

HB303 INTRODUCED



1 HB303
2 JPEE3YY-1
3 By Representative Bedsole
4 RFD: State Government
5 First Read: 21-Jan-26



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4 SYNOPSIS:

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

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A BILL

TO BE ENTITLED

AN ACT

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

HB303 INTRODUCED



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) CHARGE. A fee or expense paid by the consumer.

52 (4) CONSUMER. Any individual who uses a cryptocurrency
53 kiosk.

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



HB303 INTRODUCED

57 (6) CRYPTOCURRENCY ADDRESS. An alphanumeric identifier
58 that represents a potential destination for a cryptocurrency
59 transfer. A cryptocurrency address is associated with a
60 virtual wallet.

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

67 (8) FINANCIAL INSTITUTION. Any bank, savings and loan
68 association, or credit union operating in Alabama which is
69 chartered under federal or state statutes.

70 (9) OPERATOR. Any person that engages in cryptocurrency
71 business activity through a cryptocurrency kiosk located in
72 Alabama or operates or manages a cryptocurrency kiosk.

73 (10) PRIVACY COIN. A cryptocurrency with
74 privacy-enhancing features designed to increase anonymity and
75 reduce or eliminate the ability for the cryptocurrency to be
76 traced using blockchain analytics and tracing software.

77 (11) TRANSACTION. A transaction conducted or performed
78 through a cryptocurrency kiosk to purchase or sell
79 cryptocurrency.

80 (12) TRANSACTION HASH. A unique identifier made up of a
81 string of characters that acts as a record of and provides
82 proof that the transaction was verified and added to the
83 blockchain.

84 (13) VIRTUAL WALLET. A software application or other



85 electronic mechanism that provides a means to hold, store, or
86 transfer cryptocurrency or nonfungible tokens.

87 (c) (1) A cryptocurrency kiosk operator shall disclose
88 in a clear and conspicuous manner all relevant terms and
89 conditions to use the products, services, kiosks, and other
90 activities of the operator. The operator shall receive an
91 acknowledgment of receipt of all disclosures required from a
92 consumer through confirmation or consent. This disclosure
93 shall include:

94 a. The United States dollar amount of the
95 cryptocurrency involved in the transaction;

96 b. A listing, in United States dollars, of all fees and
97 other charges to be collected by the cryptocurrency kiosk
98 operator;

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

101 d. The exchange rate clearly showing the difference
102 between the market price of the cryptocurrency and the price
103 of the cryptocurrency charged to the consumer.

104 (2)a. At the beginning of a transaction at a
105 cryptocurrency kiosk, the operator shall ensure that the kiosk
106 displays the following disclosures:

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

111 1. COMMUNICATION INITIATED BY SOMEONE STARTING A
112 ROMANTIC RELATIONSHIP WHO BEGINS ASKING FOR FUNDS FOR REASONS

HB303 INTRODUCED



113 SUCH AS AN EMERGENCY OR TO PAY TO VISIT YOU.

114 2. PROMPTS TO CLICK ON DESKTOP POP-UPS THAT INCLUDE
115 VIRUS WARNINGS OR COMMUNICATION FROM ALLEGED FAMILIAR
116 MERCHANTS.

117 3. COMMUNICATIONS FROM SOMEONE IMPERSONATING A
118 REPRESENTATIVE OF YOUR BANK OR A LAW ENFORCEMENT OFFICER.

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

120 5. CLAIMS OF A FRAUDULENT BANK TRANSACTION.

121 6. CLAIMS OF IDENTITY THEFT OR AN OFFER OF EMPLOYMENT
122 IN EXCHANGE FOR PAYMENT.

123 7. REQUESTS FOR A PAYMENT TO A GOVERNMENT AGENCY OR
124 COMPANY.

125 8. REQUESTS FOR DISASTER RELIEF DONATIONS OR LOANS.

126 9. OFFERS TO PURCHASE LOTTERY TICKETS, SWEEPSTAKES, OR
127 DRAWINGS FOR VEHICLES.

128 10. CLAIMS OF WINNING A LOTTERY BUT REQUIRES UP-FRONT
129 FEES TO BE PAID BEFORE COLLECTING ANY Winnings.

130 11. COMMUNICATION FROM SOMEONE OFFERING TO TEACH YOU
131 HOW TO TRADE CRYPTOCURRENCY.

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

135 "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL
136 TRANSACTIONS MAY NOT BE RECOVERABLE. TRANSACTIONS IN
137 CRYPTOCURRENCY ARE IRREVERSIBLE. PEOPLE MAY USE CRYPTOCURRENCY
138 TRANSACTIONS TO STEAL YOUR MONEY BY IMPERSONATING THE
139 GOVERNMENT, ORGANIZATIONS, OR PEOPLE YOU KNOW. IMPERSONATORS
140 MAY THREATEN JAIL TIME, CLAIM YOUR IDENTITY HAS BEEN STOLEN,



141 ALLEGE THAT YOUR COMPUTER HAS BEEN HACKED, OR USE A NUMBER OF
142 OTHER SCAMS. DO NOT DISCLOSE YOUR PRIVATE KEY THAT IS
143 ASSOCIATED WITH YOUR VIRTUAL WALLET TO A THIRD PARTY. IF YOU
144 BELIEVE THAT YOU ARE BEING SCAMMED, STOP AND CALL YOUR LOCAL
145 LAW ENFORCEMENT AGENCY AND THE CRYPTOCURRENCY KIOSK OPERATOR."

146 b. The kiosk shall display the disclosures in a
147 conspicuous font and a color that contrasts with the
148 background of the kiosk screen.

149 c. Each disclosure shall appear separately on the
150 kiosk, and both disclosures must be accepted by the consumer
151 before the transaction may be executed.

152 (d) At the completion of each transaction, the operator
153 shall provide the consumer who made the transaction a physical
154 or digital receipt that contains all of the following
155 information:

156 (1) The operator's name and contact information,
157 including a telephone number to answer questions and register
158 complaints.

159 (2) The type, value, date, and precise time of a
160 transaction, and each applicable receiving cryptocurrency
161 address in its entirety. If a digital receipt is selected, the
162 operator shall provide the entire transaction hash in addition
163 to the aforementioned items.

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

165 (4) The name and contact information of the designated
166 recipient if known.

167 (5) Fees charged by the operator.

168 (6) The exchange rate of the applicable cryptocurrency

HB303 INTRODUCED



169 to the United States dollar.

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

171 (8) A statement of the refund policy required by this
172 section.

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

175 (e) If a consumer opts for a digital receipt pursuant
176 to subsection (c), the operator shall provide the receipt to
177 the email address provided by the consumer and to the
178 commission.

179 (f) (1) A cryptocurrency kiosk operator shall use
180 blockchain analytics and tracing software to prevent any
181 transaction that involves a cryptocurrency address identified
182 as being associated or affiliated with fraud or other criminal
183 activity. If a consumer attempts to transact with a virtual
184 wallet that is detected to be associated or affiliated with
185 fraud or other criminal activity, the kiosk shall not execute
186 the transaction.

187 (2) An operator shall not accept transactions of more
188 than one thousand United States dollars (\$1,000) in cash, or
189 the equivalent amount of foreign currency, or cryptocurrency
190 in one calendar day, or ten thousand United States dollars
191 (\$10,000) in cash, the equivalent amount of foreign currency,
192 or cryptocurrency in a calendar month, from the same consumer,
193 regardless of whether the consumer uses one or multiple kiosks
194 in the state. An operator shall use an identification
195 verification process to verify the identity of every consumer
196 for each transaction in order to comply with this subsection.



197 (g) All operators conducting business in the state
198 shall provide live, United States-based, toll-free consumer
199 service at all times. Operators shall prominently display the
200 consumer service phone number on the cryptocurrency kiosk or
201 on the kiosk screen during the transaction. The operator shall
202 report all calls regarding fraud from consumers in Alabama to
203 the commission within two business days of the call.

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

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

214 (i) (1) If a consumer has been fraudulently induced to
215 engage in a cryptocurrency kiosk transaction, the operator
216 shall issue a full refund for the fraudulently induced
217 transaction, including all fees and other charges incurred
218 through the transaction, if the consumer does all of the
219 following:

220 a. Contacts the operator not more than 60 calendar days
221 after the cryptocurrency kiosk transaction.

222 b. Contacts a law enforcement agency, including the
223 commission, not more than 60 calendar days after the
224 transaction.



225 c. Provides the operator with a report from the law
226 enforcement agency documenting a determination that the
227 consumer was fraudulently induced to engage in a
228 cryptocurrency kiosk transaction.

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

233 (3) An operator shall notify the commission of all
234 refund requests made within 72 hours of the request. The
235 operator shall provide to the commission the name and contact
236 information of the consumer who made the request, as well as
237 the information on the receipt if the receipt was printed.

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

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

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

250 (m) The transaction limits and protections provided for
251 in this act shall apply to all products or services offered by
252 an operator through a cryptocurrency kiosk. Operators shall

HB303 INTRODUCED



253 not use any alternative method including, but not limited to,
254 online portals, affiliated kiosks, or over-the-counter
255 transactions, to evade or exceed the limits provided for in
256 this section.

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

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

264 Section 2. This act shall become effective on October
265 1, 2026.