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:

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

ARTICLE 2-AAA
CRYPTO KIOSKS

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

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

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

LBD15416-07-6

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

(a) receiving virtual currency for transmission or transmitting virtual currency, except where the transaction is undertaken for non-financial purposes and does not involve the transfer of more than a nominal amount of virtual currency;

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

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

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

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

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

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

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

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

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

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

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

(i) have a centralized repository or administrator;

(ii) are decentralized and have no centralized repository or administrator; or

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

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

(i) digital units that:

(1) are used solely within online gaming platforms;

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

(3) cannot be converted into, or redeemed for, fiat currency or virtual currency; or

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

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

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

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

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

§ 76-b. Crypto kiosk and cashier crypto exchange operator licensing. 1. No person shall engage in the business of operating a crypto kiosk or cashier crypto exchange in this state unless such person is licensed by the superintendent to engage in virtual currency business activity and complies with this article and all applicable rules and regulations promulgated by the superintendent.

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

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

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

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

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

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

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

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

§ 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 a transaction on a crypto kiosk, in a size, placement, and manner as prescribed by the department by regulation:

"WARNING:

IF SOMEONE ASKED YOU TO DEPOSIT MONEY IN THIS MACHINE 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 NOTIFY YOUR LOCAL LAW ENFORCEMENT AND THE KIOSK OPERATOR. THIS MAY BE A SCAM."

2. 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 a transaction at a cashier crypto exchange, in a size, placement, and manner as prescribed by the department by regulation:

"WARNING:
IF SOMEONE ASKED YOU TO DEPOSIT MONEY AT THIS LOCATION 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 NOTIFY YOUR LOCAL LAW ENFORCEMENT AND THE CASHIER. THIS MAY BE A SCAM."

3. The messages 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.

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

(a) The name, address, and telephone number of the operator of the kiosk and the days, time and means by which a user can contact the operator for assistance, and any relevant state and local law enforcement and 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 a paper receipt, and upon request or where contact information is available, an electronic receipt 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 local law enforcement and any relevant 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 operators performing business shall provide live customer service during operating hours including the hours between 8 AM to 10 PM local time. The customer service toll-free number shall be displayed on the crypto kiosk or the crypto kiosk screens and shall be run by trained individuals who are employed by or on behalf of the operator, and who provide live customer assistance to a caller in

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

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

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

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

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

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

(ii) The transaction identifier;

(iii) The hold period expiration timestamp; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(a) implementation of know your customer policies;

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

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

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

(e) allocation of responsibility for monitoring risks; and

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

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

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

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

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

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

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

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

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

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

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

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

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

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