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State of Minnesota

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HOUSE OF REPRESENTATIVES

Unofficial Engrossment

House Engrossment of a Senate File

NINETY-FOURTH SESSION

S. F. No. 3868

- 04/09/2026 Companion to House File No. 3642. (Authors:Koegel, Perryman, Novotny, Moller and Freiberg)
Read First Time and Sent for Comparison
- 04/13/2026 Substituted for H. F. No. 3642
Read for the Second Time
- 04/27/2026 Calendar for the Day, Amended
Read Third Time as Amended
Passed by the House as Amended and returned to the Senate to include Floor Amendments

1.1 A bill for an act

1.2 relating to commerce; prohibiting virtual currency kiosks; providing for customer

1.3 payouts; amending Minnesota Statutes 2024, section 53B.69, subdivision 10;

1.4 proposing coding for new law in Minnesota Statutes, chapter 53B; repealing

1.5 Minnesota Statutes 2024, sections 53B.69, subdivisions 3b, 3c; 53B.75, subdivisions

1.6 1, 2, 3, 4, 5.

1.7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.8 Section 1. Minnesota Statutes 2024, section 53B.69, subdivision 10, is amended to read:

1.9 Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal

1.10 acting as a mechanical agent or a person acting on behalf of the virtual currency kiosk

1.11 operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual

1.12 currency for money, bank credit, or other virtual currency, including but not limited to by

1.13 (1) connecting directly to a separate virtual currency exchanger that performs the actual

1.14 virtual currency transmission, or (2) drawing upon the virtual currency in the possession of

1.15 the electronic terminal's operator.

1.16 Sec. 2. **[53B.751] VIRTUAL CURRENCY KIOSKS; PROHIBITION.**

1.17 Subdivision 1. **Virtual currency kiosks prohibited.** (a) Beginning August 1, 2026, a

1.18 person is prohibited from installing, operating, maintaining, or making available for use a

1.19 virtual currency kiosk.

1.20 (b) On or before December 31, 2026, a virtual currency kiosk operator must remove the

1.21 virtual currency kiosk from any location where the virtual currency kiosk is visible or

1.22 accessible to the public.

2.1 Subd. 2. **Payout.** (a) On or before December 31, 2026, a virtual currency kiosk operator
2.2 that conducts virtual currency transactions exclusively through a virtual currency kiosk
2.3 must pay out any money or virtual currency held for or owed to a new or existing customer
2.4 that exists as a result of virtual currency kiosk transactions.

2.5 (b) A new or existing customer may elect, at any time before December 31, 2026, to
2.6 receive a payout under this subdivision:

2.7 (1) in United States dollars, in an amount equal to the market value of the customer's
2.8 virtual currency plus any fiat currency; or

2.9 (2) to a virtual currency wallet designated by the customer.

2.10 (c) A virtual currency kiosk operator must make a payout under this subdivision in the
2.11 manner elected by a new or existing customer under paragraph (b). If a new or existing
2.12 customer elects the option under paragraph (b), clause (2), the virtual currency kiosk operator
2.13 must transfer the full amount of the money and virtual currency being held for or owed to
2.14 the new or existing customer to the customer's designated virtual currency wallet within 30
2.15 days of the date the customer submits the payout request.

2.16 (d) A payout to a new or existing customer must be recorded on the applicable blockchain.
2.17 A virtual currency kiosk operator must retain proof that a transfer was made and must make
2.18 retained proof available to the commissioner upon request.

2.19 Subd. 3. **Exception.** A virtual currency kiosk operator is not required to make a payout
2.20 under subdivision 2 if the operator maintains, at all times, other lawful means for new and
2.21 existing customers to access, transfer, redeem, or otherwise transact a customer's money or
2.22 virtual currency that exists as a result of virtual currency kiosk transactions.

2.23 **EFFECTIVE DATE.** This section is effective August 1, 2026.

2.24 Sec. 3. **REPEALER.**

2.25 (a) Minnesota Statutes 2024, section 53B.75, subdivisions 1, 2, 3, and 5, are repealed.

2.26 (b) Minnesota Statutes 2024, sections 53B.69, subdivisions 3b and 3c; and 53B.75,
2.27 subdivision 4, are repealed.

2.28 **EFFECTIVE DATE.** Paragraph (a) is effective August 1, 2026. Paragraph (b) is effective
2.29 January 17, 2027.

53B.69 DEFINITIONS.

Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for less than 72 hours. After a 72-hour period has elapsed from the day of first signing up as a customer with a virtual currency kiosk operator, the customer will be considered an existing customer and no longer subject to the new customer transaction limit described in section 53B.75, subdivision 5, paragraph (a).

Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more than a 72-hour period. A new customer will automatically convert to an existing customer after the 72-hour period of first becoming a new customer. An existing customer is subject to the transaction limits described in section 53B.75, subdivision 5, paragraph (b).

53B.75 VIRTUAL CURRENCY KIOSKS.

Subdivision 1. **Disclosures on material risks.** (a) Before entering into an initial virtual currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator must disclose in a clear, conspicuous, and easily readable manner all material risks generally associated with virtual currency. The disclosures must be displayed on the screen of the virtual currency kiosk with the ability for a person to acknowledge the receipt of the disclosures. The disclosures must include at least the following information:

(1) virtual currency is not legal tender, backed or insured by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation, National Credit Union Administration, or Securities Investor Protection Corporation protections;

(2) some virtual currency transactions are deemed to be made when recorded on a public ledger, which may not be the date or time when the person initiates the transaction;

(3) virtual currency's value may be derived from market participants' continued willingness to exchange fiat currency for virtual currency, which may result in the permanent and total loss of a particular virtual currency's value if the market for virtual currency disappears;

(4) a person who accepts a virtual currency as payment today is not required to accept and might not accept virtual currency in the future;

(5) the volatility and unpredictability of the price of virtual currency relative to fiat currency may result in a significant loss over a short period;

(6) the nature of virtual currency means that any technological difficulties experienced by virtual currency kiosk operators may prevent access to or use of a person's virtual currency; and

(7) any bond maintained by the virtual currency kiosk operator for the benefit of a person may not cover all losses a person incurs.

(b) The virtual currency kiosk operator must provide an additional disclosure, which must be acknowledged by the person, written prominently and in bold type, and provided separately from the disclosures above, stating: "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE. VIRTUAL CURRENCY TRANSACTIONS MAY BE USED BY SCAMMERS IMPERSONATING LOVED ONES, THREATENING JAIL TIME, AND INSISTING YOU WITHDRAW MONEY FROM YOUR BANK ACCOUNT TO PURCHASE VIRTUAL CURRENCY."

Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant terms and conditions generally associated with the products, services, and activities of the virtual currency kiosk operator and virtual currency. A virtual currency kiosk operator must make the disclosures in a clear, conspicuous, and easily readable manner. The disclosures under this subdivision must address at least the following:

(1) the person's liability for unauthorized virtual currency transactions;

(2) the person's right to:

(i) stop payment of a virtual currency transfer and the procedure to stop payment;

(ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of the transaction; and

(iii) prior notice of a change in the virtual currency kiosk operator's rules or policies;

APPENDIX
Repealed Minnesota Statutes: UES3868-1

(3) under what circumstances the virtual currency kiosk operator, without a court or government order, discloses a person's account information to third parties; and

(4) other disclosures that are customarily provided in connection with opening a person's account.

(b) Before each virtual currency transaction for, on behalf of, or with a person, a virtual currency kiosk operator must disclose the transaction's terms and conditions in a clear, conspicuous, and easily readable manner. The disclosures under this subdivision must address at least the following:

(1) the amount of the transaction;

(2) any fees, expenses, and charges, including applicable exchange rates;

(3) the type and nature of the transaction;

(4) a warning that once completed, the transaction may not be reversed;

(5) a daily virtual currency transaction limit of no more than \$2,000;

(6) the difference in the virtual currency's sale price compared to the current market price; and

(7) other disclosures that are customarily given in connection with a virtual currency transaction.

Subd. 3. Acknowledgment of disclosures. Before completing a transaction, a virtual currency kiosk operator must ensure that each person who engages in a virtual currency transaction using the virtual currency operator's kiosk acknowledges receipt of all disclosures required under this section via confirmation of consent. Additionally, upon a transaction's completion, the virtual currency kiosk operator must provide a person with a physical receipt, or a virtual receipt sent to the person's email address or SMS number, containing the following information:

(1) the virtual currency kiosk operator's name and contact information, including a telephone number to answer questions and register complaints;

(2) the type, value, date, and precise time of the transaction, transaction hash, and each virtual currency address;

(3) the fees charged;

(4) the exchange rate;

(5) a statement of the virtual currency kiosk operator's liability for nondelivery or delayed delivery;

(6) a statement of the virtual currency kiosk operator's refund policy; and

(7) any additional information the commissioner of commerce may require.

Subd. 4. Refunds for new customers. A virtual currency kiosk operator must issue a refund to a new customer for the full amount of all transactions made within the 72-hour new customer time period, as described in section 53B.69, subdivision 3b, upon request of the customer. In order to receive a refund under this subdivision, a customer must:

(1) have been fraudulently induced to engage in the virtual currency transactions; and

(2) within 14 days of the last transaction to occur during the 72-hour new customer time period, contact the virtual currency kiosk operator and a government or law enforcement agency to inform them of the fraudulent nature of the transaction.

Subd. 5. Transaction limits. (a) There is an established maximum daily transaction limit of \$2,000 for each new customer of a virtual currency kiosk.

(b) The maximum daily transaction limit of an existing customer shall be decided by each virtual currency kiosk operator in compliance with federal law.