

STATE OF NEW YORK

9891--A

IN SENATE

April 13, 2026

Introduced by Sens. SANDERS, CLEARE -- read twice and ordered printed, and when printed to be committed to the Committee on Banks -- reported favorably from said committee and committed to the Committee on Consumer Protection -- committee discharged, bill amended, ordered reprinted as amended and recommitted to said committee

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:

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

3 ARTICLE 2-AAA

4 CRYPTO KIOSKS

5 Section 76-a. Definitions.

6 76-b. Crypto kiosk and cashier crypto exchange operators.

7 76-c. Disclosures for crypto kiosks.

8 76-d. Disclosures required prior to completing a transaction.

9 76-e. Transaction receipt.

10 76-f. Customer service.

11 76-g. Crypto kiosk transaction hold periods.

12 76-h. Fraud refunds related to crypto kiosks.

13 76-i. Cashier crypto transmission prohibition.

14 76-j. Crypto kiosk or cashier crypto fees.

15 76-k. Fraud and anti-money laundering.

16 76-l. Blockchain analytics.

17 76-m. Transaction limits and protections.

18 76-n. Legal and beneficial ownership; penalties.

19 § 76-a. Definitions. As used in this article, the following terms
20 shall have the following meanings:

21 1. "Virtual currency business activity" shall mean the conduct of any
22 one of the following types of activities involving New York or a New
23 York resident:

24 (a) receiving virtual currency for transmission or transmitting virtu-
25 al currency, except where the transaction is undertaken for non-finan-

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

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1 cial purposes and does not involve the transfer of more than a nominal
2 amount of virtual currency;

3 (b) storing, holding, or maintaining custody or control of virtual
4 currency on behalf of others;

5 (c) buying and selling virtual currency as a customer business;

6 (d) performing exchange services as a customer business; or

7 (e) controlling, administering, or issuing a virtual currency.

8 The development and dissemination of software in and of itself shall
9 not constitute virtual currency business activity.

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

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

15 4. "Operator" means a person that engages in virtual currency business
16 activity via a crypto kiosk or cashier crypto exchange located in this
17 state, or a person that owns, operates, or manages a crypto kiosk or
18 cashier crypto exchange located in this state through which virtual
19 currency business activity is offered. This definition applies whether
20 or not the operator owns the kiosks or cashier crypto exchanges used in
21 transactions, and whether the operator provides custodial or non-custo-
22 dial services. A group or persons or entities acting in concert, includ-
23 ing but not limited to any affiliated entities, subsidiaries, parent
24 companies, joint ventures, partnerships, agents, or employees thereof,
25 or any entity or individual acting at the direction of, in cooperation
26 with, under contract or in partnership with, or financially benefitting
27 from another person or entity shall be treated as one person for
28 purposes of this article.

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

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

34 7. (a) "Virtual currency" shall mean any type of digital unit that is
35 used as a medium of exchange or a form of digitally stored value. Virtu-
36 al currency shall be broadly construed to include digital units of
37 exchange that:

38 (i) have a centralized repository or administrator;

39 (ii) are decentralized and have no centralized repository or adminis-
40 trator; or

41 (iii) may be created or obtained by computing or manufacturing effort.

42 (b) Virtual currency shall not be construed to include any of the
43 following:

44 (i) digital units that:

45 (1) are used solely within online gaming platforms;

46 (2) have no market or application outside of online gaming platforms;

47 (3) cannot be converted into, or redeemed for, fiat currency or virtu-
48 al currency; or

49 (4) may or may not be redeemable for real-world goods, services,
50 discounts, or purchases;

51 (ii) digital units that can be redeemed for goods, services,
52 discounts, or purchases as part of a customer affinity or rewards
53 program with the issuer or other designated merchants or can be redeemed
54 for digital units in another customer affinity or rewards program, but
55 cannot be converted into, or redeemed for, fiat currency or virtual
56 currency; or

1 (iii) digital units used as part of prepaid cards.

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

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

7 § 76-b. Crypto kiosk and cashier crypto exchange operators. 1. An
8 operator of a crypto kiosk or cashier crypto exchange that engages in
9 virtual currency business activity shall obtain a virtual currency
10 license from the department and comply with all applicable requirements
11 established by the superintendent.

12 2. An operator shall provide, in a clear and conspicuous manner, on
13 its website or websites, in all physical locations, and in any other
14 location as the superintendent may prescribe, the following disclosures:

15 (a) the operator's mailing address, email address, and telephone
16 number for the receipt of complaints;

17 (b) a statement that the complainant may also bring their complaint to
18 the attention of the department;

19 (c) the department's mailing address, website, and telephone number;
20 and

21 (d) such other information as the superintendent may require.

22 3. Any provision in a contract or waiver that conflicts with or waives
23 any provision or requirement in this section shall be deemed void and
24 unenforceable.

25 § 76-c. Disclosures for crypto kiosks. 1. A crypto kiosk operator
26 shall disclose in a clear, conspicuous, and easily readable manner in
27 the chosen language of the user, all relevant terms and conditions
28 generally associated with the products, services, and activities of the
29 crypto kiosk operator and virtual currency including but not limited to
30 transaction fees collected and exchange rates used by the operator.

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

35 § 76-d. Disclosures required prior to completing a transaction. 1. In
36 addition to any other disclosures required pursuant to this article,
37 disclosures required pursuant to this section shall at a minimum include
38 the following message, in a substantially similar form and shall be
39 displayed prior to the consumer completing the transaction on a crypto
40 kiosk or cashier crypto exchange, in a form, size, placement, and manner
41 as prescribed by the department by regulation:

42 "WARNING:

43 IF SOMEONE ASKED YOU TO DEPOSIT MONEY IN THIS MACHINE AND/OR IS ON THE
44 PHONE WITH YOU AND CLAIMS TO BE A:

45 * FRIEND OR FAMILY MEMBER,

46 * GOVERNMENT AGENT,

47 * COMPUTER SOFTWARE REPRESENTATIVE,

48 * BILL COLLECTOR,

49 * LAW ENFORCEMENT OFFICER,

50 * OR ANYONE YOU DO NOT KNOW PERSONALLY,

51 STOP THIS TRANSACTION IMMEDIATELY AND CONTACT YOUR LOCAL LAW ENFORCE-
52 MENT AND THE KIOSK OPERATOR. THIS MAY BE A SCAM."

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

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

3 (a) The name, address, and telephone number of the owner of the kiosk
4 and the days, time, means by which a user can contact the owner for
5 assistance, and any relevant state and local law enforcement and/or
6 government agency for reporting fraud shall be displayed on or at the
7 location of the crypto kiosk or cashier crypto exchange, or on the first
8 screen of a crypto kiosk.

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

10 § 76-e. Transaction receipt. Upon the completion of each transaction
11 the crypto kiosk or cashier crypto exchange operator shall provide the
12 user with paper and electronic receipts in a retainable form. The
13 receipt shall include the following information:

- 14 1. the operator's name and toll-free customer service phone number;
- 15 2. relevant contact information for state and/or local law enforcement
16 and/or government agency to report fraud;
- 17 3. type, value, date, and precise time of the transaction, and each
18 applicable virtual currency address and transaction hash where avail-
19 able;
- 20 4. all fees;
- 21 5. exchange rate of the virtual currency to United States dollars;
- 22 6. statement of the operator's refund policy;
- 23 7. any additional information the operator may determine; and
- 24 8. any additional information the department may require.

25 § 76-f. Customer service. All crypto kiosk and cashier crypto exchange
26 operators performing business shall provide live customer service during
27 operating hours including the hours between 8 AM to 10 PM local time.
28 The customer service toll-free number shall be displayed on the crypto
29 kiosk or the crypto kiosk screens and shall be run by trained individ-
30 uals who are employed by or on behalf of the operator, and who provide
31 live customer assistance to a caller in real time. In the case of a
32 cashier crypto exchange, such toll-free number shall be displayed in a
33 conspicuous manner that is readily available to the consumer.

34 § 76-g. Crypto kiosk transaction hold periods. 1. No person shall
35 operate a crypto kiosk in this state unless such operator complies with
36 the following:

37 (a) Upon receipt of funds from a consumer in an amount of one thousand
38 dollars or more in any twenty-four hour period, the operator shall not
39 execute any virtual currency transmission for a hold period of seventy-
40 two hours from the time of receipt.

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

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

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

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

55 (ii) The transaction identifier;

56 (iii) The hold-period expiration timestamp; and

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

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

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

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

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

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

32 6. Where an operator engages in a persistent course of conduct in
33 violation of this section, the department may revoke such operator's
34 license or charter and such operator shall be subject to a civil penalty
35 of five hundred dollars per transaction in violation of such subdivi-
36 sions.

37 § 76-h. Fraud refunds related to crypto kiosks. 1. In cases related to
38 fraud, where a crypto kiosk operator fails to comply with the provisions
39 of sections seventy-six-g and seventy-six-k of this article, such opera-
40 tor shall issue a refund to a consumer in the full amount of all trans-
41 actions paid by the consumer, including, but not limited to, any fees or
42 other charges collected in connection with the transactions, at the time
43 of the transaction, regardless of any acknowledgments or waivers the
44 consumer may have made prior to finalizing the transactions. Refunds
45 shall be made in the originating currency. Operators shall not charge
46 any fees to issue a refund.

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

48 (a) Have engaged in one or more crypto kiosk transactions that were
49 affected by fraud, whether the transactions were authorized or unauthor-
50 ized;

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

54 (c) Within one hundred twenty days after notifying the operator,
55 submit to the operator a police report, government agency report, or

1 sworn statement describing the fraudulent nature of the transaction or
2 transactions.

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

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

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

12 § 76-i. Cashier crypto transmission prohibition. 1. No person or enti-
13 ty involved in a cashier crypto exchange transaction shall permit,
14 facilitate, or enable the transmission of virtual currency.

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

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

20 § 76-j. Crypto kiosk or cashier crypto fees. 1. The aggregate of all
21 fees, charges, commissions, and other amounts, directly or indirectly,
22 charged to a customer in connection with a single transaction or series
23 of related transactions involving virtual currency effected through a
24 crypto kiosk or cashier crypto exchange, including any difference
25 between the price charged to the customer to buy, sell, exchange, swap,
26 or convert virtual currency and the prevailing market value at the time
27 of the transaction, shall not exceed three percent of the United States
28 dollar value of the transaction.

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

32 3. A consumer may bring a civil action to recover any amounts unlaw-
33 fully charged in violation of this section, together with interest and
34 statutory damages equal to the greater of one thousand dollars or three
35 times the amount charged to the consumer.

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

38 § 76-k. Fraud and anti-money laundering. 1. All crypto kiosk operators
39 shall take reasonable steps to detect and prevent fraud and money laun-
40 dering, including establishing and maintaining a written anti-fraud and
41 money laundering policy and abiding by Bank Secrecy Act, 31 U.S.C. 5311
42 et seq., provisions.

43 2. The anti-fraud and money laundering policy shall be filed with the
44 department as part of an application for a license or charter and shall,
45 at a minimum, include:

46 (a) implementation of know your customer policies;
47 (b) verification of the customer prior to engaging in the transaction;
48 (c) identification and assessment of fraud and money laundering
49 related risk areas;
50 (d) procedures and controls to protect against identified risks;
51 (e) allocation of responsibility for monitoring risks; and
52 (f) procedures for the periodic evaluation and revision of the anti-
53 fraud and money laundering procedures, controls, and monitoring mech-
54 anisms.

55 § 76-l. Blockchain analytics. 1. All crypto kiosk operators shall use
56 blockchain analytics and tracing software to assist in the prevention of

1 sending virtual currency to a virtual currency wallet known or likely to
2 be affiliated with fraudulent activity at the time of a transaction and
3 to detect transaction patterns indicative of fraud or other illicit
4 activities.

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

8 3. All crypto kiosk operators performing business shall provide a
9 dedicated communications line for relevant government agencies via a
10 posted United States phone number or email address. This dedicated line
11 shall be used to facilitate law enforcement and regulatory agency commu-
12 nications with the crypto kiosk and cashier crypto exchange operator in
13 the event of a fraud report from a user. The communications line shall
14 be frequently monitored.

15 § 76-m. Transaction limits and protections. 1. Daily transaction
16 limit. A crypto kiosk or cashier crypto exchange operator shall not
17 accept transactions of more than one thousand dollars in United States
18 dollars or the equivalent in virtual currency for any user per day
19 across all crypto kiosks or cashier crypto exchange of such operator. In
20 addition, the transaction limit shall not exceed ten thousand dollars in
21 United States or the equivalent in virtual currency in any thirty-day
22 period.

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

26 3. Operators shall not use alternative methods, including but not
27 limited to online portals, affiliated kiosks, or over-the-counter trans-
28 actions, to evade or exceed the limits provided for in this section.

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

32 § 76-n. Legal and beneficial ownership; penalties. 1. Where an opera-
33 tor of a crypto kiosk fails to comply with subdivision one of section
34 seventy-six-b, section seventy-six-g, section seventy-six-k or section
35 seventy-six-l of this article, legal and beneficial ownership of the
36 funds accepted shall be conclusively presumed to remain with the consum-
37 er, and the operator shall return the full principal and all fees within
38 seven business days of notice by the consumer or the consumer's repre-
39 sentative.

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

53 3. Where an operator of a crypto kiosk or cashier crypto exchange
54 fails to comply with any provision of this article with a specific
55 penalty, such penalty shall be imposed on such operator. Where no penal-
56 ty is provided, such penalty shall be the greater of one thousand

1 dollars per violation or two times such profits earned from such
2 violation.

3 4. The attorney general may bring an action in the name of the people
4 of the state of New York to restrain or prevent any violation of this
5 article or any continuance of any such violation and to obtain restitu-
6 tion of any moneys or property obtained directly or indirectly by any
7 such violation, as well as reasonable attorneys' fees.

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

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