

**HB303 ENGROSSED**



1 HB303  
2 9JC44MP-2  
3 By Representative Bedsole  
4 RFD: State Government  
5 First Read: 21-Jan-26



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A BILL  
TO BE ENTITLED  
AN ACT

Relating to cryptocurrency; to add Section 8-7A-28 to the Code of Alabama 1975; to require operators of cryptocurrency kiosks to provide certain disclosures during a transaction; to require that kiosk operators provide a receipt for a cryptocurrency transaction; to implement certain fraud protection measures for cryptocurrency kiosk transactions and require refunds for fraudulently induced transactions; and to provide for certain civil and criminal penalties.

BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

§8-7A-28

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

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

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

(2) BLOCKCHAIN ANALYTICS AND TRACING SOFTWARE. A



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29 software service that uses blockchain analytics data to  
30 provide risk-specific information and tracing of virtual  
31 currency wallet addresses, among other virtual items.

32 (3) CONSUMER. Any individual who uses a cryptocurrency  
33 kiosk.

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

37 (5) CRYPTOCURRENCY ADDRESS. An alphanumeric identifier  
38 that represents a potential destination for a cryptocurrency  
39 transfer. A cryptocurrency address is associated with a  
40 virtual wallet.

41 (6) CRYPTOCURRENCY KIOSK. A physical, electronic  
42 terminal that is a mechanical agent of the cryptocurrency  
43 kiosk operator and that enables a cryptocurrency kiosk  
44 operator to facilitate the purchase, sale, or exchange of  
45 cryptocurrency for money, bank credit, or other  
46 cryptocurrency.

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

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

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

55 (10) NEW CONSUMER. A consumer who is engaging in a  
56 transaction at a cryptocurrency kiosk in this state for the



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57 first time or who is within the 30-day period immediately  
58 after engaging in his or her first cryptocurrency kiosk  
59 transaction.

60 (11) OPERATOR. Any person that engages in  
61 cryptocurrency business activity through a cryptocurrency  
62 kiosk located in Alabama or operates or manages a  
63 cryptocurrency kiosk.

64 (12) PRIVACY COIN. A cryptocurrency with  
65 privacy-enhancing features designed to increase anonymity and  
66 reduce or eliminate the ability for the cryptocurrency to be  
67 traced using blockchain analytics and tracing software.

68 (13) TRANSACTION. A transaction conducted or performed  
69 through a cryptocurrency kiosk to purchase or sell  
70 cryptocurrency.

71 (14) TRANSACTION HASH. A unique identifier consisting  
72 of a string of characters that acts as a record of and  
73 provides proof that the transaction was verified and added to  
74 the blockchain.

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

78 (c) (1) A cryptocurrency kiosk operator shall disclose  
79 in a clear and conspicuous manner all relevant terms and  
80 conditions to use the products, services, kiosks, and other  
81 activities of the operator. The operator shall receive an  
82 acknowledgment of receipt of all disclosures required from a  
83 consumer through confirmation or consent. This disclosure  
84 shall include:



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85 a. The United States dollar amount of the  
86 cryptocurrency involved in the transaction;

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

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

91 d. The exchange rate clearly showing the difference  
92 between the market price of the cryptocurrency and the price  
93 of the cryptocurrency charged to the consumer.

94 (2)a. At the beginning of a transaction at a  
95 cryptocurrency kiosk, the operator shall ensure that the kiosk  
96 displays the following disclosures:

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

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

104 2. PROMPTS TO CLICK ON DESKTOP POP-UPS THAT INCLUDE  
105 VIRUS WARNINGS OR COMMUNICATION FROM ALLEGED FAMILIAR  
106 MERCHANTS.

107 3. COMMUNICATIONS FROM SOMEONE IMPERSONATING A  
108 REPRESENTATIVE OF YOUR BANK OR A LAW ENFORCEMENT OFFICER.

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

110 5. CLAIMS OF A FRAUDULENT BANK TRANSACTION.

111 6. CLAIMS OF IDENTITY THEFT OR AN OFFER OF EMPLOYMENT  
112 IN EXCHANGE FOR PAYMENT.



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113           7. REQUESTS FOR A PAYMENT TO A GOVERNMENT AGENCY OR  
114 COMPANY.

115           8. REQUESTS FOR DISASTER RELIEF DONATIONS OR LOANS.

116           9. OFFERS TO PURCHASE LOTTERY TICKETS, SWEEPSTAKES, OR  
117 DRAWINGS FOR VEHICLES.

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

120           11. COMMUNICATION FROM SOMEONE OFFERING TO TEACH YOU  
121 HOW TO TRADE CRYPTOCURRENCY.

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

125           "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL  
126 TRANSACTIONS MAY NOT BE RECOVERABLE. TRANSACTIONS IN  
127 CRYPTOCURRENCY ARE IRREVERSIBLE. PEOPLE MAY USE CRYPTOCURRENCY  
128 TRANSACTIONS TO STEAL YOUR MONEY BY IMPERSONATING THE  
129 GOVERNMENT, ORGANIZATIONS, OR PEOPLE YOU KNOW. IMPERSONATORS  
130 MAY THREATEN JAIL TIME, CLAIM YOUR IDENTITY HAS BEEN STOLEN,  
131 ALLEGE THAT YOUR COMPUTER HAS BEEN HACKED, OR USE A NUMBER OF  
132 OTHER SCAMS. DO NOT DISCLOSE YOUR PRIVATE KEY THAT IS  
133 ASSOCIATED WITH YOUR VIRTUAL WALLET TO A THIRD PARTY. IF YOU  
134 BELIEVE THAT YOU ARE BEING SCAMMED, STOP AND CALL YOUR LOCAL  
135 LAW ENFORCEMENT AGENCY AND THE CRYPTOCURRENCY KIOSK OPERATOR."

136           b. The kiosk shall display the disclosures in a  
137 conspicuous font and a color that contrasts with the  
138 background of the kiosk screen.

139           c. Each disclosure shall appear separately on the  
140 kiosk, and both disclosures must be accepted by the consumer



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141 before the transaction may be executed.

142 (d) At the completion of each transaction, the operator  
143 shall provide the consumer who made the transaction a physical  
144 or digital receipt that contains all of the following  
145 information:

146 (1) The operator's name and contact information,  
147 including a telephone number to answer questions and register  
148 complaints.

149 (2) The type, value, date, and precise time of a  
150 transaction, and each applicable receiving cryptocurrency  
151 address in its entirety. If a digital receipt is selected, the  
152 operator shall provide the entire transaction hash in addition  
153 to the aforementioned items.

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

155 (4) The name and contact information of the designated  
156 recipient if known.

157 (5) Fees charged by the operator.

158 (6) The exchange rate of the applicable cryptocurrency  
159 to the United States dollar.

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

161 (8) A statement of the refund policy required by this  
162 section.

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

165 (e) If a consumer opts for a digital receipt pursuant  
166 to subsection (c), the operator shall provide the receipt to  
167 the email address or phone number provided by the consumer and  
168 to the commission.



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169 (f) (1) A cryptocurrency kiosk operator shall use  
170 blockchain analytics and tracing software to prevent any  
171 transaction that involves a cryptocurrency address identified  
172 as being associated or affiliated with fraud or other criminal  
173 activity. If a consumer attempts to transact with a virtual  
174 wallet that is detected to be associated or affiliated with  
175 fraud or other criminal activity, the kiosk shall not execute  
176 the transaction.

177 (2)a. For a new consumer, an operator shall not accept  
178 transactions of more than one thousand United States dollars  
179 (\$1,000) in cash, or the equivalent amount of foreign currency  
180 or cryptocurrency, in one calendar day, or ten thousand United  
181 States dollars (\$10,000) in cash, or the equivalent amount of  
182 foreign currency or cryptocurrency in a calendar month, from  
183 the same consumer, regardless of whether the consumer uses one  
184 or multiple kiosks in the state.

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

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

194 (g) An operator shall provide enhanced due diligence  
195 protections for consumers who are 60 years of age or older.  
196 The commission shall adopt rules, pursuant to Section 8-7A-26,



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197 to implement this requirement.

198 (h) All operators headquartered in the United States  
199 shall provide live, United States-based, toll-free consumer  
200 service at all times. Operators shall prominently display the  
201 consumer service phone number on the cryptocurrency kiosk or  
202 on the kiosk screen during the transaction. The operator shall  
203 report all calls from consumers in Alabama regarding fraud to  
204 the commission upon request of the commission.

205 (i) (1) Operators shall provide a United States phone  
206 number and email address to serve as a dedicated communication  
207 line between the operator and relevant government agencies.  
208 This dedicated line shall be frequently monitored and used to  
209 facilitate law enforcement and regulatory agency  
210 communications with the operator.

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

215 (j) (1) a. If a new consumer has been fraudulently  
216 induced to engage in a cryptocurrency kiosk transaction and  
217 has completed the requirements of subdivision (2), the  
218 operator shall issue a full refund for the fraudulently  
219 induced transaction, as well as all fees incurred through the  
220 transaction.

221 b. If an existing consumer has been fraudulently  
222 induced to engage in a cryptocurrency kiosk transaction and  
223 has completed the requirements of subdivision (2), the  
224 operator shall issue a refund for one-half of the value of the



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225 transaction, including all fees incurred through the  
226 transaction.

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

229 a. Contact the operator not more than 60 calendar days  
230 after the cryptocurrency kiosk transaction.

231 b. Contact a law enforcement agency, as well as the  
232 commission, not more than 60 calendar days after the  
233 transaction.

234 c. Provide the operator with a report from the law  
235 enforcement agency documenting a determination that the  
236 consumer was fraudulently induced to engage in a  
237 cryptocurrency kiosk transaction.

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

242 (4) An operator shall maintain a report of all refund  
243 requests made. The operator shall provide to the commission  
244 the name and contact information of the consumer who made the  
245 request, as well as the information on the receipt, upon  
246 request of the commission.

247 (k) An operator shall not share a kiosk with any  
248 financial institution and shall not use any signage that makes  
249 the cryptocurrency kiosk appear to be affiliated with or  
250 represented by any financial institution.

251 (l) An operator shall comply with all federal reporting  
252 requirements under the Bank Secrecy Act of 1970, Pub. L. No.



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253 91-508, the USA PATRIOT Act, Pub. L. No. 107-56, and any other  
254 reporting requirement imposed from the Financial Crimes  
255 Enforcement Network or the Office of Foreign Assets Control.

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

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

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

266 Section 2. This act shall become effective on October  
267 1, 2026.



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## House of Representatives

271 Read for the first time and referred .....21-Jan-26  
272 to the House of Representatives  
273 committee on State Government  
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275 Read for the second time and placed .....05-Feb-26  
276 on the calendar:  
277 0 amendments  
278  
279 Read for the third time and passed .....24-Feb-26  
280 as amended  
281 Yeas 102  
282 Nays 1  
283 Abstains 0  
284  
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John Treadwell  
Clerk