

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 920
PROPOSED COMMITTEE SUBSTITUTE H920-PCS10657-BBf-29

Short Title: Virtual Currency Kiosk Consumer Prot. Act.

(Public)

Sponsors:

Referred to:

April 14, 2025

1 A BILL TO BE ENTITLED
2 AN ACT TO ENACT THE VIRTUAL CURRENCY KIOSK CONSUMER PROTECTION
3 ACT.

4 The General Assembly of North Carolina enacts:

5 **SECTION 1.** Chapter 53 of the General Statutes is amended by adding a new Article
6 to read:

7 "Article 26.

8 "Virtual Currency Kiosk Consumer Protection Act.

9 **"§ 53-441. Short title.**

10 This Article may be cited as the Virtual Currency Kiosk Consumer Protection Act.

11 **"§ 53-442. Definitions.**

12 The following definitions apply in this Article:

- 13 (1) Bank Secrecy Act. – The Bank Secrecy Act, 31 U.S.C. § 5311, et seq., and its
14 implementing rules and regulations, as amended and recodified from time to
15 time.
- 16 (2) Blockchain. – A distributed digital ledger or database which is chronological,
17 consensus-based, decentralized, and mathematically verified in nature.
- 18 (3) Blockchain analytics. – A software service that uses data from various virtual
19 currencies and their applicable blockchains to provide a risk rating specific to
20 digital wallet addresses from users of virtual currency kiosks.
- 21 (4) Commissioner. – The Commissioner of Banks of the State of North Carolina.
- 22 (5) Digital wallet. – Hardware or software that enables individuals to store and
23 use virtual currency.
- 24 (6) Digital wallet address. – An alphanumeric identifier representing a destination
25 on a blockchain for a virtual currency transfer that is associated with a digital
26 wallet.
- 27 (7) Existing virtual currency customer. – A person whose first transaction with a
28 licensee to transmit virtual currency occurred more than 30 days ago.
- 29 (8) Federal Deposit Insurance Corporation or Securities Investor Protection
30 Corporation. – A bank, credit union, savings and loan association, trust
31 company, savings association, savings bank, industrial bank, or industrial loan
32 company organized under the laws of the United States or any state of the
33 United States, if the bank, credit union, savings and loan association, trust
34 company, savings association, savings bank, industrial bank, or industrial loan
35 company has federally insured deposits.



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- 1 (9) Fiat currency. – A medium of exchange that is authorized or adopted by the
2 United States government as part of its currency and is not backed by a
3 commodity.
- 4 (10) Individual. – A natural person.
- 5 (11) New virtual currency customer. – A person that has no previous transactions
6 with a licensee to transmit virtual currency or a person whose first transaction
7 with a licensee to transmit virtual currency occurs within the past 30 days.
- 8 (12) NMLS. – The Nationwide Multistate Licensing System and Registry
9 developed by the Conference of State Bank Supervisors and the American
10 Association of Residential Mortgage Regulators and owned and operated by
11 the State Regulatory Registry, LLC, or any successor or affiliated entity, for
12 the licensing and registration of persons in financial services industries.
- 13 (13) Spread. – The amount, in United States dollars, of any difference between the
14 United States dollar price of the virtual currency that is charged to the
15 customer and the United States dollar price of the virtual currency as listed by
16 a licensed virtual currency exchange.
- 17 (14) United States PATRIOT Act. – The Uniting and Strengthening America by
18 Providing Appropriate Tools Required to Intercept and Obstruct Terrorism
19 Act of 2001 and its implementing rules and regulations, as amended and
20 recodified from time to time.
- 21 (15) Virtual currency. – Any type of digital unit that is used as a medium of
22 exchange or a form of digitally stored value or that is incorporated into
23 payment system technology. Virtual currency shall be construed to include
24 digital units of exchange that (i) have a centralized repository or administrator,
25 (ii) are decentralized and have no centralized repository or administrator, or
26 (iii) may be created or obtained by computing or manufacturing effort. Virtual
27 currency shall not be construed to include digital units that are used (i) solely
28 within online gaming platforms with no market or application outside of such
29 gaming platforms or (ii) exclusively as part of a consumer affinity or rewards
30 program and can be applied solely as payment for purchases with the issuer
31 or other designated merchants but cannot be converted into or redeemed for
32 fiat currency.
- 33 (16) Virtual currency kiosk. – Any fully automated electronic machine owned,
34 operated, or used by a virtual currency kiosk operator that enables the owner
35 or operator to facilitate the transfer of fiat currency to a public key that is
36 recorded on the block chain, as directed by the customer.
- 37 (17) Virtual currency kiosk operator. – A corporation, limited liability company,
38 limited liability partnership, or foreign entity qualified to do business in the
39 State which operates a virtual currency kiosk within the State.

40 **"§ 53-443. Confidentiality.**

41 (a) Except as otherwise provided in this section, all information or reports obtained by
42 the Commissioner from a virtual currency kiosk operator and all information contained in or
43 related to an examination, investigation, operating report, or condition report prepared by, on
44 behalf of, or for the use of the Commissioner, are confidential and are not public records.

45 (b) Information contained in the records of the Commissioner that is not confidential and
46 may be available to the public either on the Commissioner's website, upon receipt by the
47 Commissioner of a written request, or in NMLS shall include:

- 48 (1) The name, business address, telephone number, and unique identifier of a
49 virtual currency kiosk operator;
- 50 (2) The business address of a virtual currency kiosk operator's registered agent
51 for service; and

1 (3) Copies of any final orders of the Commissioner relating to any violation of
2 this Article or rules implementing this Article.

3 **"§ 53-444. Relationship to federal law.**

4 If anything in this Article is inconsistent with federal law, including, but not limited to, the
5 Bank Secrecy Act or the United States PATRIOT Act, the applicable federal law shall govern to
6 the extent of any inconsistency.

7 **"§ 53-445. Supervision.**

8 (a) The Commissioner may request evidence of compliance with this Article or a rule
9 adopted or order issued under this Article as reasonably necessary or appropriate to administer
10 and enforce this Article, and other applicable law, including the Bank Secrecy Act and the United
11 States PATRIOT Act.

12 (b) A virtual currency kiosk operator shall provide the Commissioner all records the
13 Commissioner may reasonably require to ensure compliance with this Article.

14 **"§ 53-446. Disclosures.**

15 (a) Disclosures of Material Risks. – As part of establishing a relationship with a customer,
16 and prior to entering into an initial transaction for, on behalf of, or with the customer, each virtual
17 currency kiosk operator shall disclose in clear, conspicuous, and legible writing in the English
18 language, whether in accessible terms of service or elsewhere, all material risks associated with
19 its products, services, and activities and virtual currency generally, including disclosures
20 substantially similar to the following:

21 "Virtual currency is not legal tender, is not backed by the government, and accounts and value
22 balances are not subject to Federal Deposit Insurance Corporation or Securities Investor
23 Protection Corporation protections.

24 Transactions in virtual currency may be irreversible, and, accordingly, losses due to
25 fraudulent or accidental transactions may not be recoverable.

26 The nature of virtual currency may lead to an increased risk of fraud or cyber attack.

27 The nature of virtual currency means that any technological difficulties experienced by the
28 virtual currency kiosk operator may prevent the access or use of a customer's virtual currency.

29 Any bond or trust account maintained by the virtual currency kiosk operator for the benefit
30 of its customers may not be sufficient to cover all losses incurred by customers."

31 (b) Disclosure of General Terms and Conditions. – When opening an account for a new
32 customer, and prior to entering into an initial transaction for, on behalf of, or with the customer,
33 each virtual currency kiosk operator shall disclose in clear, conspicuous, and legible writing in
34 the English language, whether in accessible terms of service or elsewhere, all relevant terms and
35 conditions associated with its products, services, and activities and virtual currency generally,
36 including disclosures substantially similar to the following:

37 (1) The customer's liability for unauthorized virtual currency transactions.

38 (2) Under what circumstances the virtual currency kiosk operator will, absent a
39 court or government order, disclose information concerning the customer's
40 account to third parties.

41 (3) The customer's right to receive periodic account statements and valuations
42 from the virtual currency kiosk operator.

43 (4) The customer's right to receive a receipt, trade ticket, or other evidence of a
44 transaction.

45 (5) The customer's right to prior notice of a change in the virtual currency kiosk
46 operator's rules or policies.

47 (6) The amount of the transaction denominated in United States dollars as well as
48 the applicable virtual currency.

49 (7) Any fees or expenses charged by the virtual currency kiosk operator.

50 (8) Any applicable exchange rates.

1 (9) Other disclosures as are customarily given in connection with the opening of
2 customer accounts.

3 (c) Warning Disclosure. – Prior to entering into a virtual currency transaction with a
4 customer, each virtual currency kiosk operator shall ensure a warning is disclosed to a customer
5 substantially similar to the following:

6 "Customer Notice. Please Read Carefully.

7 Were you contacted by someone urging you to use this kiosk? If so, you may be the victim
8 of a scam, and you should NOT PROCEED with the transaction. Scammers often pretend to be:

9 · Your bank;

10 · Your software provider (these scammers often make contact through a pop-up message on
11 your computer);

12 · A new friend or romantic interest who needs money (or who can help you invest in
13 cryptocurrency);

14 · The police;

15 · A government agency (such as Social Security, Medicare, or the IRS);

16 · A utility;

17 · An investment advisor;

18 · A legal official (who may say that you have a criminal warrant or missed jury duty or owe
19 bail money); or

20 · A legitimate sweepstakes (claiming you won the lottery and have to prepay to receive your
21 winnings).

22 DO NOT USE THIS KIOSK under any of these circumstances or other situations where you
23 are pressured to make a payment through a kiosk. Also, you should immediately report the scam
24 to law enforcement.

25 I understand that the purchase and sale of cryptocurrency is a final irreversible and
26 nonrefundable transaction.

27 I confirm I am sending funds to a wallet I own or directly have control over. I confirm that I
28 am using funds gained from my own initiative to make my transaction."

29 (d) Disclosures Before Each Transaction. – Prior to the completion of each virtual
30 currency transaction, each virtual currency kiosk operator shall ensure the following is disclosed
31 in a clear and conspicuous manner to the customer:

32 (1) All fees and expenses associated with the transaction.

33 (2) The exchange rates.

34 (3) The spread, as defined in G.S. 53-442.

35 (4) Any customer liability.

36 **"§ 53-447. Receipts.**

37 (a) An owner of a virtual currency kiosk or a virtual currency kiosk operator, upon the
38 completion of a virtual currency transaction, shall provide to the customer a receipt containing:

39 (1) The name of, and contact information for, the owner of the virtual currency
40 kiosk or the virtual currency kiosk operator, including, without limitation, the
41 owner of the virtual currency kiosk's or the virtual currency kiosk operator's
42 business address and a customer service telephone number established by the
43 owner of a virtual currency kiosk or the virtual currency kiosk operator to
44 answer questions and register complaints.

45 (2) The name of the customer.

46 (3) The type, value, date and precise time of the virtual currency transaction,
47 transaction hash or identification number, and each virtual currency address.

48 (4) The amount of the virtual currency transaction expressed in United States
49 dollars.

50 (5) The public virtual currency address of the customer.

51 (6) The unique identifier of the virtual currency kiosk operator.

- 1 (7) Any fee charged, including, without limitation, a fee charged directly or
2 indirectly by the owner of the virtual currency kiosk or the virtual currency
3 kiosk operator or a third party involved in the virtual currency transaction.
4 (8) The exchange rate of the virtual currency to United States dollars.
5 (9) Any tax collected by the owner of the virtual currency kiosk or the virtual
6 currency kiosk operator for the virtual currency transaction.
7 (10) A statement of the liability of the owner of the virtual currency kiosk or the
8 virtual currency kiosk operator for nondelivery or delayed delivery.
9 (11) A statement of the refund policy of the owner of the virtual currency kiosk or
10 the virtual currency kiosk operator.
11 (12) The name and telephone number of the Commissioner, and a statement
12 disclosing that customers may contact the Commissioner with questions or
13 complaints about virtual currency kiosk services provided by the owner or
14 operator of the virtual currency kiosk.
15 (13) The name of the licensed virtual currency exchange the operator used to
16 calculate the spread.
17 (14) The name and contact information of the designated recipient of the
18 controllable electronic record transaction.
19 (15) Any additional information the Commissioner may require.

20 (b) The receipt required under subsection (a) of this section shall be provided as a
21 physical written receipt unless the customer requests to receive an electronic receipt. The receipt
22 shall satisfy all of the following:

- 23 (1) Have a retainable form.
24 (2) Be written in English and in the language principally used by the owner of the
25 virtual currency kiosk or the virtual currency kiosk operator to advertise,
26 solicit, or negotiate, orally or in writing.

27 **"§ 53-448. Blockchain analytics.**

28 All virtual currency kiosk operators must use blockchain analytics software to assist in the
29 prevention of sending purchased virtual currency from a virtual currency kiosk operator to a
30 digital wallet known to be affiliated with fraudulent activity at the time of a transaction. The
31 Commissioner may request evidence from any virtual currency kiosk operator of current use of
32 blockchain analytics.

33 **"§ 53-449. Customer service.**

34 All virtual currency kiosk operators performing business in the State must provide live
35 customer service, at a minimum, on Monday through Friday between 8:00 A.M. EST and 10:00
36 P.M. EST. The customer service toll-free number must be displayed on the virtual currency kiosk
37 or the virtual currency kiosk screens.

38 **"§ 53-450. Anti-fraud policy.**

39 All virtual currency kiosk operators shall take reasonable steps to detect and prevent fraud,
40 including establishing and maintaining a written anti-fraud policy. The anti-fraud policy shall, at
41 a minimum, include:

- 42 (1) The identification and assessment of fraud-related risk areas.
43 (2) Procedures and controls to protect against identified risks.
44 (3) Allocation of responsibility for monitoring risks.
45 (4) Procedures for the periodic evaluation and revision of the anti-fraud
46 procedures, controls, and monitoring mechanisms.

47 **"§ 53-451. Compliance policies.**

48 (a) Each virtual currency kiosk operator is required to comply with the provisions of this
49 Article, any lawful order, or rule, made or issued under the provisions of this Article, and all
50 applicable federal and State laws, rules, and regulations.

1 (b) Each virtual currency kiosk shall maintain, implement, and enforce written
2 compliance policies and procedures. Those policies and procedures must be reviewed and
3 approved by the virtual currency kiosk operator's board of directors or an equivalent governing
4 body of the virtual currency kiosk operator.

5 **"§ 53-452. Compliance officer.**

6 (a) Each virtual currency kiosk operator must designate and employ a compliance officer
7 with the following requirements:

8 (1) The individual must be qualified to coordinate and monitor compliance with
9 this Article and all other applicable federal and State laws, rules, and
10 regulations.

11 (2) The individual must be employed full time by the virtual currency kiosk
12 operator.

13 (3) The designated compliance officer cannot be any individual who owns more
14 than twenty percent (20%) of the virtual currency kiosk operator by whom the
15 individual is employed.

16 (b) Compliance responsibilities required under federal and State laws, rules, and
17 regulations shall be completed by full-time employees of the virtual currency kiosk operator.

18 **"§ 53-453. Consumer protection officer.**

19 Each virtual currency kiosk operator must designate and employ a consumer protection
20 officer with each of the following requirements:

21 (1) The individual must be qualified to coordinate and monitor compliance with
22 this Article and all other applicable federal and State laws, rules, and
23 regulations.

24 (2) The individual must be employed full time by the virtual currency kiosk
25 operator.

26 (3) The designated consumer protection officer cannot be an individual who owns
27 more than twenty percent (20%) of the virtual currency kiosk operator by
28 whom the individual is employed.

29 **"§ 53-454. Reporting virtual currency kiosk locations.**

30 (a) Each virtual currency kiosk operator shall submit a report of the location of each
31 virtual currency kiosk located within the State within 45 days of the end of the calendar quarter.
32 The Commissioner shall formulate a system for virtual currency kiosk operators to submit
33 location information consistent with the requirements of this section.

34 (b) The location report shall include, at a minimum, the following regarding the location
35 where a virtual currency kiosk is located:

36 (1) Company legal name.

37 (2) Any fictitious or trade name.

38 (3) Physical address.

39 (4) Start date of operation of virtual currency kiosk at location.

40 (5) End date of operation of virtual currency kiosk at location, if applicable.

41 **"§ 53-455. Money transmitter license.**

42 Any virtual currency kiosk operator who owns, operates, solicits, markets, advertises, or
43 facilitates virtual currency kiosks in this State shall be deemed to be engaged in money
44 transmission and require licensure under Article 16B of this Chapter.

45 **"§ 53-456. Virtual currency customers; daily limit; refunds; cancellation; fees.**

46 (a) Daily Limit. – A virtual currency kiosk operator shall impose a daily transaction limit
47 equivalent to the following dollar values for transmissions of virtual currency through one or
48 more of the operator's kiosks:

49 (1) One thousand dollars (\$1,000) for a new virtual currency customer.

50 (2) Two thousand five hundred dollars (\$2,500) for an existing virtual currency
51 customer.

1 (b) Refunds. – The virtual currency kiosk operator shall refund the full dollar amount
2 deposited into a kiosk if all of the following apply:

3 (1) The person was fraudulently induced to transmit the virtual currency.

4 (2) The person reported the fraudulent nature of the transmission to the virtual
5 currency kiosk operator within 30 days of the transmission.

6 (c) Cancellation of Transaction. – A customer shall have the option to cancel any
7 transaction and receive a full and immediate refund if the cancellation is done before the
8 transaction is completed. The kiosk shall provide a receipt compliant with G.S. 53-447 for any
9 cancelled transaction.

10 (d) Fees. – The aggregate fees and charges directly or indirectly charged to a customer
11 related to a single transaction or series of related transactions involving virtual currency effected
12 through a virtual currency kiosk in this State, including any difference between the price charged
13 to a customer to buy, sell, exchange, swap, or virtual currency and the prevailing market value
14 of such virtual currency at the time of such transaction, shall not exceed three percent (3%) of
15 the United States dollar equivalent of the virtual currency involved in the transaction or
16 transactions.

17 **"§ 53-457. Unfair trade practice.**

18 A violation of this Article is an unfair trade practice under G.S. 75-1.1.

19 **"§ 53-458. Facilitating or inducing a fraudulent virtual currency kiosk transaction a
20 misdemeanor.**

21 It is unlawful for any person to facilitate or induce a fraudulent virtual currency kiosk
22 transaction. Any person that violates this section is guilty of a Class 1 misdemeanor.

23 **"§ 53-459. Local government authority not preempted.**

24 Any local government may regulate virtual currency kiosks in a manner that does not conflict
25 with this Article. Nothing in this Article shall limit a local government's authority to impose
26 greater requirements or restrictions on virtual currency kiosks.

27 **"§ 53-460. Additional authorities and remedies.**

28 The implementation, administrative authority, and enforcement provisions of Article 16B of
29 this Chapter apply to this Article."

30 **SECTION 2.** If any provision of this act or its application to any person or
31 circumstance is held invalid, then the invalidity shall not affect other provisions or applications
32 of the act that can be given effect without the invalid provision or application and, to that end,
33 the provisions of this act shall be severable.

34 **SECTION 3.(a)** No later than December 1, 2026, the Commissioner shall adopt rules
35 necessary to implement the provisions of this act.

36 **SECTION 3.(b)** This section is effective when it becomes law.

37 **SECTION 4.** Unless otherwise provided, this act becomes effective December 1,
38 2026, and applies to offenses committed on or after that date.