

HB303 ENROLLED



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



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1 Enrolled, An Act,

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

12 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

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

15 §8-7A-28

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

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

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

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

27 (3) CONSUMER. Any individual who uses a cryptocurrency
28 kiosk.



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

32 (5) CRYPTOCURRENCY ADDRESS. An alphanumeric identifier
33 that represents a potential destination for a cryptocurrency
34 transfer. A cryptocurrency address is associated with a
35 virtual wallet.

36 (6) CRYPTOCURRENCY KIOSK. A physical, electronic
37 terminal that is a mechanical agent of the cryptocurrency
38 kiosk operator and that enables a cryptocurrency kiosk
39 operator to facilitate the purchase, sale, or exchange of
40 cryptocurrency for money, bank credit, or other
41 cryptocurrency.

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

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

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

50 (10) NEW CONSUMER. A consumer who is engaging in a
51 transaction at a cryptocurrency kiosk in this state for the
52 first time or who is within the 30-day period immediately
53 after engaging in his or her first cryptocurrency kiosk
54 transaction.

55 (11) OPERATOR. Any person that engages in
56 cryptocurrency business activity through a cryptocurrency



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57 kiosk located in Alabama or operates or manages a
58 cryptocurrency kiosk.

59 (12) PRIVACY COIN. A cryptocurrency with
60 privacy-enhancing features designed to increase anonymity and
61 reduce or eliminate the ability for the cryptocurrency to be
62 traced using blockchain analytics and tracing software.

63 (13) TRANSACTION. A transaction conducted or performed
64 through a cryptocurrency kiosk to purchase or sell
65 cryptocurrency.

66 (14) TRANSACTION HASH. A unique identifier consisting
67 of a string of characters that acts as a record of and
68 provides proof that the transaction was verified and added to
69 the blockchain.

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

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

80 a. The United States dollar amount of the
81 cryptocurrency involved in the transaction;

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

84 c. The total amount, in both the cryptocurrency and



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85 United States dollars, used in the transaction; and

86 d. The exchange rate clearly showing the difference
87 between the market price of the cryptocurrency and the price
88 of the cryptocurrency charged to the consumer.

89 (2)a. At the beginning of a transaction at a
90 cryptocurrency kiosk, the operator shall ensure that the kiosk
91 displays the following disclosures:

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

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

99 2. PROMPTS TO CLICK ON DESKTOP POP-UPS THAT INCLUDE
100 VIRUS WARNINGS OR COMMUNICATION FROM ALLEGED FAMILIAR
101 MERCHANTS.

102 3. COMMUNICATIONS FROM SOMEONE IMPERSONATING A
103 REPRESENTATIVE OF YOUR BANK OR A LAW ENFORCEMENT OFFICER.

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

105 5. CLAIMS OF A FRAUDULENT BANK TRANSACTION.

106 6. CLAIMS OF IDENTITY THEFT OR AN OFFER OF EMPLOYMENT
107 IN EXCHANGE FOR PAYMENT.

108 7. REQUESTS FOR A PAYMENT TO A GOVERNMENT AGENCY OR
109 COMPANY.

110 8. REQUESTS FOR DISASTER RELIEF DONATIONS OR LOANS.

111 9. OFFERS TO PURCHASE LOTTERY TICKETS, SWEEPSTAKES, OR
112 DRAWINGS FOR VEHICLES.



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

115 11. COMMUNICATION FROM SOMEONE OFFERING TO TEACH YOU
116 HOW TO TRADE CRYPTOCURRENCY.

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

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

131 b. The kiosk shall display the disclosures in a
132 conspicuous font and a color that contrasts with the
133 background of the kiosk screen.

134 c. Each disclosure shall appear separately on the
135 kiosk, and both disclosures must be accepted by the consumer
136 before the transaction may be executed.

137 (d) At the completion of each transaction, the operator
138 shall provide the consumer who made the transaction a physical
139 or digital receipt that contains all of the following
140 information:



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141 (1) The operator's name and contact information,
142 including a telephone number to answer questions and register
143 complaints.

144 (2) The type, value, date, and precise time of a
145 transaction, and each applicable receiving cryptocurrency
146 address in its entirety. If a digital receipt is selected, the
147 operator shall provide the entire transaction hash in addition
148 to the aforementioned items.

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

150 (4) The name and contact information of the designated
151 recipient if known.

152 (5) Fees charged by the operator.

153 (6) The exchange rate of the applicable cryptocurrency
154 to the United States dollar.

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

156 (8) A statement of the refund policy required by this
157 section.

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

160 (e) If a consumer opts for a digital receipt pursuant
161 to subsection (c), the operator shall provide the receipt to
162 the email address or phone number provided by the consumer and
163 to the commission.

164 (f) (1) A cryptocurrency kiosk operator shall use
165 blockchain analytics and tracing software to prevent any
166 transaction that involves a cryptocurrency address identified
167 as being associated or affiliated with fraud or other criminal
168 activity. If a consumer attempts to transact with a virtual



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169 wallet that is detected to be associated or affiliated with
170 fraud or other criminal activity, the kiosk shall not execute
171 the transaction.

172 (2)a. For a new consumer, an operator shall not accept
173 transactions of more than one thousand United States dollars
174 (\$1,000) in cash, or the equivalent amount of foreign currency
175 or cryptocurrency, in one calendar day, or ten thousand United
176 States dollars (\$10,000) in cash, or the equivalent amount of
177 foreign currency or cryptocurrency in a calendar month, from
178 the same consumer, regardless of whether the consumer uses one
179 or multiple kiosks in the state.

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

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

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

193 (h) All operators headquartered in the United States
194 shall provide live, United States-based, toll-free consumer
195 service at all times. Operators shall prominently display the
196 consumer service phone number on the cryptocurrency kiosk or



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197 on the kiosk screen during the transaction. The operator shall
198 report all calls from consumers in Alabama regarding fraud to
199 the commission upon request of the commission.

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

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

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

216 b. If an existing consumer has been fraudulently
217 induced to engage in a cryptocurrency kiosk transaction and
218 has completed the requirements of subdivision (2), the
219 operator shall issue a refund for one-half of the value of the
220 transaction, including all fees incurred through the
221 transaction.

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

224 a. Contact the operator not more than 60 calendar days



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225 after the cryptocurrency kiosk transaction.

226 b. Contact a law enforcement agency, as well as the
227 commission, not more than 60 calendar days after the
228 transaction.

229 c. File a report with a law enforcement agency or the
230 commission regarding the fraudulently induced transaction.

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

235 (4) An operator shall maintain a report of all refund
236 requests made. The operator shall provide to the commission
237 the name and contact information of the consumer who made the
238 request, as well as the information on the receipt, upon
239 request of the commission.

240 (k) An operator shall not share a kiosk with any
241 financial institution and shall not use any signage that makes
242 the cryptocurrency kiosk appear to be affiliated with or
243 represented by any financial institution.

244 (1) An operator shall comply with all federal reporting
245 requirements under the Bank Secrecy Act of 1970, Pub. L. No.
246 91-508, the USA PATRIOT Act, Pub. L. No. 107-56, and any other
247 reporting requirement imposed from the Financial Crimes
248 Enforcement Network or the Office of Foreign Assets Control.

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

252 (n) (1) The commission, pursuant to Section 8-7A-19, may



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253 assess a civil penalty against a person that violates this
254 section or a rule adopted or an order issued under this
255 section.

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

259 Section 2. This act shall become effective on October
260 1, 2026.



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Speaker of the House of Representatives

President and Presiding Officer of the Senate

House of Representatives

I hereby certify that the within Act originated in and was passed by the House 24-Feb-26, as amended.

John Treadwell
Clerk

Senate	<hr/> 17-Mar-26 <hr/>	Amended and Passed
House	<hr/> 31-Mar-26 <hr/>	Concurred in Senate Amendment