

STATE OF NEW YORK

10899--C

IN ASSEMBLY

April 8, 2026

Introduced by M. of A. VANEL, SEAWRIGHT, REYES, BUTTENSCHON, GRIFFIN, COOK, BURDICK, COLTON, HYNDMAN, KASSAY, SANTABARBARA -- read once and referred to the Committee on Banks -- 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 -- reported and referred to the Committee on Codes -- reported and referred to the Committee on Rules -- Rules Committee discharged, bill amended, ordered reprinted as amended and recommitted to the Committee on Rules

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.

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

LBD15416-06-6

1 § 76-a. Definitions. As used in this article, the following terms
2 shall have the following meanings:

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

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

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

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

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

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

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

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

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

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

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

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

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

46 (i) have a centralized repository or administrator;

47 (ii) are decentralized and have no centralized repository or adminis-
48 trator; or

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

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

52 (i) digital units that:

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

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

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

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

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

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

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

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

15 § 76-b. Crypto kiosk and cashier crypto exchange operator licensing.

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

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

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

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

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

32 (c) the department's mailing address, website, and telephone number;
33 and

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

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

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

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

52 "WARNING:

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

55 * FRIEND OR FAMILY MEMBER,

56 * GOVERNMENT AGENT,

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

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

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

16 * FRIEND OR FAMILY MEMBER,
17 * GOVERNMENT AGENT,
18 * COMPUTER SOFTWARE REPRESENTATIVE,
19 * BILL COLLECTOR,
20 * LAW ENFORCEMENT OFFICER, OR
21 * ANYONE YOU DO NOT KNOW PERSONALLY,

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

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

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

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

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

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

- 42 1. the operator's name and toll-free customer service phone number;
- 43 2. relevant contact information for state and local law enforcement
44 and any relevant government agency to report fraud;
- 45 3. type, value, date, and precise time of the transaction, and each
46 applicable virtual currency address and transaction hash where avail-
47 able;
- 48 4. all fees;
- 49 5. exchange rate of the virtual currency to United States dollars;
- 50 6. statement of the operator's refund policy;
- 51 7. any additional information the operator may determine; and
- 52 8. any additional information the department may require.

53 § 76-f. Customer service. All operators performing business shall
54 provide live customer service during operating hours including the hours
55 between 8 AM to 10 PM local time. The customer service toll-free number
56 shall be displayed on the crypto kiosk or the crypto kiosk screens and

1 shall be run by trained individuals who are employed by or on behalf of
2 the operator, and who provide live customer assistance to a caller in
3 real time. In the case of a cashier crypto exchange, such toll-free
4 number shall be displayed in a conspicuous manner that is readily avail-
5 able to the consumer.

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

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

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

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

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

28 (ii) The transaction identifier;

29 (iii) The hold period expiration timestamp; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

1 of the transaction, shall not exceed the greater of five United States
2 dollars or three percent of the United States dollar value of the trans-
3 action.

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

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

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

15 (a) implementation of know your customer policies;

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

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

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

20 (e) allocation of responsibility for monitoring risks; and

21 (f) procedures for the periodic evaluation and revision of the anti-
22 fraud and money laundering procedures, controls, and monitoring mech-
23 anisms.

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

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

33 2. Operators shall block transactions to virtual currency wallets
34 associated with overseas exchanges non-accessible for United States
35 users.

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

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

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

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

54 § 76-n. Legal and beneficial ownership; penalties. 1. Where an opera-
55 tor fails to comply with this article and such failure materially
56 affects the consumer's transaction or contributes to consumer loss,

1 legal and beneficial ownership of the funds accepted shall be conclu-
2 sively presumed to remain with the consumer, and the operator shall
3 return the full principal and all fees within seven business days of
4 notice by the consumer or the consumer's representative.

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

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

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

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