

# STATE OF NEW YORK

10899--A

## IN ASSEMBLY

April 8, 2026

Introduced by M. of A. VANEL, SEAWRIGHT, REYES, BUTTENSCHON, GRIFFIN, COOK, BURDICK, COLTON, HYNDMAN -- read once and referred to the Committee on Banks -- 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:

### ARTICLE 2-AAA

### CRYPTO KIOSKS

#### 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 have the same meaning as  
22 set forth in 23 NYCRR 200.2.

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

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

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

LBD15416-02-6

1 4. "Operator" means a person that engages in virtual currency business  
2 activity via a crypto kiosk or cashier crypto exchange located in this  
3 state, or a person that owns, operates, or manages a crypto kiosk or  
4 cashier crypto exchange located in this state through which virtual  
5 currency business activity is offered. This definition applies whether  
6 or not the operator owns the kiosks or cashier crypto exchanges used in  
7 transactions, and whether the operator provides custodial or non-custo-  
8 dial services. A group or persons or entities acting in concert, includ-  
9 ing but not limited to any affiliated entities, subsidiaries, parent  
10 companies, joint ventures, partnerships, agents, or employees thereof,  
11 or any entity or individual acting at the direction of, in cooperation  
12 with, under contract or in partnership with, or financially benefitting  
13 from another person or entity shall be treated as one person for  
14 purposes of this article.

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

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

20 7. "Virtual currency" shall have the same meaning as in 23 NYCRR Part  
21 200.2.

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

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

27 § 76-b. Crypto kiosk and cashier crypto exchange operators. 1. An  
28 operator of a crypto kiosk or cashier crypto exchange shall be deemed  
29 engaged in a virtual currency business activity, and shall be subject to  
30 the licensing requirements of 23 NY CRR 200.3.

31 2. An operator must provide, in a clear and conspicuous manner, on its  
32 website or websites, in all physical locations, and in any other  
33 location as the superintendent may prescribe, the following disclosures:

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

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

38 (c) the department's mailing address, website, and telephone number;  
39 and

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

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

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

47 § 76-c. Disclosures for crypto kiosks. 1. A crypto kiosk operator  
48 shall disclose in a clear, conspicuous, and easily readable manner in  
49 the chosen language of the user, all relevant terms and conditions  
50 generally associated with the products, services, and activities of the  
51 crypto kiosk operator and virtual currency including but not limited to  
52 transaction fees collected and exchange rates used by the operator.

53 2. Each time a user engages with a crypto kiosk, the crypto kiosk  
54 operator shall receive acknowledgement of receipt of all disclosures  
55 required under this section via confirmation of consent at the crypto  
56 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.

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

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

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

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

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

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

22 (ii) The transaction identifier;

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

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

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

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

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

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

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

55 6. Where an operator engages in a persistent course of conduct in  
56 violation of this section, the department may revoke such operator's

1 license or charter and such operator shall be subject to a civil penalty  
2 of five hundred dollars per transaction in violation of such subdivi-  
3 sions.

4 7. Where the operator fails to pay back such principal and fees in  
5 full within such period of time as described in subdivision three of  
6 this section, the consumer shall have a private right of action to  
7 recover such funds and, upon such a finding that the operator violated  
8 subdivision five of this section, such court shall award attorney's fees  
9 and costs to the consumer, including statutory damages of three times  
10 the amount required to be paid back to the consumer.

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

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

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

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

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

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

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

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

41 § 76-i. Cashier crypto transmission prohibition. 1. No person or enti-  
42 ty involved in a cashier crypto exchange transaction shall permit,  
43 facilitate, or enable the transmission of virtual currency.

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

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

49 § 76-j. Crypto kiosk or cashier crypto fees. 1. The aggregate of all  
50 fees, charges, commissions, and other amounts, directly or indirectly,  
51 charged to a customer in connection with a single transaction or series  
52 of related transactions involving virtual currency effected through a  
53 crypto kiosk or cashier crypto exchange, including any difference  
54 between the price charged to the customer to buy, sell, exchange, swap,  
55 or convert virtual currency and the prevailing market value at the time

1 of the transaction, shall not exceed three percent of the United States  
2 dollar value of the transaction.

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

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

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

12 § 76-k. Fraud and anti-money laundering. 1. All crypto kiosk operators  
13 shall take reasonable steps to detect and prevent fraud and money laun-  
14 dering, including establishing and maintaining a written anti-fraud and  
15 money laundering policy and abiding by Bank Secrecy Act, 31 U.S.C. 5311  
16 et seq., provisions.

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

- 20 (a) implementation of know your customer policies;
- 21 (b) verification of the customer prior to engaging in the transaction;
- 22 (c) identification and assessment of fraud and money laundering  
23 related risk areas;
- 24 (d) procedures and controls to protect against identified risks;
- 25 (e) allocation of responsibility for monitoring risks; and
- 26 (f) procedures for the periodic evaluation and revision of the anti-  
27 fraud and money laundering procedures, controls, and monitoring mech-  
28 anisms.

29 § 76-l. Blockchain analytics. 1. All crypto kiosk operators shall use  
30 blockchain analytics and tracing software to assist in the prevention of  
31 sending virtual currency to a virtual currency wallet known or likely to  
32 be affiliated with fraudulent activity at the time of a transaction and  
33 to detect transaction patterns indicative of fraud or other illicit  
34 activities.

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

38 3. All crypto kiosk operators performing business shall provide a  
39 dedicated communications line for relevant government agencies via a  
40 posted United States phone number or email address. This dedicated line  
41 shall be used to facilitate law enforcement and regulatory agency commu-  
42 nications with the crypto kiosk and cashier crypto exchange operator in  
43 the event of a fraud report from a user. The communications line shall  
44 be frequently monitored.

45 § 76-m. Transaction limits and protections. 1. Daily transaction  
46 limit. A crypto kiosk or cashier crypto exchange operator shall not  
47 accept transactions of more than one thousand dollars in United States  
48 dollars or the equivalent in virtual currency for any user per day  
49 across all crypto kiosks or cashier crypto exchange of such operator. In  
50 addition, the transaction limit shall not exceed ten thousand dollars in  
51 United States or the equivalent in virtual currency in any thirty-day  
52 period.

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

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

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

7 § 76-n. Legal and beneficial ownership; penalties. 1. Where an opera-  
8 tor of a crypto kiosk fails to comply with subdivision one of section  
9 seventy-six-b, section seventy-six-g, section seventy-six-k or section  
10 seventy-six-l of this article, legal and beneficial ownership of the  
11 funds accepted shall be conclusively presumed to remain with the consum-  
12 er, and the operator shall return the full principal and all fees within  
13 seven business days of notice by the consumer or the consumer's repre-  
14 sentative. Where the operator fails to pay back such principal and fees  
15 in full within such period of time as described in subdivision three of  
16 section seventy-six-g of this article, the consumer shall have a private  
17 right of action to recover such funds and, upon such a finding that the  
18 operator violated subdivision three of section seventy-six-g of this  
19 article, such court shall award attorney's fees and costs to the consum-  
20 er, including statutory damages of three times the amount required to be  
21 paid back to the consumer.

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

35 3. Where an operator of a crypto kiosk or cashier crypto exchange  
36 fails to comply with any provision of this article with a specific  
37 penalty, such penalty shall be imposed on such operator. Where no penal-  
38 ty is provided, such penalty shall be the greater of one thousand  
39 dollars per violation or two times such profits earned from such  
40 violation.

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

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