or the equivalent in virtual currency in any thirty (30) day period.
- The requirements established in this bill shall apply to all products offered by entities operating virtual currency kiosks. The use of alternative products, including online purchasing or over-the-counter platforms, shall not be employed to circumvent or exceed the prescribed limits.

## SECTION 7. TRANSACTION FEES.

- **Transaction fees.** A virtual currency kiosk operator may not collect fees whether direct or indirect from a user related to a single virtual currency kiosk transaction that exceeds three (3) percent of the U. S. dollar value of the transaction.

## SECTION 8. CUSTOMER SERVICE.

- **Customer service.** All virtual currency kiosk operators performing business shall provide live customer service during operating hours including the hours between 8 AM to 10 PM local time. The

customer service toll-free number shall be displayed on the virtual currency kiosk or the virtual currency kiosk screens and shall be run by trained individuals who are employed by or on behalf of the operator; and who provide customer assistance to a caller in real time

## **SECTION 9. LAW ENFORCEMENT ACCESS TO INVESTIGATIVE INFORMATION.**

- **Law enforcement access to investigative information.** All virtual currency kiosk operators performing business shall provide a dedicated communications line for relevant government agencies via a posted United States phone number or email address. This dedicated line shall be used to facilitate law enforcement and regulatory agency communications with the virtual currency kiosk operator in the event of a fraud report from a user. The communications line shall be frequently monitored. Upon request from a law enforcement or regulatory agency, a virtual currency kiosk operator must provide law enforcement with their trace findings upon request and grant the agency assistance with blockchain analytics to assist in any investigative matters related to potential fraud.

## **SECTION 10. PENALTIES.**

- In addition to any other penalties provided by law, a kiosk operator that violates any portion of this chapter commits an unfair trade or deceptive practice in violation of the [STATE UNFAIR TRADE PRACTICES STATUTE].
- Any kiosk operator found operating in this state without a money transmission license or failing to comply with the requirements of this chapter will be subject to administrative action and civil and/or criminal penalties, which may include the forfeiture of all fees received from customers in this state during the period of unlicensed activity or noncompliance and the seizure of any virtual currency kiosk.

## **SECTION 11. MINIMUM STANDARDS.**

- The provisions of this chapter establish minimum standards and shall not be construed to limit the authority of any county, municipality, or other political subdivision of this state to adopt or enforce ordinances, resolutions, regulations, or rules that are more stringent or protective than those set forth herein.
- Nothing in this chapter shall be interpreted to preempt or nullify any local law that provides greater protections, requirements, or restrictions, provided such local law is not in direct conflict with state law.
- In instances that would exceed the requirements provided under this statute, virtual currency kiosk operators shall adhere to industry standards and practices.