

# STATE OF NEW YORK

9891--B

## 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 -- 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 operator licens-  
7 ing.

8 76-c. Disclosures for crypto kiosks and cashier crypto  
9 exchanges.

10 76-d. Disclosures required prior to completing a transaction.

11 76-e. Transaction receipt.

12 76-f. Customer service.

13 76-g. Crypto kiosk transaction hold periods.

14 76-h. Fraud refunds related to crypto kiosks and cashier crypto  
15 exchanges.

16 76-i. Cashier crypto transmission restrictions.

17 76-j. Crypto kiosk or cashier crypto fees.

18 76-k. Fraud and anti-money laundering.

19 76-l. Blockchain analytics.

20 76-m. Transaction limits and protections.

21 76-n. Legal and beneficial ownership; penalties.

22 § 76-a. Definitions. As used in this article, the following terms  
23 shall have the following meanings:

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

LBD15416-07-6

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

4 (a) receiving virtual currency for transmission or transmitting virtu-  
5 al currency, except where the transaction is undertaken for non-finan-  
6 cial purposes and does not involve the transfer of more than a nominal  
7 amount of virtual currency;

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

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

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

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

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

15 2. "Consumer" shall mean a natural person who uses a crypto kiosk or  
16 cashier crypto exchange regardless of whether they create an account  
17 with the operator.

18 3. "Crypto kiosk" shall mean any electronic terminal which enables a  
19 consumer to exchange money for virtual currency or virtual currency for  
20 money, including by connecting to a separate virtual currency exchange.

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

34 5. "Cashier crypto exchange" shall mean a service through which a  
35 consumer may exchange money for virtual currency or virtual currency for  
36 money, where such money or virtual currency is collected at a retailer  
37 acting as an agent or processor for such transaction.

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

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

44 (i) have a centralized repository or administrator;

45 (ii) are decentralized and have no centralized repository or adminis-  
46 trator; or

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

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

50 (i) digital units that:

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

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

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

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

1 (ii) digital units that can be redeemed for goods, services,  
2 discounts, or purchases as part of a customer affinity or rewards  
3 program with the issuer or other designated merchants or can be redeemed  
4 for digital units in another customer affinity or rewards program, but  
5 cannot be converted into, or redeemed for, fiat currency or virtual  
6 currency; or

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

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

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

13 § 76-b. Crypto kiosk and cashier crypto exchange operator licensing.

14 1. No person shall engage in the business of operating a crypto kiosk  
15 or cashier crypto exchange in this state unless such person is licensed  
16 by the superintendent to engage in virtual currency business activity  
17 and complies with this article and all applicable rules and regulations  
18 promulgated by the superintendent.

19 2. Any provision in a contract or waiver that conflicts with or waives  
20 any provision or requirement in, or otherwise limits a consumer's rights  
21 pursuant to, this article shall be deemed void and unenforceable.

22 § 76-c. Disclosures for crypto kiosks and cashier crypto exchanges. 1.  
23 An operator shall provide, in a clear and conspicuous manner, on its  
24 website or websites, in all physical locations, and in any other  
25 location as the superintendent may prescribe, the following disclosures:

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

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

30 (c) the department's mailing address, website, and telephone number;  
31 and

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

33 2. An operator shall disclose in a clear, conspicuous, and easily  
34 readable manner in the chosen language of the user, all relevant terms  
35 and conditions generally associated with the products, services, and  
36 activities of the operator and virtual currency including, but not  
37 limited to, any fees collected and exchange rates used by the operator.

38 3. Each time a user engages with a crypto kiosk or cashier crypto  
39 exchange, the operator shall receive acknowledgement of receipt of all  
40 disclosures required under subdivision two of this section by electronic  
41 confirmation, written acknowledgment, or such other method as the super-  
42 intendent may prescribe.

43 § 76-d. Disclosures required prior to completing a transaction. 1. In  
44 addition to any other disclosures required pursuant to this article,  
45 disclosures required pursuant to this section shall at a minimum include  
46 the following message, in a substantially similar form and shall be  
47 displayed prior to the consumer completing a transaction on a crypto  
48 kiosk, in a size, placement, and manner as prescribed by the department  
49 by regulation:

50 "WARNING:

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

53 \* FRIEND OR FAMILY MEMBER,

54 \* GOVERNMENT AGENT,

55 \* COMPUTER SOFTWARE REPRESENTATIVE,

56 \* BILL COLLECTOR,

1     \* LAW ENFORCEMENT OFFICER, OR  
2     \* ANYONE YOU DO NOT KNOW PERSONALLY,  
3     STOP THIS TRANSACTION IMMEDIATELY AND NOTIFY YOUR LOCAL LAW ENFORCE-  
4     MENT AND THE KIOSK OPERATOR. THIS MAY BE A SCAM."

5     2. In addition to any other disclosures required pursuant to this  
6     article, disclosures required pursuant to this section shall at a mini-  
7     mum include the following message, in a substantially similar form and  
8     shall be displayed prior to the consumer completing a transaction at a  
9     cashier crypto exchange, in a size, placement, and manner as prescribed  
10    by the department by regulation:

11    "WARNING:

12    IF SOMEONE ASKED YOU TO DEPOSIT MONEY AT THIS LOCATION OR IS ON THE  
13    PHONE WITH YOU AND CLAIMS TO BE A:

14    \* FRIEND OR FAMILY MEMBER,

15    \* GOVERNMENT AGENT,

16    \* COMPUTER SOFTWARE REPRESENTATIVE,

17    \* BILL COLLECTOR,

18    \* LAW ENFORCEMENT OFFICER, OR

19    \* ANYONE YOU DO NOT KNOW PERSONALLY,

20    STOP THIS TRANSACTION IMMEDIATELY AND NOTIFY YOUR LOCAL LAW ENFORCE-  
21    MENT AND THE CASHIER. THIS MAY BE A SCAM."

22    3. The messages required by this section shall not be altered, dimin-  
23    ished, or otherwise obscured in any manner. No additional message shall  
24    appear on or near the same notice, screen, or on any screen which  
25    distracts from or is presented as related to the required message.

26    4. When using a crypto kiosk or cashier crypto exchange, the following  
27    information shall be provided to the consumer:

28    (a) The name, address, and telephone number of the operator of the  
29    kiosk and the days, time and means by which a user can contact the oper-  
30    ator for assistance, and any relevant state and local law enforcement  
31    and government agency for reporting fraud shall be displayed on or at  
32    the location of the crypto kiosk or cashier crypto exchange, or on the  
33    first screen of a crypto kiosk.

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

35    § 76-e. Transaction receipt. Upon the completion of each transaction,  
36    the crypto kiosk or cashier crypto exchange operator shall provide the  
37    user with a paper receipt, and upon request or where contact information  
38    is available, an electronic receipt in a retainable form. The receipt  
39    shall include the following information:

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

41    2. relevant contact information for state and local law enforcement  
42    and any relevant government agency to report fraud;

43    3. type, value, date, and precise time of the transaction, and each  
44    applicable virtual currency address and transaction hash where avail-  
45    able;

46    4. all fees;

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

48    6. statement of the operator's refund policy;

49    7. any additional information the operator may determine; and

50    8. any additional information the department may require.

51    § 76-f. Customer service. All operators performing business shall  
52    provide live customer service during operating hours including the hours  
53    between 8 AM to 10 PM local time. The customer service toll-free number  
54    shall be displayed on the crypto kiosk or the crypto kiosk screens and  
55    shall be run by trained individuals who are employed by or on behalf of  
56    the operator, and who provide live customer assistance to a caller in

1 real time. In the case of a cashier crypto exchange, such toll-free  
2 number shall be displayed in a conspicuous manner that is readily avail-  
3 able to the consumer.

4 § 76-g. Crypto kiosk transaction hold periods. 1. (a) Upon receipt of  
5 funds from a consumer in amounts exceeding one thousand five hundred  
6 dollars in any seventy-two hour period, or upon a consumer's first tran-  
7 saction or series of transactions within seventy-two hours of such first  
8 transaction with an operator, the operator shall not execute any virtual  
9 currency transaction for a hold period of seventy-two hours from the  
10 time of receipt of such funds.

11 (b) All such funds subject to the seventy-two hour hold period shall  
12 be held in statutory trust for the exclusive benefit of the consumer in  
13 segregated, non-commingled accounts, shall not be encumbered or pledged,  
14 and legal and beneficial ownership shall remain with the consumer until  
15 execution in accordance with this section.

16 (c) The operator shall aggregate a consumer's transactions across all  
17 crypto kiosks and cashier crypto exchanges operated by such operator  
18 within any seventy-two hour period for purposes of such hold period.  
19 Multiple transactions in amounts exceeding one thousand five hundred  
20 dollars over a seventy-two hour period shall be subject to such hold  
21 period.

22 (d) On any crypto kiosk machine, at any cashier crypto exchange  
23 location, and on the consumer's receipt, the operator shall provide:

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

26 (ii) The transaction identifier;

27 (iii) The hold period expiration timestamp; and

28 (iv) A clear and conspicuous notice that a consumer's first trans-  
29 action or series of transactions with an operator within seventy-two  
30 hours of such first transaction, and any funds in excess of one thousand  
31 five hundred dollars in a seventy-two hour period, can be refunded upon  
32 request.

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

37 3. Upon the consumer's timely cancellation during the hold period, the  
38 operator shall refund the full amount tendered by the consumer, includ-  
39 ing all fees, within seven business days of notice by the consumer or  
40 the consumer's representative. Refunds shall be made by a traceable  
41 method reasonably designed to return the funds to the consumer, includ-  
42 ing by check, electronic funds transfer, or such other method as the  
43 superintendent may prescribe. Such amounts refunded shall be the amount  
44 deposited including any and all fees. Operators may not charge fees to  
45 issue a refund.

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

54 5. In addition to the penalties set forth herein, where an operator  
55 fails to comply with any provision of this section, legal and beneficial  
56 ownership of the funds accepted shall be conclusively presumed to remain

1 with the consumer, and the operator shall return the full principal and  
2 all fees within seven business days of notice by the consumer or the  
3 consumer's representative.

4 6. Where an operator engages in conduct in violation of this section  
5 such operator shall be subject to a civil penalty of five hundred  
6 dollars per violation.

7 § 76-h. Fraud refunds related to crypto kiosks and cashier crypto  
8 exchanges. 1. In cases related to fraud, where an operator fails to  
9 comply with the provisions of sections seventy-six-g and seventy-six-k  
10 of this article, such operator shall issue a refund to a consumer in the  
11 full amount of all transactions paid by the consumer in such cases  
12 related to fraud, including, but not limited to, any fees or other  
13 charges collected in connection with such transactions, regardless of  
14 any acknowledgments or waivers the consumer may have made prior to  
15 finalizing the transactions. Refunds shall be made in the originating  
16 currency. Operators shall not charge any fees to issue a refund.

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

18 (a) Have engaged in one or more crypto kiosk or cashier crypto  
19 exchange transactions that were affected by fraud, whether the trans-  
20 actions were authorized or unauthorized;

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

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

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

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

35 § 76-i. Cashier crypto transmission restrictions. 1. No person or  
36 entity involved in a crypto kiosk or cashier crypto exchange transaction  
37 shall permit, facilitate, or enable the transmission of virtual currency  
38 to a wallet address other than a wallet owned or controlled by the  
39 consumer.

40 2. A crypto kiosk or cashier crypto exchange shall be used solely to  
41 allow a consumer to buy virtual currency for the consumer's own account  
42 or wallet, or to sell virtual currency in exchange for United States  
43 dollars, and shall not be used to transmit virtual currency to a third  
44 party.

45 3. No crypto kiosk or cashier crypto exchange shall evade the prohibi-  
46 tions under this section by any device, subterfuge, or pretense.

47 § 76-j. Crypto kiosk or cashier crypto fees. 1. The aggregate of all  
48 fees, charges, commissions, and other amounts, directly or indirectly,  
49 charged to a consumer in connection with a single transaction or series  
50 of related transactions involving virtual currency effected through a  
51 crypto kiosk or cashier crypto exchange, including any difference  
52 between the price charged to the consumer to buy, sell, exchange, swap,  
53 or convert virtual currency and the prevailing market value at the time  
54 of the transaction, shall not exceed the greater of five United States  
55 dollars or three percent of the United States dollar value of the trans-  
56 action.

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

4 § 76-k. Fraud and anti-money laundering. 1. All operators shall take  
5 reasonable steps to detect and prevent fraud and money laundering,  
6 including establishing and maintaining a written anti-fraud and money  
7 laundering policy and abiding by Bank Secrecy Act, 31 U.S.C. 5311 et  
8 seq., provisions.

9 2. The anti-fraud and money laundering policy shall be filed with the  
10 department as part of an application for a license and shall, at a mini-  
11 mum, include:

12 (a) implementation of know your customer policies;  
13 (b) verification of the consumer prior to engaging in the transaction;  
14 (c) identification and assessment of fraud and money laundering  
15 related risk areas;  
16 (d) procedures and controls to protect against identified risks;  
17 (e) allocation of responsibility for monitoring risks; and  
18 (f) procedures for the periodic evaluation and revision of the anti-  
19 fraud and money laundering procedures, controls, and monitoring mech-  
20 anisms.

21 3. An operator shall comply with rules and regulations that the super-  
22 intendent may establish regarding know your customer requirements, anti-  
23 money laundering requirements, and other market integrity requirements.

24 § 76-l. Blockchain analytics. 1. All operators shall use blockchain  
25 analytics and tracing software to assist in the prevention of sending  
26 virtual currency to a virtual currency wallet known or likely to be  
27 affiliated with fraudulent activity at the time of a transaction and to  
28 detect transaction patterns indicative of fraud or other illicit activ-  
29 ities.

30 2. Operators shall block transactions to virtual currency wallets  
31 associated with overseas exchanges non-accessible for United States  
32 users.

33 3. All operators shall provide a dedicated communications line for  
34 relevant government agencies via a posted United States phone number or  
35 email address. This dedicated line shall be used to facilitate law  
36 enforcement and regulatory agency communications with the operator in  
37 the event of a fraud report from a user. The communications line shall  
38 be frequently monitored.

39 § 76-m. Transaction limits and protections. 1. An operator shall not  
40 accept transactions of more than one thousand United States dollars or  
41 the equivalent in virtual currency within a twenty-four hour period, or  
42 ten thousand United States dollars or the equivalent in virtual currency  
43 within a thirty day period from any consumer across all crypto kiosks  
44 and cashier crypto exchanges of such operator.

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

48 3. Operators shall not use alternative methods including, but not  
49 limited to, online portals, affiliated kiosks, or over-the-counter tran-  
50 sactions, to evade or exceed the limits provided for in this section.

51 § 76-n. Legal and beneficial ownership; penalties. 1. Where an opera-  
52 tor fails to comply with this article and such failure materially  
53 affects the consumer's transaction or contributes to consumer loss,  
54 legal and beneficial ownership of the funds accepted shall be conclu-  
55 sively presumed to remain with the consumer, and the operator shall

1 return the full principal and all fees within seven business days of  
2 notice by the consumer or the consumer's representative.

3 2. Where an operator of a crypto kiosk or cashier crypto exchange  
4 fails to comply with any provision of this article with a specific  
5 penalty, such penalty shall be imposed on such operator. Where no penal-  
6 ty is provided, such penalty shall be the greater of one thousand  
7 dollars per violation or two times such profits earned from such  
8 violation.

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

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

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