

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Banking and Insurance

BILL: SB 292

INTRODUCER: Senator Burton

SUBJECT: Virtual Currency Kiosk Businesses

DATE: March 24, 2025

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|--------------|----------------|------------|--------------------|
| 1. | <u>Moody</u> | <u>Knudson</u> | <u>BI</u> | <u>Pre-meeting</u> |
| 2. | _____ | _____ | <u>AEG</u> | _____ |
| 3. | _____ | _____ | <u>FP</u> | _____ |

I. Summary:

SB 292 establishes a regulatory framework for virtual currency kiosk businesses and provides protections for users of the kiosks by requiring such businesses to register with the Office of Financial Regulation (OFR), requiring certain disclosures, restricting the name under which such business may transact, and providing penalties for specified violations of the part. The Legislative intent of the bill is, in summary, to reduce unlawful and fraudulent activities. The bill provides the OFR is responsible for supervising virtual currency kiosk businesses and authorizes the Financial Services Commission (Commission) to adopt rules to regulate them.

The bill has a minimal impact on state revenue and expenditures that will be absorbed within the OFR's current budget. *See* Section V. Fiscal Impact Statement.

Except as otherwise provided, the bill is effective January 1, 2026.

II. Present Situation:

A virtual currency kiosk, also known as a cryptocurrency kiosk or a Bitcoin automatic teller machine (ATM), is a physical machine that enables customers to exchange virtual currencies for fiat currency or other virtual currencies.¹ As of March 2025, there were almost 30,000 virtual currency kiosks in the United States.² Consumers are typically charged fees between 9 percent

¹ National Association of Attorneys General, *Your Bitcoin on Every Block: An Introduction to Cryptocurrency Kiosks*, May 4, 2022, available at [Your Bitcoin on Every Block: An Introduction to Cryptocurrency Kiosks \(naag.org\)](https://naag.org/your-bitcoin-on-every-block-an-introduction-to-cryptocurrency-kiosks) (last visited Mar. 17, 2025) (hereinafter cited as "Attorneys General Article on Cryptocurrency Kiosks").

² Coin ATM Radar, *Bitcoin ATM Installations Growth (United States)*, available at [Bitcoin ATM Installation Growth in United States](https://coinatmradar.com/bitcoin-atm-installation-growth-in-united-states/) (last visited Mar. 17, 2025).

and 12 percent of the value of the transaction but such fees may range from four percent to greater than 20 percent of the value of a transaction.³

A virtual currency kiosk may be unidirectional, only allowing the sale of virtual currency, or bidirectional, allowing for both the sale and purchase of virtual currency.⁴ To purchase virtual currency from a kiosk, a consumer may store the purchased virtual currency in their own wallet or send the currency to a third party's wallet if the purchaser has a quick response (QR) code to that person's wallet.⁵ To sell virtual currency from a kiosk, a user deposits virtual currency into the machine's wallet, which is usually done by use of a QR code displayed on the kiosk's screen, and the kiosk dispenses cash when the transaction is completed.⁶

Federal Regulation

Financial Crimes Enforcement Network ("FinCEN"), a bureau of the United States Department of Treasury⁷ is responsible for safeguarding the financial system from illegal use, combatting money laundering and related crimes, and promoting national security.⁸ Unless an exception applies, a money services business⁹ (MSB) must register with FinCEN.¹⁰ A MSB registration period is a two-calendar-year period.¹¹ Any person who fails to comply with the registration requirements is liable for a civil penalty of \$5,000 for each violation.¹² A MSB must develop, implement, and maintain an anti-money laundering program, which includes, amongst other things, verifying customer identification.¹³ A MSB must also comply with anti-money laundering reporting requirements, such as reporting certain payment transactions by, through, or to the MSB which involves a transaction more than \$10,000.¹⁴

³ Attorneys General Article on Cryptocurrency Kiosks

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ 31 C.F.R. s. 1010.100(s).

⁸ The U.S. Treasury Financial Crimes Enforcement Network, *Financial Crimes Enforcement Network: Mission*, available at [Mission | FinCEN.gov](https://www.fincen.gov/mission) (last visited Mar. 18, 2025).

⁹ "Money services business" is defined as a person wherever located doing business, whether or not on a regular basis or as an organized or licensed business concern, wholly or in substantial part within the United States, in one or more of the capacities specified under federal law. 31 C.F.R. s. 1010.100(ff).

¹⁰ 31 C.F.R. s. 1022.380(a).

¹¹ 31 C.F.R. s. 1022.380(b).

¹² 31 C.F.R. s. 1022.380(e) (providing that each day a violation continues constitutes a separate violation).

¹³ 31 C.F.R. s. 1022.210.

¹⁴ 31 C.F.R. s. 1010.311.

FinCEN has issued guidance that, unless an exception applies, an administrator¹⁵ or exchanger¹⁶ that: (a) accepts or transmits, or (b) buys or sells, virtual currency¹⁷ is a money transmitter that are subject to money services business registration, reporting, and recordkeeping requirements.¹⁸ Therefore, FinCEN treats virtual currency kiosk operators as MSBs, subject to registration regulations.¹⁹ Notwithstanding this requirement, the United States Government Accountability Office (“GAO”) reports that only 164 of the estimated 297 kiosk operators in the United States were registered in 2020, which has contributed to federal agencies, such as FinCEN, facing challenges in identifying virtual currency kiosk locations.²⁰

Florida Regulation of Consumer Finance

The Florida Office of Financial Regulation (OFR) is responsible for all activities of the Financial Services Commission (Commission) relating to the regulation of banks, credit unions, other financial institutions, finance companies, and the securities industry.²¹

Money Services Businesses

As part the OFR’s responsibilities, the OFR oversees MSBs. As of December 31, 2024, there were a total of 650 MSBs licensed by the OFR.²² A MSB includes any person located or doing business in Florida who acts as, amongst other things, a money transmitter.²³ “Money transmitter” means a corporation, limited liability company, limited liability partnership, or foreign entity qualified to do business in Florida which receives currency, monetary value, a payment instrument, or virtual currency²⁴ for the purpose of acting as an intermediary to transmit

¹⁵ “Administrator” is defined as “a person engaged as a business in issuing (putting into circulation) a virtual currency, and who has the authority to redeem (to withdraw from circulation) such virtual currency.” The U. S. Treasury FinCEN, *Application of FinCEN’s Regulations to Persons Administering, Exchanging, or Using Virtual Currencies*, Mar. 18, 2013, available at [Application of FinCEN’s Regulations to Persons Administering, Exchanging, or Using Virtual Currencies | FinCEN.gov](https://www.fincen.gov/application-of-fincen-s-regulations-to-persons-administering-exchanging-or-using-virtual-currencies) (last visited Mar. 18, 2025) (hereinafter cited as “FinCEN Guidance on Persons Administering, Exchanging, or Using Virtual Currency”).

¹⁶ “Exchanger” is defined as “a person engaged as a business in the exchange of virtual currency for real currency, funds, or other virtual currency.” *Id.*

¹⁷ “Virtual Currency” is defined “as a medium of exchange that operates like a currency in some environments, but does not have all of attributes of real currency.” “Convertible” virtual currency has an equivalent value in real currency, or acts as a substitute for real currency. *Id.*

¹⁸ FinCEN Guidance on Persons Administering, Exchanging, or Using Virtual Currency. “Money transmitter” is defined as “a person who provides money transmitter services, which means the acceptance of currency, funds, or other value that substitutes for currency from one person and the transmission of currency, funds, or other value that substitutes for currency to another location or person by any means.” “Any means” includes, but is not limited to, “a financial agency or institution, a Federal Reserve Bank, an electronic funds transfer network, or an informal value transfer system.”

¹⁹ 31 C.F.R. s. 1010.100(ff)(5)(A).

²⁰ *Id.*; See also Article on US GAO Urges New Virtual Currency Regulations.

²¹ The GAO, *Virtual Currencies Additional Information Could Improve Federal Agency Efforts to Counter Human and Drug Trafficking [Reissued with Revisions Feb. 7, 2022]*, GAO-22-105462, Published: Dec. 8, 2021, Publicly Released: Jan. 10, 2022, available at <https://www.gao.gov/products/gao-22-105462> (last visited Mar. 18, 2025).

²² Section 20.121(3)(a)2., F.S.

²³ Email from Jason Holloway, Director of Fintech Policy, OFR to Jacqueline Moody, Florida Senate Committee on Banking and Insurance, Senior Attorney, *Re: SB 292 – Virtual Currency Kiosk*, (Mar. 18, 2025) (on file with the Senate Committee on Banking and Insurance).

²⁴ Section 560.103(23), F.S.

²⁵ Section 560.103(36), F.S., defines “virtual currency” as a medium of exchange in electronic or digital format that is not currency. The term does not include a medium of exchange in electronic or digital format that is: (a) issued by or on behalf of

currency, monetary value, a payment instrument, or virtual currency from one person to another location or person by means, including transmission by wire, facsimile, electronic transfer, courier, the Internet, or through bill payment services or other businesses that facilitate such transfer within this country, or to or from this country. The term includes only an intermediary that can unilaterally execute or indefinitely prevent a transaction.²⁵ Money transmitters reported \$421,802,013,929 in transmissions during the Fiscal Year 2023-2024.²⁶

Licenses issued to MSBs are valid until April 30 of the second year following the date of issuance and are valid for two years.²⁷ A MSB that does not renew its license by April 30 of their expiration year are deemed inactive and, if the license is not reactivated within 60 days, the license will permanently expire.²⁸ An MSB must submit any application required by rule and pay the renewal or reactivation fee online via the Regulatory Enforcement and Licensing (REAL) System to renew or reactivate a license.²⁹

Once licensed, an MSB is required to report any change in control persons.^{30,31} If any person, directly or indirectly or acting by or through one or more persons, proposes to purchase or acquire a controlling interest in an MSB, such person or group must submit a new application for licensure at least 30 days before such purchase or acquisition.³² Such a change of control application is not required where the person or group of persons has previously complied with applicable licensing provisions, provided that they are currently affiliated with the MSB, or

a publisher or offered on the same game platform; or (b) used exclusively as part of a consumer affinity or rewards program and can be applied solely as payment for purchases with the issuer or other designated merchants but cannot be converted into or redeemed for currency or another medium of exchange.

²⁵ Section 560.103(24), F.S.

²⁶ Email from Jason Holloway, Director of Fintech Policy, OFR to Jacqueline Moody, Florida Senate Committee on Banking and Insurance, Senior Attorney, *Re: SB 292 – Virtual Currency Kiosk*, (Mar. 18, 2025) (on file with the Senate Committee on Banking and Insurance) (hereinafter cited as “OFR Email Re: SB 292”).

²⁷ Section 560.141(2), F.S.

²⁸ Section 560.142(4), F.S.

²⁹ Section 560.142(1), F.S.

³⁰ Section 560.103(10), F.S., defines “Control person,” with respect to a money services business, as any of the following: (a) A person who holds the title of president, treasurer, chief executive officer, chief financial officer, chief operations officer, chief legal officer, or compliance officer for a money services business; (b) A person who holds any of the officer, general partner, manager, or managing member positions named in the money services business’s governing documents. As used in this paragraph, the term “governing documents” includes bylaws, articles of incorporation or organization, partnership agreements, shareholder agreements, and management or operating agreements; (c) A director of the money services business’s board of directors; (d) A shareholder in whose name shares are registered in the records of a corporation for profit, whether incorporated under the laws of this state or organized under the laws of any other jurisdiction and existing in that legal form, who owns 25 percent or more of a class of the company’s equity securities; (e) A general partner or a limited partner, as those terms are defined in s. 620.1102, F.S., who has a 25 percent or more transferable interest, as defined in s. 620.1102, F.S., of a limited partnership, limited liability limited partnership, foreign limited partnership, or foreign limited liability limited partnership, as those terms are defined in s. 620.1102, F.S. (f) A member, who is a person that owns a membership interest in a limited liability company or a foreign limited liability company, as those terms are defined in s. 605.0102(36) and (26), F.S., respectively, that holds a 25 percent or more membership interest in such company. As used in this subsection, the term “membership interest” means a member’s right to receive distributions or other rights, such as voting rights or management rights, under the articles of organization; (g) A natural person who indirectly owns 25 percent or more of the shares or stock interest, transferable interest as defined in s. 620.1102, F.S., or membership interest as defined in paragraph (f), of any legal entities referred to in paragraphs (d)-(f).

³¹ Section 560.126(3), F.S.

³² Section 560.126(3)(a), F.S.; r. 69v-560.201(4), F.A.C.

where the person or group of persons is currently licensed with the OFR as an MSB.³³ A change of control application must be accompanied by the payment of an initial licensing fee³⁴ and a fee per branch or authorized vendor,³⁵ up to a maximum of \$20,000.³⁶

The OFR has enforcement authority against MSBs for violating any state law relating to the detection and prevention of money laundering.³⁷

Virtual Currency Kiosk Businesses

The OFR reports that there are currently 32 operators and a total of 2,972 kiosks in Florida.³⁸ Under current Florida law, an operator of a virtual currency kiosk that falls within the definition of a money transmitter is required to be licensed as a MSB. Florida does not have a separate regulatory regime for virtual currency businesses or virtual currency kiosk businesses.³⁹

The OFR reports that the Federal Bureau of Investigation (FBI) and the Federal Trade Commission (FTC) have received complaints from Florida of alleged victim losses related to virtual currency kiosks totaling about \$33 million to approximately 1,739 Florida victims from January 2020 to present.⁴⁰ Since January 2024, the OFR has opened approximately 75 investigations regarding approximately \$1.8 million relating to virtual currency kiosk losses.⁴¹

III. Effect of Proposed Changes:

Section 1 amends s. 560.103, F.S., relating to definitions, by creating the following definitions:

- “Blockchain analytics” refers to the process of examining, monitoring, and gathering insights from the data and transaction patterns on a blockchain network. The primary aim of blockchain analytics is to understand and monitor the network’s health, track money flows, and identify potential security threats, including illicit activity, to extract actionable insights.
- “Owner-operator” means a registrant or a licensed money services business.
- “Virtual currency kiosk” means an electronic terminal that acts as a mechanical agent of the owner-operator, enabling the owner-operator to facilitate the exchange of virtual currency for fiat currency or other virtual currency for a customer.

³³ Section 560.126(3)(c), F.S.; r. 69v-560.201(6), F.A.C.

³⁴ Fees are determined by whether the MSB is licensed under Part II or Part III of Chapter 560. Initial licensing fees under Part II licenses require a \$375 license application fee per s. 560.143(1)(a), F.S. Part III licenses require a \$188 license application fee per s. 560.143(b), F.S.

³⁵ Section 560.143(1)(c) and (d), F.S., provides that both the per branch fee and the authorized vendor fee are \$38.

³⁶ Section 560.143(1)(g), F.S.

³⁷ Section 560.123, F.S.

³⁸ OFR Email Re: SB 292.

³⁹ California and Connecticut are the only two states that have adopted legislation to expressly regulate virtual currency kiosks. *See* Cal. Fin. Code s. 3901; Conn. Gen. Stat. 36a-595 to 36a-612; Conn. P.A. 23-82 (Reg. Sess.), *An Act Concerning Digital Assets*.

⁴⁰ Email from Jason Holloway, Director of Fintech Policy, OFR, to Jacqueline Moody, Florida Senate Committee on Banking and Insurance, Senior Attorney, *Virtual Currency Kiosk Businesses*, (Mar. 18, 2025) (on file with Senate Committee on Banking and Insurance) (forwarding email from Alex B Toledo, Chief, Bureau of Financial Investigations, OFR to Jason Holloway, Director of Fintech Policy, OFR, *Re: [EXT] HB 319 Virtual Currency Kiosk Businesses*, (Mar. 10, 2025) (on file with the Senate Committee on Banking and Insurance)).

⁴¹ *Id.*

- “Virtual currency kiosk business” or “registrant” means a corporation, limited liability company, limited liability partnership, or foreign entity qualified to do business in this state which operates a virtual currency kiosk and which is not a money transmitter as defined in this section.
- “Virtual currency kiosk transaction” means the process in which a customer uses a virtual currency kiosk to exchange virtual currency for fiat currency or other virtual currency. A transaction begins at the point at which the customer is able to initiate a transaction, after the customer is given the option to select the type of transaction or account and does not include any of the screens that display the required terms and conditions, disclaimers, or attestations.
- “Wallet” means hardware or software that enables customers to store and use virtual currency.

The bill also modifies the definition of “control person” to apply to virtual currency kiosk businesses.

Section 2 amends s. 560.105, F.S., relating to supervisory powers. The bill authorizes the OFR to supervise virtual currency kiosk businesses, have access to their books and records, and enforce ch. 560, F.S. The bill also authorizes the Commission to adopt rules to regulate virtual currency kiosk businesses.

Section 3 creates Part V of ch. 560, F.S., and names it the “Virtual Currency Kiosk Businesses.” Establishes Part V of ch. 560, F.S., consists of ss. 560.501 – 560.506, F.S.

Section 4 creates s. 560.01, F.S., relating to legislative intent. As it relates to virtual currency kiosk businesses regulation, the bill specifically states:

The Legislature intends to reduce unlawful and fraudulent activities by requiring virtual currency kiosk businesses to register with the state and by requiring such businesses and money transmitter licensees to regularly and consistently disclose to all customers of virtual currency kiosks certain specified risks relating to virtual currency kiosk transactions.

Section 5 creates s. 560.02, F.S., relating to registration required; exemptions; penalties. The bill provides an effective date of March 1, 2026. The bill prohibits a virtual currency kiosk business from operating in Florida without first registering with the OFR or renewing its registration. The OFR is required to provide written notification, in person or by email, to each applicant that the agency has granted or denied the application for registration.

The bill exempts a money transmitter licensed as a money service business (MSB) from registering as a virtual currency kiosk business but makes such money transmitter subject to the disclosure (**Section 7**), conduct (**Section 8**), and enhanced due diligence (**Section 9**) requirements of the bill.

If an entity, in the course of its business, acts as an intermediary with the ability to unilaterally execute or indefinitely prevent a virtual currency kiosk transaction, or otherwise meets the definition of a money transmitter, the entity must be licensed as a MSB.

Unless licensed as a money services business, a money transmitter that operates or solicits business as a virtual currency kiosk business without first being issued a certificate of registration by the OFR or without maintaining a certificate of registration commits a felony of the third degree.⁴² A person who registers or attempts to register as a virtual currency kiosk business by means of fraud, misrepresentation, or concealment commits a felony of the third degree.⁴³

A virtual currency kiosk business registration issued under this part is not transferable or assignable.

Section 6 creates s. 560.503, F.S., relating to registration applications. The bill provides virtual currency kiosk businesses' registration applicants must submit to the OFR a completed registration application form, as prescribed by rule, and which must include:

- The legal name, including any fictitious or trade names used by the applicant in the conduct of its business, and the physical and mailing address of the applicant;
- The date of the applicant's formation and the state in which the applicant was formed, if applicable;
- The name, social security number, alien identification or taxpayer identification number, business and residence address, and employment history for the past five years for each person who meets the definition of a control person;
- A description of the organizational structure of the applicant, including the identity of any parent or subsidiary of the applicant, and the disclosure of whether any parent or subsidiary is publicly traded;
- The name of the registered agent in this state for service of process;
- The physical address of the location of each virtual currency kiosk through which the applicant proposes to conduct or is conducting business in this state;
- An attestation that the application has developed documented policies, processes, and procedures regarding the use of blockchain analytics to prevent transfers to wallet addresses linked to known criminal activity and that the applicant will maintain and comply with such policies, processes, and procedures;
- Any other information as required ch. 560, F.S., or Commission rule; and
- Any information needed to resolve any deficiencies found in the application, which must be submitted within a time period prescribed by rule.

A virtual currency kiosk business operating in Florida on or before January 1, 2026, must submit a registration application to the OFR within 30 days.

A registrant must report on a form prescribed by rule, any change in the information contained in an initial application form, or an amendment, within 30 days after the change is effective. A registrant must renew its registration annually on or before December 31 each year, and submit a renewal application that provides:

⁴² A third degree felony is punishable by up to five years imprisonment and up to a \$5,000 fine. Sections 775.082, 775.083, and 775.084, F.S. Under s. 775.084, violent career criminals, habitual felony offenders, habitual violent felony offenders or three-time felony offenders, the court may sentence such third degree felony offenders to five to 10 years, not exceeding 15 years, imprisonment.

⁴³ *Id.*

- Any information required by a virtual currency kiosk business for an initial registration application that has changed, or an affidavit signed by the registrant that the information remains the same as the prior year.
- Upon request by OFR, evidence that the registrant has been operating in compliance with the disclosure (**Section 7**) and conduct (**Section 8**) requirements of the bill. Such evidence may be prescribed by rule and may include, but is not limited to:
 - Current disclosures presented to customers during the transaction process; and
 - Current use of blockchain analytics to prevent transfers to wallet addresses linked to known criminal activity.

A renewal application becomes effective upon the date the OFR approves the application for registration, which must be determined within a timeframe prescribed by rule. The OFR must deny a virtual currency kiosk business's renewal application that fails to provide any requested evidence of compliance.

A virtual currency kiosk business that does not renew its registration by December 31 each year must be made inactive for 60 days and may not conduct business while its registration is inactive. During the 60 days after the registration becomes inactive, a virtual currency kiosk business must renew its registration by submitting all the information required to renew an application. The registration would become effective upon the date of any certificate of registration that is issued by the OFR. If a virtual currency kiosk business fails to submit a renewal application within 60 days after the registration becomes inactive, such business's registration becomes null and void. In such circumstances, a virtual currency kiosk business must submit a new application to register the business and receive a certificate of registration from the OFR before the business may resume conducting business in Florida.

If a control person of a prospective registrant has engaged in any unlawful business practices, been convicted, pled guilty, or pled nolo contendere to a crime involving dishonest dealing, fraud, acts of moral turpitude, or other acts that reflect an inability to engage lawfully in the business of a registered virtual currency kiosk business, the OFR may not accept the prospective registrant's initial or renewal registration application.

Any false statement made by a virtual currency kiosk business with respect to the name of the business or its business address or location in any application for registration renders the registration void. A void registration may not be construed as creating a defense to any prosecution for violation of ch. 560, F.S.

The Commission may adopt rules to administer the provisions of **Section 6** of the bill.

Section 7 creates s. 560.504, F.S., relating to disclosures. A virtual currency kiosk business must comply with several disclosure requirements that must:

- Be full and complete;
- Contain no material misrepresentations;
- Be readily understandable and in the language in which the virtual currency kiosk transaction is conducted; and
- Be displayed in at least 14-point type.

Before authorizing a customer to initiate a virtual currency kiosk transaction, the owner-operator must ensure that the virtual currency kiosk displays the disclosures in this section on two separate screens:

The first disclosure must be in substantially the following form:

WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM A STRANGER WHO IS INITIATING A DISHONEST SCHEME.

I UNDERSTAND THAT DISHONEST SCHEMES MAY APPEAR IN MANY FORMS, INCLUDING, BUT NOT LIMITED TO:

1. Claims of a frozen bank account or credit card.
2. Fraudulent bank transactions.
3. Claims of identity theft or job offerings in exchange for payments.
4. Requests for payments to government agencies or companies.
5. Requests for disaster relief donations or loans.
6. Offers to purchase tickets for lotteries, sweepstakes, or drawings for vehicles.
7. Prompts to click on desktop pop-ups, such as virus warnings or communication from alleged familiar merchants.
8. Communication from someone impersonating a representative of your bank or a law enforcement officer.
9. Requests from persons who are impersonating relatives or friends in need or promoting investment or romance scams.

PROTECT YOURSELF FROM FRAUD. NEVER SEND MONEY TO SOMEONE YOU DON'T KNOW.

The second disclosure must be in substantially the following form:

WARNING: FUNDS LOST DUE TO USER ERROR OR FRAUD MAY NOT BE RECOVERABLE. TRANSACTIONS CONDUCTED ON THIS VIRTUAL CURRENCY KIOSK ARE IRREVERSIBLE. I UNDERSTAND THESE RISKS AND WISH TO CONTINUE CONDUCTING MY VIRTUAL CURRENCY KIOSK TRANSACTION.

PROTECT YOURSELF FROM FRAUD. NEVER SEND MONEY TO SOMEONE YOU DON'T KNOW.

In addition to these two disclosure requirements, the virtual currency kiosk business (not a money transmitter licensed as a MSB) must ensure that the virtual currency kiosk displays on a pop-up window the following question to the customer:

“ARE YOU USING THIS KIOSK TO SEND VIRTUAL CURRENCY TO A WALLET OWNED BY SOMEONE ELSE?”

The virtual currency kiosk business must require the customer to respond to this question in the negative before the customer can proceed with the virtual currency kiosk transaction. If the kiosk user responds with a “yes” to this question, the virtual currency kiosk business must terminate the customer’s virtual currency kiosk transaction.

After these required disclosures or affirmation, the owner-operator must ensure that the virtual currency kiosk provides the customer with a toll-free number to contact regarding the risks of engaging in a virtual currency kiosk transaction and displays the following attestation:

I ATTEST THAT I HAVE BEEN GIVEN A TOLL-FREE NUMBER
AND THAT I HAVE HAD AN OPPORTUNITY TO CALL THE
NUMBER TO SPEAK WITH SOMEONE REGARDING THE RISKS
OF ENGAGING IN VIRTUAL CURRENCY KIOSK TRANSACTIONS.
I FURTHER ATTEST THAT I UNDERSTAND THAT I MAY BE
SOLELY RESPONSIBLE FOR LOSS OF FUNDS DUE TO USER
ERROR OR FRAUD.

If a customer makes this attestation, the owner-operator may allow the customer to proceed with the virtual currency kiosk transaction. If not, the owner-operator must ensure that the virtual currency kiosk terminates the customer’s virtual currency kiosk transaction.

The bill authorizes the Commission to adopt rules to administer this section and to ensure that virtual currency kiosk disclosures are responsive to consumer fraud and emerging technology.

Section 8 creates s. 560.505, F.S., relating to conduct of business. The bill requires an owner-operator to transact business only under the legal name under which it is registered. The use of a fictitious name is allowed if the fictitious name has been registered with the Department of State and disclosed to the OFR as part the owner-operator’s registration or application (including any supplemental information) before its use.

An owner operator must maintain clearly documented policies, processes, and procedures with regard to the manner in which the blockchain analytics activity integrates into their compliance controls and must use blockchain analytics to prevent transfers to wallet addresses linked to known criminal activity.

Section 9 creates s. 560.506, F.S., relating to penalties. The bill provides an owner-operator that violates the disclosure requirements under **Section 7** of the bill commits a felony of the third degree as punishable.⁴⁴ The bill also provides each of the following violations constitutes a second degree misdemeanor:⁴⁵

- Operating under any name other than that designated in the registration, unless written notification is given to the OFR;

⁴⁴ A third degree felony is punishable by up to five years imprisonment and up to a \$5,000 fine. Sections 775.082, 775.083, and 775.084, F.S. Under s. 775.084, violent career criminals, habitual felony offenders, habitual violent felony offenders or three-time felony offenders, the court may sentence such third degree felony offenders to five to 10 years, not exceeding 15 years, imprisonment.

⁴⁵ A second degree misdemeanor is punishable by up to 60 days imprisonment and up to a \$500 fine. Sections 775.082 and 775.083, F.S.

- Assigning or attempting to assign a virtual currency kiosk business registration issued; and
- Operating a virtual currency kiosk without the use of the required blockchain analytics.

In addition to the criminal penalties provided, a court may invalidate the registration of any registrant under this part who has been found guilty of such prohibited conduct.

Section 10 provides that except as otherwise provided, the bill is effective January 1, 2026.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The bill has a minimal impact to state revenues and expenditures. The OFR states there is “no incoming revenue as there are no registration fees included in the bill.” The OFR reports the fiscal cost for rulemaking, and the fiscal impact to update the OFR’s

technology (e.g. the OFR's Regulatory Enforcement and Licensing (REAL) system and website), would be minimal and can be absorbed within current resources.⁴⁶

SB 292 creates a new third-degree felony for violation of s. 560.04, F.S., which is punishable by up to five years in prison. The Criminal Justice Impact Conference (CJIC), which provides the final, official estimate of the prison bed impact, if any, of legislation, has not analyzed SB 292. Similar legislation filed in 2024, SB 662, was analyzed by the CJIC, which determined that SB 662 (2024) had a positive indeterminate prison bed impact (an unquantifiable increase in prison beds) on the Department of Corrections.⁴⁷

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends sections 560.103 and 560.105 of the Florida Statutes.

This bill creates the following sections of the Florida Statutes: 560.501, 560.502, 560.503, 560.504, 560.505, and 560.506.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

⁴⁶ The OFR, *2025 Agency Legislative Bill Analysis for SB 292*, March 7, 2025 (on file with the Senate Committee on Banking and Insurance).

⁴⁷ Office of Economic and Demographic Research, *Criminal Justice Impact Conference Preliminary Estimate Narrative Analysis for SB 662* (Feb. 5, 2024).