STATE OF NEW YORK

10899

IN ASSEMBLY

April 8, 2026

Introduced by M. of A. VANEL -- read once and referred to the Committee on Banks

AN ACT to amend the banking law, in relation to crypto kiosks

The People of the State of New York, represented in Senate and Assembly, do enact as follows:

Section 1. The banking law is amended by adding a new article 2-AAA to read as follows:

ARTICLE 2-AAA
CRYPTO KIOSKS

Section 76-a. Definitions.
76-b. Crypto kiosk and cashier crypto exchange registration.
76-c. Disclosures for crypto kiosks.
76-d. Disclosures required prior to completing a transaction.
76-e. Transaction receipt.
76-f. Customer service.
76-g. Crypto kiosk transaction hold periods.
76-h. Fraud refunds related to crypto kiosks.
76-i. Cashier crypto transmission prohibition.
76-j. Crypto kiosk or cashier crypto fees.
76-k. Fraud and anti-money laundering.
76-l. Blockchain analytics.
76-m. Transaction limits and protections.
76-n. Legal and beneficial ownership; penalties.

§ 76-a. Definitions. As used in this article, the following terms shall have the following meanings:

1. "Consumer" shall mean a natural person who uses a crypto kiosk regardless of whether they create an account with the operator.

2. "Crypto kiosk" shall mean any electronic terminal or retail location which enables a consumer to exchange money for virtual currency including by connecting to a separate virtual currency exchange.

3. "Operator" means a person that engages in virtual currency business activity via a crypto kiosk or cashier crypto exchange located in this state, or a person that owns, operates, or manages a crypto kiosk or cashier crypto exchange located in this state through which virtual currency business activity is offered. This definition applies whether or not the operator owns the kiosks or cashier crypto exchanges used in transactions, and whether the operator provides custodial or non-custo-

EXPLANATION--Matter in *italics* (underscored) is new; matter in brackets [-] is old law to be omitted.

LBD15416-01-6

dial services. A group or persons or entities acting in concert, including but not limited to any affiliated entities, subsidiaries, parent companies, joint ventures, partnerships, agents, or employees thereof, or any entity or individual acting at the direction of, in cooperation with, under contract or in partnership with, or financially benefitting from another person or entity shall be treated as one person for purposes of this article.

4. "Cashier crypto exchange" shall mean a method of exchanging virtual currency in exchange for funds, where such funds are collected at a retailer acting as an agent or processor for such transaction.

5. "Retailer" shall mean any physical location that sells goods or services to consumers for personal or commercial use.

6. "Virtual currency" shall have the same meaning as in 23 NYCRR Part 200.2.

7. "Funds" shall mean cash or other monetary value accepted by the crypto kiosk or cashier crypto exchange.

8. "Execution" shall mean the irreversible broadcast by the operator of a transfer of virtual currency to the consumer-designated address on a blockchain.

§ 76-b. Crypto kiosk and cashier crypto exchange registration. 1. Every operator of a crypto kiosk or cashier crypto exchange shall be registered with the department in the manner and form prescribed by the department including providing the number and locations of kiosks they operate. Such registration number shall be for an unlimited number of crypto kiosks or cashier crypto exchanges.

2. An operator shall conspicuously post their registration number and toll-free contact number on every crypto kiosk or, in the case of a cashier crypto exchange, in a conspicuous manner that is readily available to the consumer.

3. Where an operator fails to register with the department, the department shall order that such operator cease the operation of all crypto kiosks and cashier crypto exchanges and shall be subject to a civil penalty of ten thousand dollars per crypto kiosk or cashier crypto exchange.

4. Such operator shall also be liable for a civil penalty that is the greater of fifty dollars per transaction which occurs following such order, or two times the total amount of profit made during such failure to cease operation of such crypto kiosk.

5. Any provision in a contract or waiver relating to any provision in this section shall be deemed void and unenforceable.

§ 76-c. Disclosures for crypto kiosks. 1. A crypto 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 crypto kiosk operator and virtual currency including but not limited to transaction fees collected and exchange rates used by the operator.

2. Each time a user engages with a crypto kiosk, the crypto kiosk operator shall receive acknowledgement of receipt of all disclosures required under this section via confirmation of consent at the crypto kiosk.

§ 76-d. Disclosures required prior to completing a transaction. 1. In addition to any other disclosures required pursuant to this article, disclosures required pursuant to this section shall at a minimum include the following message, in a substantially similar form and shall be displayed prior to the consumer completing the transaction on a crypto

kiosk or cashier crypto exchange, in a form, size, placement, and manner as prescribed by the department by regulation:

"WARNING:

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."

2. The message required by this section shall not be altered, diminished, or otherwise obscured in any manner. No additional message shall appear on or near the same notice, screen, or on any screen which distracts from or is presented as related to the required message.

3. When using a crypto kiosk, the following information shall be provided to the consumer:

(a) 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 crypto kiosk or cashier crypto exchange, or on the first screen of a crypto kiosk.

(b) Any other disclosure that the department may require.

§ 76-e. Transaction receipt. Upon the completion of each transaction the crypto kiosk or cashier crypto exchange operator shall provide the user with paper and electronic receipts in a retainable form. The receipt shall include the following information:

1. the operator's name and toll-free customer service phone number;

2. relevant contact information for state and/or local law enforcement and/or government agency to report fraud;

3. type, value, date, and precise time of the transaction, and each applicable virtual currency address and transaction hash where available;

4. all fees;

5. exchange rate of the virtual currency to United States dollars;

6. statement of the operator's refund policy;

7. any additional information the operator may determine; and

8. any additional information the department may require.

§ 76-f. Customer service. All crypto kiosk and cashier crypto exchange 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 crypto kiosk or the crypto kiosk screens and shall be run by trained individuals who are employed by or on behalf of the operator, and who provide live customer assistance to a caller in real time. In the case of a cashier crypto exchange, such toll-free number shall be displayed in a conspicuous manner that is readily available to the consumer.

§ 76-g. Crypto kiosk transaction hold periods. 1. No person shall operate a crypto kiosk in this state unless such operator complies with the following:

(a) Upon receipt of funds from a consumer in an amount of one thousand dollars or more in any twenty-four hour period, the operator shall not

execute any virtual currency transmission for a hold period of seventy-two hours from the time of receipt.

(b) All such funds accepted during the hold period shall be held in statutory trust for the exclusive benefit of the consumer in segregated, non-commingled accounts, shall not be encumbered or pledged, and legal and beneficial ownership shall remain with the consumer until execution in accordance with this section.

(c) The operator shall aggregate a consumer's transactions across all kiosks within any twenty-four hour period for purposes of the threshold in paragraph (a) of this subdivision. Multiple transactions that exceed one thousand dollars over a twenty-four hour period shall be treated as one transaction;

(d) Both on the machine and on the customer's receipt, the operator provides:

(i) A current, toll-free contact number dedicated to cancellation and refund requests;

(ii) The transaction identifier;

(iii) The hold-period expiration timestamp; and

(iv) A clear and conspicuous notice that any amounts aggregated to one thousand dollars and over in a twenty-four hour period can be refunded upon request.

(e) Any other rule or regulation established by the superintendent, which may include know your customer, anti-money laundering, and other regulations.

2. The consumer may cancel their transaction at any time during the hold period using the information in paragraph (d) of subdivision one of this section and the operator shall not refuse, frustrate, or charge any fee for collection.

3. Upon the consumer's timely cancellation during the hold period, the operator shall refund the full amount tendered by the consumer, including all fees, within seven business days of notice by the consumer or the consumer's representative. Refunds shall be made by check sent via certified mail to the consumer's address on file. Such amounts refunded shall be the amount deposited including any and all fees. Operators may not charge fees to issue a refund.

4. Where an operator violates paragraph (b) or (c) of subdivision one of this section or subdivision three of this section, or refuses or frustrates restitution in accordance with the provisions of subdivision seven of this section, such operator shall be subject to a civil penalty of the greater of two thousand five hundred dollars or three times the amount tendered to the operator in the amount that such crypto was worth at the time of such tender, inclusive of all fees paid by the consumer, whichever is greater.

5. In addition to the penalties set forth herein, where an operator fails to comply with any provision of this section, legal and beneficial ownership of the funds accepted shall be conclusively presumed to remain with the consumer, and the operator shall return the full principal and all fees within seven business days of notice by the consumer or the consumer's representative.

6. Where an operator engages in a persistent course of conduct in violation of this section, the department may revoke such operator's registration and such operator shall be subject to a civil penalty of five hundred dollars per transaction in violation of such subdivisions.

7. Where the operator fails to pay back such principal and fees in full within such period of time as described in subdivision three of this section, the consumer shall have a private right of action to

recover such funds and, upon such a finding that the operator violated subdivision five of this section, such court shall award attorney's fees and costs to the consumer, including statutory damages of three times the amount required to be paid back to the consumer.

§ 76-h. Fraud refunds related to crypto kiosks. 1. In cases related to fraud, where a crypto kiosk operator fails to comply with the provisions of sections seventy-six-g and seventy-six-k of this article, such operator shall issue a refund to a consumer in the full amount of all transactions paid by the consumer, including, but not limited to, any fees or other charges collected in connection with the transactions, at the time of the transaction, regardless of any acknowledgments or waivers the consumer may have made prior to finalizing the transactions. Refunds shall be made in the originating currency. Operators shall not charge any fees to issue a refund.

2. To receive a refund under this section, a consumer must:

(a) Have engaged in one or more crypto kiosk transactions that were affected by fraud, whether the transactions were authorized or unauthorized;

(b) Notify the crypto kiosk operator of the fraudulent nature of the transaction or transactions within ninety days after the last such transaction occurred or the consumer becoming aware of the fraud; and

(c) Within one hundred twenty days after notifying the operator, submit to the operator a police report, government agency report, or sworn statement describing the fraudulent nature of the transaction or transactions.

3. If the conditions for a refund are met, the operator shall issue the refund within seventy-two hours after receiving the required documentation.

4. For all communications relating to refunds, the operator shall provide written notices in English and Spanish, and shall communicate with the consumer in the consumer's preferred language through staff, interpretation services, and/or auxiliary aids and services.

5. Any provision in a contract or waiver relating to any provision in this section shall be deemed void and unenforceable.

§ 76-i. Cashier crypto transmission prohibition. 1. No person or entity involved in a cashier crypto exchange transaction shall permit, facilitate, or enable the transmission of virtual currency.

2. A cashier crypto exchange shall be used for the sole purpose of exchanging virtual currency for United States dollars, whether in cash or deposited to a bank account.

3. No cashier crypto exchange shall evade the prohibitions under this section by any device, subterfuge, or pretense.

§ 76-j. Crypto kiosk or cashier crypto fees. 1. The aggregate of all fees, charges, commissions, and other amounts, directly or indirectly, charged to a customer in connection with a single transaction or series of related transactions involving virtual currency effected through a crypto kiosk or cashier crypto exchange, including any difference between the price charged to the customer to buy, sell, exchange, swap, or convert virtual currency and the prevailing market value at the time of the transaction, shall not exceed three percent of the United States dollar value of the transaction.

2. Where an operator violates the provisions of this section, such operator shall be subject to a civil penalty of five hundred dollars per transaction which violates this section.

3. In addition to the penalties set forth herein, where an operator engages in a persistent course of conduct in violation of this section, the department may revoke such operator's registration.

4. A consumer may bring a civil action to recover any amounts unlawfully charged in violation of this section, together with interest and statutory damages equal to the greater of one thousand dollars or three times the amount charged to the consumer.

5. Any provision in a contract or waiver relating to any provision in this section shall be deemed void and unenforceable.

§ 76-k. Fraud and anti-money laundering. 1. All crypto kiosk operators shall take reasonable steps to detect and prevent fraud and money laundering, including establishing and maintaining a written anti-fraud and money laundering policy and abiding by Bank Secrecy Act, 31 U.S.C. 5311 et seq., provisions.

2. The anti-fraud and money laundering policy shall be filed with the department as part of registration pursuant to this article and shall, at a minimum, include:

(a) implementation of know your customer policies;

(b) verification of the customer prior to engaging in the transaction;

(c) identification and assessment of fraud and money laundering related risk areas;

(d) procedures and controls to protect against identified risks;

(e) allocation of responsibility for monitoring risks; and

(f) procedures for the periodic evaluation and revision of the anti-fraud and money laundering procedures, controls, and monitoring mechanisms.

§ 76-l. Blockchain analytics. 1. All crypto 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.

2. Crypto kiosk operators shall block transactions to virtual currency wallets associated with overseas exchanges non-accessible for United States users.

3. State regulators may request evidence from any crypto kiosk operator of their current use of blockchain analytics.

4. All crypto 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 crypto kiosk and cashier crypto exchange operator in the event of a fraud report from a user. The communications line shall be frequently monitored.

§ 76-m. Transaction limits and protections. 1. Daily transaction limit. A crypto kiosk or cashier crypto exchange operator shall not accept transactions of more than one thousand dollars in United States dollars or the equivalent in virtual currency for any user per day across all crypto kiosks or cashier crypto exchange of such operator. In addition, the transaction limit shall not exceed ten thousand dollars in United States or the equivalent in virtual currency in any thirty-day period.

2. The transaction limits and protections provided for in this act shall apply to all products or services offered by an operator through a crypto kiosk.

3. 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.

4. At the request of the department a crypto kiosk or cashier crypto exchange operator must provide any transaction and user information requested, including related to transactions that were attempted but denied.

5. Data collected by the department pursuant to this section shall be confidential and may be released only in composite form, except as otherwise provided by law.

§ 76-n. Legal and beneficial ownership; penalties. 1. Where an operator of a crypto kiosk fails to comply with subdivision one of section seventy-six-b, section seventy-six-g, section seventy-six-k or section seventy-six-l of this article, legal and beneficial ownership of the funds accepted shall be conclusively presumed to remain with the consumer, and the operator shall return the full principal and all fees within seven business days of notice by the consumer or the consumer's representative. Where the operator fails to pay back such principal and fees in full within such period of time as described in subdivision three of section seventy-six-g of this article, the consumer shall have a private right of action to recover such funds and, upon such a finding that the operator violated subdivision three of section seventy-six-g of this article, such court shall award attorney's fees and costs to the consumer, including statutory damages of three times the amount required to be paid back to the consumer.

2. Where an operator of a cashier crypto exchange fails to comply with subdivision one of section seventy-six-b or section seventy-six-i of this article legal and beneficial ownership of the funds accepted shall be conclusively presumed to remain with the consumer, and the operator shall return the full principal and all fees within seven business days of notice by the consumer or the consumer's representative. Where the operator fails to pay back such principal and fees in full within such period of time as described in subdivision three of section seventy-six-g of this article, the consumer shall have a private right of action to recover such funds and, upon such a finding that the operator violated subdivision five of this section, such court shall award attorney's fees and costs to the consumer, including statutory damages of three times the amount required to be paid back to the consumer.

3. Where an operator of a crypto kiosk or cashier crypto exchange fails to comply with any provision of this article with a specific penalty, such penalty shall be imposed on such operator. Where no penalty is provided, such penalty shall be the greater of one hundred dollars per violation of two times such profits earned from such violation.

§ 2. Severability clause. If any clause, sentence, paragraph, subdivision, section or part of this act shall be adjudged by any court of competent jurisdiction to be invalid, such judgment shall not affect, impair, or invalidate the remainder thereof, but shall be confined in its operation to the clause, sentence, paragraph, subdivision, section or part thereof directly involved in the controversy in which such judgment shall have been rendered. It is hereby declared to be the intent of the legislature that this act would have been enacted even if such invalid provisions had not been included herein.

§ 3. This act shall take effect on the one hundred eightieth day after it shall have become a law.