

# SENATE AMENDMENT NO. \_\_\_\_\_

Offered by \_\_\_\_\_ of \_\_\_\_\_

Amend SS/SCS/House Bill No. 754, Page 4, Section 361.909, Line 110,

2 by inserting after all of said line the following:

3 "361.1100. 1. This section shall be known and may be  
4 cited as the "Virtual Currency Kiosk Consumer Protection  
5 Act".

6 2. For purposes of this section, the following terms  
7 and phrases mean:

8 (1) "Bank Secrecy Act", the federal Bank Secrecy Act,  
9 31 U.S.C. Section 5311, et seq., and its implementing rules  
10 and regulations, as amended and recodified from time to time;

11 (2) "Blockchain", a distributed digital ledger or  
12 database that is chronological, consensus-based,  
13 decentralized, and mathematically verified in nature;

14 (3) "Blockchain analytics", a software service that  
15 uses data from various virtual currencies and their  
16 applicable blockchains to provide a risk rating specific to  
17 digital wallet addresses from users of virtual currency  
18 kiosks;

19 (4) "Digital wallet", hardware or software that  
20 enables individuals to store and use virtual currency;

21 (5) "Digital wallet address", an alphanumeric  
22 identifier representing a destination on a blockchain for a  
23 virtual currency transfer that is associated with a digital  
24 wallet;

25 (6) "Director", the director of the division;

26       (7) "Division", the division of finance within the  
27 department of commerce and insurance;

28       (8) "Federal Deposit Insurance Corporation or  
29 Securities Investor Protection Corporation", a bank, credit  
30 union, savings and loan association, trust company, savings  
31 association, savings bank, industrial bank, or industrial  
32 loan company organized under the laws of the United States  
33 or any state of the United States, if the bank, credit  
34 union, savings and loan association, trust company, savings  
35 association, savings bank, industrial bank, or industrial  
36 loan company has federally insured deposits;

37       (9) "Fiat currency", a medium of exchange that is  
38 authorized or adopted by the United States government as  
39 part of its currency and is not backed by a commodity;

40       (10) "Individual", a natural person;

41       (11) "NMLS", the Nationwide Multistate Licensing  
42 System and Registry developed by the Conference of State  
43 Bank Supervisors and the American Association of Residential  
44 Mortgage Regulators and owned and operated by the State  
45 Regulatory Registry, LLC, or any successor or affiliated  
46 entity, for the licensing and registration of persons in  
47 financial services industries;

48       (12) "United States PATRIOT Act", the federal Uniting  
49 and Strengthening America by Providing Appropriate Tools  
50 Required to Intercept and Obstruct Terrorism Act of 2001 and  
51 its implementing rules and regulations, as amended and  
52 recodified from time to time;

53       (13) "Virtual currency",

54       (a) Any type of digital unit that is used as a medium  
55 of exchange or a form of digitally stored value or that is  
56 incorporated into payment system technology. Virtual  
57 currency shall be construed to include digital units of  
58 exchange that:

59        a. Have a centralized repository or administrator;  
60        b. Are decentralized and have no centralized  
61 repository or administrator; or

62        c. May be created or obtained by computing or  
63 manufacturing effort;

64        (b) Virtual currency shall not be construed to include  
65 digital units that are used:

66        a. Solely within online gaming platforms with no  
67 market or application outside such gaming platforms; or

68        b. Exclusively as part of a consumer affinity or  
69 rewards program, and can be applied solely as payment for  
70 purchases with the issuer or other designated merchants, but  
71 cannot be converted into or redeemed for fiat currency;

72        (14) "Virtual currency kiosk", an electronic terminal  
73 of the virtual currency kiosk operator that enables the  
74 owner or operator to facilitate the exchange of fiat  
75 currency for virtual currency or virtual currency for fiat  
76 currency or other virtual currency, including, but not  
77 limited to:

78        (a) Connecting directly to a separate virtual currency  
79 exchange that performs the actual virtual currency  
80 transmission; or

81        (b) Drawing upon the virtual currency in the  
82 possession of the owner or operator of the electronic  
83 terminal;

84        (15) "Virtual currency kiosk operator", a corporation,  
85 limited liability company, limited liability partnership, or  
86 foreign entity qualified to do business in this state that  
87 operates a virtual currency kiosk within this state.

88        3. (1) Except as otherwise provided in this section,  
89 all information or reports obtained by the division from a  
90 virtual currency kiosk operator, and all information  
91 contained in or related to an examination, investigation,

operating report, or condition report prepared by, on behalf of, or for the use of the division in relation to a virtual currency kiosk operator, are confidential and are not subject to disclosure under chapter 610.

(2) Information contained in the records of the division that is not confidential and may be available to the public either on the division's website, upon receipt by the division of a written request, or in NMLS shall include:

(a) The name, business address, telephone number, and unique identifier of a virtual currency kiosk operator;

(b) The business address of a virtual currency kiosk operator's registered agent for service; and

(c) Copies of any final orders of the division relating to any violation of this section or regulations implementing this section.

4. If any provision of this section is inconsistent with any federal law, including but not limited to the Bank Secrecy Act or the United States PATRIOT Act, the applicable federal law shall govern to the extent of any inconsistency.

5. (1) The director may request evidence of compliance with this section or a rule adopted or order issued pursuant to this section as reasonably necessary or appropriate to administer and enforce this section, and other applicable law, including the Bank Secrecy Act and the United States PATRIOT Act.

(2) A virtual currency kiosk operator shall provide the director all records the director may reasonably require to ensure compliance with this section.

6. As part of establishing a relationship with a customer, and prior to entering into an initial transaction for, on behalf of, or with such customer, each virtual currency kiosk operator shall disclose in clear, conspicuous, and legible writing in the English language,

whether in accessible terms of service or elsewhere, all material risks associated with its products, services, and activities and virtual currency generally, including disclosures substantially similar to the following:

(1) Virtual currency is not legal tender, is not backed by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation or Securities Investor Protection Corporation protections;

(2) Legislative and regulatory changes or actions at the state, federal, or international level may adversely affect the use, transfer, exchange, and value of virtual currency;

(3) Transactions in virtual currency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable;

(4) Some virtual currency transactions shall be deemed to be made when recorded on a public ledger, which is not necessarily the date or time that the customer initiates the transaction;

(5) The value of virtual currency may be derived from the continued willingness of market participants to exchange fiat currency for virtual currency, which may result in the potential for permanent and total loss of value of a particular virtual currency should the market for that virtual currency disappear;

(6) There is no assurance that a person who accepts a virtual currency as payment today will continue to do so in the future;

(7) The volatility and unpredictability of the price of virtual currency relative to fiat currency may result in significant loss over a short period of time;

(8) The nature of virtual currency may lead to an increased risk of fraud or cyber attack;

158       (9) The nature of virtual currency means that any  
159 technological difficulties experienced by the virtual  
160 currency kiosk operator may prevent the access or use of a  
161 customer's virtual currency; and

162       (10) Any bond or trust account maintained by the  
163 virtual currency kiosk operator for the benefit of its  
164 customers may not be sufficient to cover all losses incurred  
165 by customers.

166       7. When opening an account for a new customer, and  
167 prior to entering into an initial transaction for, on behalf  
168 of, or with such customer, each virtual currency kiosk  
169 operator shall disclose in clear, conspicuous, and legible  
170 writing in the English language, whether in accessible terms  
171 of service or elsewhere, all relevant terms and conditions  
172 associated with its products, services, and activities and  
173 virtual currency generally, including disclosures  
174 substantially similar to the following:

175       (1) The customer's liability for unauthorized virtual  
176 currency transactions;

177       (2) Under what circumstances the virtual currency  
178 kiosk operator will, absent a court or government order,  
179 disclose information concerning the customer's account to  
180 third parties;

181       (3) The customer's right to receive periodic account  
182 statements and valuations from the virtual currency kiosk  
183 operator;

184       (4) The customer's right to receive a receipt, trade  
185 ticket, or other evidence of a transaction;

186       (5) The customer's right to prior notice of a change  
187 in the virtual currency kiosk operator's rules or policies;  
188 and

189       (6) Such other disclosures as are customarily given in  
190 connection with the opening of customer accounts.

191       8. Prior to entering into a virtual currency  
192 transaction with a customer, each virtual currency kiosk  
193 operator shall ensure a warning is disclosed to a customer  
194 substantially similar to the following:

195       Customer Notice. Please Read Carefully.

196       Did you receive a phone call from your bank,  
197 software provider, the police, or were you  
198 directed to make a payment for Social Security,  
199 utility bill, investment, warrants, or bail money  
200 at this kiosk? STOP

201       Is anyone on the phone pressuring you to make a  
202 payment of any kind? STOP

203       I understand that the purchase and sale of  
204 cryptocurrency is a final irreversible and non-  
205 refundable transaction.

206       I confirm I am sending funds to a wallet I own or  
207 directly have control over. I confirm that I am  
208 using funds gained from my own initiative to make  
209 my transaction.

210       9. Upon completion of any virtual currency kiosk  
211 transaction, each virtual currency kiosk operator shall  
212 provide to a customer a digital or physical receipt  
213 containing the following information:

214       (1) The name and contact information of the virtual  
215 currency kiosk operator, including a telephone number  
216 established by the virtual currency kiosk operator to answer  
217 questions and register complaints;

218       (2) The type, value, date, and precise time of the  
219 transaction in the local time zone;

220       (3) The fee charged;

221       (4) The exchange rate, if applicable;

222       (5) A statement of the liability of the virtual  
223 currency kiosk operator for non-delivery or delayed  
224 delivery; and

225       (6) A statement of the refund policy of the virtual  
226 currency kiosk operator.

227       10. All virtual currency kiosk operators shall use  
228 blockchain analytics software to assist in the prevention of  
229 sending purchased virtual currency from a virtual currency  
230 kiosk operator to a digital wallet known to be affiliated  
231 with fraudulent activity at the time of a transaction. The  
232 division may request evidence from any virtual currency  
233 kiosk operator of current use of blockchain analytics.

234       11. All virtual currency kiosk operators performing  
235 business in this state shall provide live customer service  
236 at a minimum on Monday through Friday between the hours of  
237 8:00 a.m. and 10:00 p.m. The customer service toll-free  
238 number shall be displayed on the virtual currency kiosk or  
239 the virtual currency kiosk screens.

240       12. All virtual currency kiosk operators shall take  
241 reasonable steps to detect and prevent fraud, including  
242 establishing and maintaining a written anti-fraud policy.  
243 The anti-fraud policy shall, at a minimum, include:

244       (1) The identification and assessment of fraud-related  
245 risk areas;

246       (2) Procedures and controls to protect against  
247 identified risks;

248       (3) Allocation of responsibility for monitoring risks;  
249 and

250       (4) Procedures for the periodic evaluation and  
251 revision of the anti-fraud procedures, controls, and  
252 monitoring mechanisms.

253       13. (1) Each virtual currency kiosk operator shall  
254 maintain, implement, and enforce a written "Enhanced Due  
255 Diligence Policy". Such a policy shall be reviewed and  
256 approved by the virtual currency kiosk operator's board of



257 directors or an equivalent governing body of the virtual  
258 currency kiosk operator.

259 (2) The "Enhanced Due Diligence Policy" shall  
260 identify, at minimum, individuals who are at risk of fraud  
261 based on age or mental capacity.

262 14. (1) Each virtual currency kiosk operator shall  
263 comply with the provisions of this section, any lawful  
264 order, rule, or regulation made or issued under the  
265 provisions of this section, and all applicable federal and  
266 state laws, rules, and regulations.

267 (2) Each virtual currency kiosk shall maintain,  
268 implement, and enforce written compliance policies and  
269 procedures. Such policies and procedures shall be reviewed  
270 and approved by the virtual currency kiosk operator's board  
271 of directors or an equivalent governing body of the virtual  
272 currency kiosk operator.

273 15. (1) Each virtual currency kiosk operator shall  
274 designate and employ a compliance officer with the following  
275 requirements:

276 (a) The individual shall be qualified to coordinate  
277 and monitor compliance with this section and all other  
278 applicable federal and state laws, rules, and regulations;

279 (b) The individual shall be employed full-time by the  
280 virtual currency kiosk operator; and

281 (c) The designated compliance officer cannot be any  
282 individual who owns more than twenty percent of the virtual  
283 currency kiosk operator by whom the individual is employed.

284 (2) Compliance responsibilities required under federal  
285 and state laws, rules, and regulations shall be completed by  
286 full-time employees of the virtual currency kiosk operator.

287 16. Each virtual currency kiosk operator shall  
288 designate and employ a consumer protection officer with each  
289 of the following requirements:

290       (1) The individual shall be qualified to coordinate  
291 and monitor compliance with this section and all other  
292 applicable federal and state laws, rules, and regulations;

293       (2) The individual shall be employed full-time by the  
294 virtual currency kiosk operators; and

295       (3) The designated consumer protection officer cannot  
296 be an individual who owns more than twenty percent of the  
297 virtual currency kiosk operator by whom the individual is  
298 employed.

299       17. (1) Each virtual currency kiosk operator shall  
300 submit a report to the division of the location of each  
301 virtual currency kiosk located within this state within  
302 forty-five days of the end of the calendar quarter. The  
303 director shall formulate a system for virtual currency kiosk  
304 operators to submit such locations that is consistent with  
305 the requirements of this section.

306       (2) The location report shall include, at a minimum,  
307 the following information regarding the location where a  
308 virtual currency kiosk is located:

309       (a) Company legal name;  
310       (b) Any fictitious or trade name;  
311       (c) Physical address;  
312       (d) Start date of operation of virtual currency kiosk  
313 at location; and

314       (e) End date of operation of virtual currency kiosk at  
315 location, if applicable.

316       18. (1) Any virtual currency kiosk operator who owns,  
317 operates, solicits, markets, advertises, or facilitates  
318 virtual currency kiosks in this state shall be deemed to be  
319 engaged in money transmission and require licensure pursuant  
320 to sections 361.900 to 361.1035.

321       (2) All unlicensed virtual currency kiosk operators  
322 shall apply for a money transmitter license within sixty

323 days after this section goes into effect. Virtual currency  
324 kiosk operators who apply within this time will be allowed  
325 to continue operations while the division reviews the  
326 application. Any virtual currency kiosk operators whose  
327 application is denied by the division shall cease operations  
328 until granted a money transmitter license.

329 19. The division of finance may promulgate rules for  
330 the purpose of implementing the provisions of this section.  
331 Any rule or portion of a rule, as that term is defined in  
332 section 536.010, that is created under the authority  
333 delegated in this section shall become effective only if it  
334 complies with and is subject to all of the provisions of  
335 chapter 536 and, if applicable, section 536.028. This  
336 section and chapter 536 are nonseverable and if any of the  
337 powers vested with the general assembly pursuant to chapter  
338 536 to review, to delay the effective date, or to disapprove  
339 and annul a rule are subsequently held unconstitutional,  
340 then the grant of rulemaking authority and any rule proposed  
341 or adopted after August 28, 2025, shall be invalid and  
342 void."; and

343 Further amend the title and enacting clause accordingly.