



1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

SYNOPSIS:

This bill would require cryptocurrency kiosk operators to provide certain disclosures to a consumer during a transaction.

This bill would require kiosk operators to provide all receipts of transactions to the consumer and digital receipts to the Alabama Securities Commission.

This bill would provide fraud prevention measures for cryptocurrency transactions using kiosks and require operators to refund transactions that were fraudulently induced.

This bill would require operators to establish a consumer service line and a direct line of communication with local law enforcement agencies and the commission.

This bill would also provide civil and criminal penalties for certain violations of this section.

A BILL  
TO BE ENTITLED  
AN ACT

Relating to cryptocurrency; to add Section 8-7A-28 to



29 the Code of Alabama 1975; to require operators of  
30 cryptocurrency kiosks to provide certain disclosures during a  
31 transaction; to require that kiosk operators provide a receipt  
32 for a cryptocurrency transaction; to implement certain fraud  
33 protection measures for cryptocurrency kiosk transactions and  
34 require refunds for fraudulently induced transactions; and to  
35 provide for certain civil and criminal penalties.

36 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

37 Section 1. Section 8-7A-28 is added to the Code of  
38 Alabama 1975, to read as follows:

39 §8-7A-28

40 (a) This section shall be known and may be cited as the  
41 Cryptocurrency Kiosk Fraud Prevention Act.

42 (b) For purposes of this section, the following terms  
43 have the following meanings:

44 (1) BLOCKCHAIN ANALYTICS. Analysis of data from  
45 blockchains or publicly distributed ledgers, including  
46 associated transaction information.

47 (2) BLOCKCHAIN ANALYTICS AND TRACING SOFTWARE. A  
48 software service that uses blockchain analytics data to  
49 provide risk-specific information and tracing of virtual  
50 currency wallet addresses, among other virtual items.

51 (3) CONSUMER. Any individual who uses a cryptocurrency  
52 kiosk.

53 (4) CRYPTOCURRENCY. A virtual representation of value  
54 or rights that can be transferred, stored, or traded  
55 electronically and used for payments or investment purposes.

56 (5) CRYPTOCURRENCY ADDRESS. An alphanumeric identifier



57 that represents a potential destination for a cryptocurrency  
58 transfer. A cryptocurrency address is associated with a  
59 virtual wallet.

60 (6) CRYPTOCURRENCY KIOSK. A physical, electronic  
61 terminal that is a mechanical agent of the cryptocurrency  
62 kiosk operator and that enables a cryptocurrency kiosk  
63 operator to facilitate the purchase, sale, or exchange of  
64 cryptocurrency for money, bank credit, or other  
65 cryptocurrency.

66 (7) EXISTING CONSUMER. Any consumer who engages in a  
67 cryptocurrency kiosk transaction that is not the consumer's  
68 initial transaction or within the 30-day period immediately  
69 following his or her initial transaction.

70 (8) FEE. A charge or expense paid by the consumer.

71 (9) FINANCIAL INSTITUTION. Any bank, savings and loan  
72 association, or credit union operating in Alabama which is  
73 chartered under federal or state statutes.

74 (10) NEW CONSUMER. A consumer who is engaging in a  
75 transaction at a cryptocurrency kiosk in this state for the  
76 first time or who is within the 30-day period immediately  
77 after engaging in his or her first cryptocurrency kiosk  
78 transaction.

79 (11) OPERATOR. Any person that engages in  
80 cryptocurrency business activity through a cryptocurrency  
81 kiosk located in Alabama or operates or manages a  
82 cryptocurrency kiosk.

83 (12) PRIVACY COIN. A cryptocurrency with  
84 privacy-enhancing features designed to increase anonymity and



85 reduce or eliminate the ability for the cryptocurrency to be  
86 traced using blockchain analytics and tracing software.

87 (13) TRANSACTION. A transaction conducted or performed  
88 through a cryptocurrency kiosk to purchase or sell  
89 cryptocurrency.

90 (14) TRANSACTION HASH. A unique identifier consisting  
91 of a string of characters that acts as a record of and  
92 provides proof that the transaction was verified and added to  
93 the blockchain.

94 (15) VIRTUAL WALLET. A software application or other  
95 electronic mechanism that provides a means to hold, store, or  
96 transfer cryptocurrency or nonfungible tokens.

97 (c) (1) A cryptocurrency kiosk operator shall disclose  
98 in a clear and conspicuous manner all relevant terms and  
99 conditions to use the products, services, kiosks, and other  
100 activities of the operator. The operator shall receive an  
101 acknowledgment of receipt of all disclosures required from a  
102 consumer through confirmation or consent. This disclosure  
103 shall include:

104 a. The United States dollar amount of the  
105 cryptocurrency involved in the transaction;

106 b. A listing, in United States dollars, of all fees to  
107 be collected by the cryptocurrency kiosk operator;

108 c. The total amount, in both the cryptocurrency and  
109 United States dollars, used in the transaction; and

110 d. The exchange rate clearly showing the difference  
111 between the market price of the cryptocurrency and the price  
112 of the cryptocurrency charged to the consumer.



113           (2)a. At the beginning of a transaction at a  
114 cryptocurrency kiosk, the operator shall ensure that the kiosk  
115 displays the following disclosures:

116           "WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM  
117 A STRANGER ONLINE, BY PHONE, OR BY TEXT WHO IS INITIATING A  
118 DISHONEST SCHEME OR CRIMINAL OR FRAUDULENT ACTIVITY THAT MAY  
119 APPEAR IN MANY FORMS, INCLUDING THE FOLLOWING:

120           1. COMMUNICATION INITIATED BY SOMEONE STARTING A  
121 ROMANTIC RELATIONSHIP WHO BEGINS ASKING FOR FUNDS FOR REASONS  
122 SUCH AS AN EMERGENCY OR TO PAY TO VISIT YOU.

123           2. PROMPTS TO CLICK ON DESKTOP POP-UPS THAT INCLUDE  
124 VIRUS WARNINGS OR COMMUNICATION FROM ALLEGED FAMILIAR  
125 MERCHANTS.

126           3. COMMUNICATIONS FROM SOMEONE IMPERSONATING A  
127 REPRESENTATIVE OF YOUR BANK OR A LAW ENFORCEMENT OFFICER.

128           4. CLAIMS OF A FROZEN BANK ACCOUNT OR CREDIT CARD.

129           5. CLAIMS OF A FRAUDULENT BANK TRANSACTION.

130           6. CLAIMS OF IDENTITY THEFT OR AN OFFER OF EMPLOYMENT  
131 IN EXCHANGE FOR PAYMENT.

132           7. REQUESTS FOR A PAYMENT TO A GOVERNMENT AGENCY OR  
133 COMPANY.

134           8. REQUESTS FOR DISASTER RELIEF DONATIONS OR LOANS.

135           9. OFFERS TO PURCHASE LOTTERY TICKETS, SWEEPSTAKES, OR  
136 DRAWINGS FOR VEHICLES.

137           10. CLAIMS OF WINNING A LOTTERY BUT REQUIRES UP-FRONT  
138 FEES TO BE PAID BEFORE COLLECTING ANY WINNINGS.

139           11. COMMUNICATION FROM SOMEONE OFFERING TO TEACH YOU  
140 HOW TO TRADE CRYPTOCURRENCY.



141 IF YOU BELIEVE THAT YOU ARE A VICTIM OF FRAUDULENT  
142 CONDUCT, STOP AND CALL YOUR LOCAL LAW ENFORCEMENT AGENCY AND  
143 THE CRYPTOCURRENCY KIOSK OPERATOR."

144 "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL  
145 TRANSACTIONS MAY NOT BE RECOVERABLE. TRANSACTIONS IN  
146 CRYPTOCURRENCY ARE IRREVERSIBLE. PEOPLE MAY USE CRYPTOCURRENCY  
147 TRANSACTIONS TO STEAL YOUR MONEY BY IMPERSONATING THE  
148 GOVERNMENT, ORGANIZATIONS, OR PEOPLE YOU KNOW. IMPERSONATORS  
149 MAY THREATEN JAIL TIME, CLAIM YOUR IDENTITY HAS BEEN STOLEN,  
150 ALLEGE THAT YOUR COMPUTER HAS BEEN HACKED, OR USE A NUMBER OF  
151 OTHER SCAMS. DO NOT DISCLOSE YOUR PRIVATE KEY THAT IS  
152 ASSOCIATED WITH YOUR VIRTUAL WALLET TO A THIRD PARTY. IF YOU  
153 BELIEVE THAT YOU ARE BEING SCAMMED, STOP AND CALL YOUR LOCAL  
154 LAW ENFORCEMENT AGENCY AND THE CRYPTOCURRENCY KIOSK OPERATOR."

155 b. The kiosk shall display the disclosures in a  
156 conspicuous font and a color that contrasts with the  
157 background of the kiosk screen.

158 c. Each disclosure shall appear separately on the  
159 kiosk, and both disclosures must be accepted by the consumer  
160 before the transaction may be executed.

161 (d) At the completion of each transaction, the operator  
162 shall provide the consumer who made the transaction a physical  
163 or digital receipt that contains all of the following  
164 information:

165 (1) The operator's name and contact information,  
166 including a telephone number to answer questions and register  
167 complaints.

168 (2) The type, value, date, and precise time of a



169 transaction, and each applicable receiving cryptocurrency  
170 address in its entirety. If a digital receipt is selected, the  
171 operator shall provide the entire transaction hash in addition  
172 to the aforementioned items.

173 (3) The name and contact information of the sender.

174 (4) The name and contact information of the designated  
175 recipient if known.

176 (5) Fees charged by the operator.

177 (6) The exchange rate of the applicable cryptocurrency  
178 to the United States dollar.

179 (7) A statement of the operator's refund policy.

180 (8) A statement of the refund policy required by this  
181 section.

182 (9) Any additional information required by rule or  
183 order of the commission under this chapter.

184 (e) If a consumer opts for a digital receipt pursuant  
185 to subsection (c), the operator shall provide the receipt to  
186 the email address or phone number provided by the consumer and  
187 to the commission.

188 (f) (1) A cryptocurrency kiosk operator shall use  
189 blockchain analytics and tracing software to prevent any  
190 transaction that involves a cryptocurrency address identified  
191 as being associated or affiliated with fraud or other criminal  
192 activity. If a consumer attempts to transact with a virtual  
193 wallet that is detected to be associated or affiliated with  
194 fraud or other criminal activity, the kiosk shall not execute  
195 the transaction.

196 (2)a. For a new consumer, an operator shall not accept



197 transactions of more than one thousand United States dollars  
198 (\$1,000) in cash, or the equivalent amount of foreign currency  
199 or cryptocurrency, in one calendar day, or ten thousand United  
200 States dollars (\$10,000) in cash, or the equivalent amount of  
201 foreign currency or cryptocurrency in a calendar month, from  
202 the same consumer, regardless of whether the consumer uses one  
203 or multiple kiosks in the state.

204 b. For an existing consumer, an operator shall not  
205 accept transactions of more than ten thousand five hundred  
206 United States dollars (\$10,500) in cash, or the equivalent  
207 amount of foreign currency or cryptocurrency, in one calendar  
208 day.

209 c. An operator shall use an identification verification  
210 process, operated in accordance with federal law, to verify  
211 the identity of every consumer for each transaction in order  
212 to comply with this subsection for all transactions.

213 (g) An operator shall provide enhanced due diligence  
214 protections for consumers who are 60 years of age or older.  
215 The commission shall adopt rules, pursuant to Section 8-7A-26,  
216 to implement this requirement.

217 (h) All operators headquartered in the United States  
218 shall provide live, United States-based, toll-free consumer  
219 service at all times. Operators shall prominently display the  
220 consumer service phone number on the cryptocurrency kiosk or  
221 on the kiosk screen during the transaction. The operator shall  
222 report all calls from consumers in Alabama regarding fraud to  
223 the commission upon request of the commission.

224 (i) (1) Operators shall provide a United States phone



225 number and email address to serve as a dedicated communication  
226 line between the operator and relevant government agencies.  
227 This dedicated line shall be frequently monitored and used to  
228 facilitate law enforcement and regulatory agency  
229 communications with the operator.

230 (2) At the request of the commission, an operator shall  
231 provide the requesting agency with data from the operator's  
232 blockchain analytics and tracing software or any other  
233 information regarding that data.

234 (j) (1) a. If a new consumer has been fraudulently  
235 induced to engage in a cryptocurrency kiosk transaction and  
236 has completed the requirements of subdivision (2), the  
237 operator shall issue a full refund for the fraudulently  
238 induced transaction, as well as all fees incurred through the  
239 transaction.

240 b. If an existing consumer has been fraudulently  
241 induced to engage in a cryptocurrency kiosk transaction and  
242 has completed the requirements of subdivision (2), the  
243 operator shall issue a refund for one-half of the value of the  
244 transaction, including all fees incurred through the  
245 transaction.

246 (2) The consumer shall complete all of the following to  
247 receive the refund pursuant to subdivision (1):

248 a. Contact the operator not more than 60 calendar days  
249 after the cryptocurrency kiosk transaction.

250 b. Contact a law enforcement agency, as well as the  
251 commission, not more than 60 calendar days after the  
252 transaction.



253 c. Provide the operator with a report from the law  
254 enforcement agency documenting a determination that the  
255 consumer was fraudulently induced to engage in a  
256 cryptocurrency kiosk transaction.

257 (3) A consumer who has been determined to be a victim  
258 of fraud is eligible to receive a refund regardless of whether  
259 an operator provided the disclosures prescribed in subsection  
260 (c) and the receipt required in subsection (d).

261 (4) An operator shall maintain a report of all refund  
262 requests made. The operator shall provide to the commission  
263 the name and contact information of the consumer who made the  
264 request, as well as the information on the receipt, upon  
265 request of the commission.

266 (k) An operator shall not share a kiosk with any  
267 financial institution and shall not use any signage that makes  
268 the cryptocurrency kiosk appear to be affiliated with or  
269 represented by any financial institution.

270 (l) An operator shall comply with all federal reporting  
271 requirements under the Bank Secrecy Act of 1970, Pub. L. No.  
272 91-508, the USA PATRIOT Act, Pub. L. No. 107-56, and any other  
273 reporting requirement imposed from the Financial Crimes  
274 Enforcement Network or the Office of Foreign Assets Control.

275 (m) An operator shall not permit the buying, selling,  
276 or sending of privacy coins from cryptocurrency kiosks or  
277 online platforms in any capacity.

278 (n) (1) The commission, pursuant to Section 8-7A-19, may  
279 assess a civil penalty against a person that violates this  
280 section or a rule adopted or an order issued under this



281 section.

282 (2) Any proceeding under this section pursued by the  
283 commission shall not preempt any criminal action or civil  
284 liability which may arise under any other state law.

285 Section 2. This act shall become effective on October  
286 1, 2026.