

By Senator Burton

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1 A bill to be entitled
2 An act relating to virtual currency kiosk businesses;
3 amending s. 560.103, F.S.; defining terms and revising
4 the definition of the term "control person"; amending
5 s. 560.105, F.S.; requiring the Office of Financial
6 Regulation of the Financial Services Commission to
7 supervise virtual currency kiosk businesses; requiring
8 that rules adopted to regulate virtual currency kiosk
9 businesses be responsive to certain changes; creating
10 part V of ch. 560, F.S., entitled "Virtual Currency
11 Kiosk Businesses"; creating s. 560.501, F.S.;
12 providing legislative intent; creating s. 560.502,
13 F.S.; prohibiting a virtual currency kiosk business
14 from operating without registering or renewing its
15 registration in accordance with certain provisions;
16 requiring the office to make certain notifications;
17 specifying that certain money transmitters are exempt
18 from registration but are subject to certain
19 provisions; requiring that certain entities that
20 perform or prevent certain actions be licensed as
21 money services businesses; providing criminal
22 penalties for certain entities that operate or solicit
23 business as a virtual currency kiosk business under
24 certain circumstances; providing criminal penalties
25 for persons who register or attempt to register as a
26 virtual currency kiosk business by certain means;
27 providing that a virtual currency kiosk business
28 registration is not transferable or assignable;
29 creating s. 560.503, F.S.; specifying application

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30 requirements for registering as a virtual currency
31 kiosk business; requiring certain virtual currency
32 kiosk businesses to submit an application within a
33 specified timeframe; requiring a registrant to report
34 certain changes in information within a specified
35 timeframe; requiring a registrant to renew its
36 registration within a specified timeframe; specifying
37 requirements for a registrant to renew its
38 registration; requiring that the registration of a
39 virtual currency kiosk business be made inactive if
40 such business does not renew its registration by a
41 certain date; specifying requirements for a virtual
42 currency kiosk business to renew an inactive
43 registration; providing that a registration becomes
44 null and void under certain circumstances; providing
45 requirements if a registration becomes null and void;
46 requiring the office to deny certain applications
47 under certain circumstances; providing that certain
48 false statements made by a virtual currency kiosk
49 business render its registration void; authorizing the
50 commission to adopt rules; creating s. 560.504, F.S.;
51 specifying requirements for specified disclosures and
52 attestations displayed by a virtual currency kiosk;
53 authorizing the commission to adopt rules; creating s.
54 560.505, F.S.; requiring an owner-operator to transact
55 business under the legal name by which it is
56 registered; providing exceptions; requiring an owner-
57 operator to maintain certain policies, processes, and
58 procedures; requiring an owner-operator to use

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59 blockchain analytics; creating s. 560.506, F.S.;

60 providing criminal penalties; authorizing a court to

61 invalidate the registration of a registrant under

62 certain circumstances; providing effective dates.

63

64 Be It Enacted by the Legislature of the State of Florida:

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66 Section 1. Present subsections (4) through (28) and (29)

67 through (36) of section 560.103, Florida Statutes, are

68 redesignated as subsections (5) through (29) and (31) through

69 (38), respectively, new subsections (4) and (30) and subsections

70 (39) through (42) are added to that section, and present

71 subsection (10) of that section is amended, to read:

72 560.103 Definitions.—As used in this chapter, the term:

73 (4) "Blockchain analytics" means the process of examining,

74 monitoring, and gathering insights from the data and transaction

75 patterns on a blockchain network. The primary aims of blockchain

76 analytics are to understand and monitor the network's health,

77 track transaction flows, and identify potential security

78 threats, including illicit activity, in order to extract

79 actionable insights.

80 (11) ~~(10)~~ "Control person" means, with respect to a money

81 services business or virtual currency kiosk business, any of the

82 following:

83 (a) A person who holds the title of president, treasurer,

84 chief executive officer, chief financial officer, chief

85 operations officer, chief legal officer, or compliance officer

86 for a money services business or virtual currency kiosk

87 business.

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88 (b) A person who holds any of the officer, general partner,
89 manager, or managing member positions named in the money
90 services business's or virtual currency kiosk business's
91 governing documents. As used in this paragraph, the term
92 "governing documents" includes bylaws, articles of incorporation
93 or organization, partnership agreements, shareholder agreements,
94 and management or operating agreements.

95 (c) A director of the money services business's or virtual
96 currency kiosk business's board of directors.

97 (d) A shareholder in whose name shares are registered in
98 the records of a corporation for profit, whether incorporated
99 under the laws of this state or organized under the laws of any
100 other jurisdiction and existing in that legal form, who owns 25
101 percent or more of a class of the company's equity securities.

102 (e) A general partner or a limited partner, as those terms
103 are defined in s. 620.1102, who has a 25 percent or more
104 transferable interest, as defined in s. 620.1102, of a limited
105 partnership, limited liability limited partnership, foreign
106 limited partnership, or foreign limited liability limited
107 partnership, as those terms are defined in s. 620.1102.

108 (f) A member, who is a person that owns a membership
109 interest in a limited liability company or a foreign limited
110 liability company, as those terms are defined in s. 605.0102(36)
111 and (26), respectively, that holds a 25 percent or more
112 membership interest in such company. As used in this subsection,
113 the term "membership interest" means a member's right to receive
114 distributions or other rights, such as voting rights or
115 management rights, under the articles of organization.

116 (g) A natural person who indirectly owns 25 percent or more

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117 of the shares or stock interest, transferable interest as
118 defined in s. 620.1102, or membership interest as defined in
119 paragraph (f), of any legal entities referred to in paragraphs
120 (d)-(f).

121 (30) "Owner-operator" means a registrant or a licensed
122 money services business.

123 (39) "Virtual currency kiosk" means an electronic terminal
124 that acts as a mechanical agent of the owner-operator, enabling
125 the owner-operator to facilitate the exchange of virtual
126 currency for fiat currency or other virtual currency for a
127 customer.

128 (40) "Virtual currency kiosk business" or "registrant"
129 means a corporation, limited liability company, limited
130 liability partnership, or foreign entity qualified to do
131 business in this state which operates a virtual currency kiosk
132 and which is not a money transmitter as defined in this section.

133 (41) "Virtual currency kiosk transaction" means the process
134 in which a customer uses a virtual currency kiosk to exchange
135 virtual currency for fiat currency or other virtual currency. A
136 transaction begins at the point at which the customer is able to
137 initiate a transaction after the customer is given the option to
138 select the type of transaction or account, and does not include
139 any of the screens that display the required terms and
140 conditions, disclaimers, or attestations.

141 (42) "Wallet" means hardware or software that enables
142 customers to store and use virtual currency.

143 Section 2. Paragraph (a) of subsection (1) and paragraph
144 (b) of subsection (2) of section 560.105, Florida Statutes, are
145 amended to read:

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146 560.105 Supervisory powers; rulemaking.—

147 (1) The office shall:

148 (a) Supervise all money services businesses and their
149 authorized vendors and virtual currency kiosk businesses.

150 (2) The commission may adopt rules pursuant to ss.
151 120.536(1) and 120.54 to administer this chapter.

152 (b) Rules adopted to regulate money services businesses,
153 including deferred presentment providers and virtual currency
154 kiosk businesses, must be responsive to changes in economic
155 conditions, technology, and industry practices.

156 Section 3. Part V of chapter 560, Florida Statutes,
157 consisting of ss. 560.501-560.506, Florida Statutes, is created
158 and entitled "Virtual Currency Kiosk Businesses."

159 Section 4. Section 560.501, Florida Statutes, is created to
160 read:

161 560.501 Legislative intent.—The Legislature intends to
162 reduce unlawful and fraudulent activities by requiring virtual
163 currency kiosk businesses to register with the state and by
164 requiring such businesses and money transmitter licensees to
165 regularly and consistently disclose to all customers of virtual
166 currency kiosks certain specified risks relating to virtual
167 currency kiosk transactions.

168 Section 5. Effective March 1, 2026, section 560.502,
169 Florida Statutes, is created to read:

170 560.502 Registration required; exemptions; penalties.—

171 (1) A virtual currency kiosk business in this state may not
172 operate without first registering, or renewing its registration,
173 in accordance with s. 560.503. The office shall give written
174 notice, in person or by mail, to each applicant that the agency

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175 has granted or denied the application for registration.

176 (2) A money transmitter licensed as a money services
177 business pursuant to s. 560.141 is exempt from registration as a
178 virtual currency kiosk business but is subject to ss. 560.504,
179 560.505, and 560.506.

180 (3) An entity, in the course of its business, may not act
181 as an intermediary with the ability to unilaterally execute or
182 indefinitely prevent a virtual currency kiosk transaction, or
183 otherwise meet the definition of a money transmitter as defined
184 in s. 560.103, without being licensed as a money services
185 business pursuant to part II of this chapter.

186 (4) Unless licensed as a money services business pursuant
187 to part II of this chapter, an entity that operates or solicits
188 business as a virtual currency kiosk business without first
189 being registered with the office or without maintaining its
190 registration commits a felony of the third degree, punishable as
191 provided in s. 775.082, s. 775.083, or s. 775.084.

192 (5) A person who registers or attempts to register as a
193 virtual currency kiosk business by means of fraud,
194 misrepresentation, or concealment commits a felony of the third
195 degree, punishable as provided in s. 775.082, s. 775.083, or s.
196 775.084.

197 (6) A virtual currency kiosk business registration issued
198 under this part is not transferable or assignable.

199 Section 6. Section 560.503, Florida Statutes, is created to
200 read:

201 560.503 Registration applications.-

202 (1) To apply to be registered as a virtual currency kiosk
203 business under this part, the applicant must submit all of the

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204 following to the office:

205 (a) A completed registration application on forms
206 prescribed by rule of the commission. The application must
207 include the following information:

208 1. The legal name, including any fictitious or trade names
209 used by the applicant in the conduct of its business, and the
210 physical and mailing addresses of the applicant.

211 2. The date of the applicant's formation and the state in
212 which the applicant was formed, if applicable.

213 3. The name, social security number, alien identification
214 or taxpayer identification number, business and residence
215 addresses, and employment history for the past 5 years for each
216 control person as defined in 560.103.

217 4. A description of the organizational structure of the
218 applicant, including the identity of any parent or subsidiary of
219 the applicant, and the disclosure of whether any parent or
220 subsidiary is publicly traded.

221 5. The name of the registered agent in this state for
222 service of process.

223 6. The physical address of the location of each virtual
224 currency kiosk through which the applicant proposes to conduct
225 or is conducting business in this state.

226 7. An attestation that the applicant has developed clearly
227 documented policies, processes, and procedures regarding the use
228 of blockchain analytics to prevent transfers to wallet addresses
229 linked to known criminal activity, including the manner in which
230 such blockchain analytics activity will integrate into its
231 compliance controls, and that the applicant will maintain and
232 comply with such blockchain analytics policies, processes, and

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233 procedures.

234 8. Any other information as required by this chapter or
235 commission rule.

236 (b) Any information needed to resolve any deficiencies
237 found in the application within a time period prescribed by
238 rule.

239 (2) A virtual currency kiosk business operating in this
240 state on or before January 1, 2026, must submit a registration
241 application to the office within 30 days after that date.

242 (3) A registrant shall report, on a form prescribed by rule
243 of the commission, any change in the information contained in an
244 initial application form or an amendment thereto within 30 days
245 after the change is effective.

246 (4) A registrant must renew its registration annually on or
247 before December 31 of the year preceding the expiration date of
248 the registration. To renew such registration, the registrant
249 must submit a renewal application that provides:

250 (a) The information required in paragraph (1)(a) if there
251 are changes in the application information, or an affidavit
252 signed by the registrant that the information remains the same
253 as the prior year.

254 (b) Upon request by the office, evidence that the
255 registrant has been operating in compliance with ss. 560.504 and
256 560.505. Such evidence may be prescribed by rule by the
257 commission and may include, but need not be limited to, all of
258 the following:

259 1. Current disclosures presented to customers during the
260 transaction process.

261 2. Current use of blockchain analytics to prevent transfers

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262 to wallet addresses linked to known criminal activity.

263 (5) The registration of a virtual currency kiosk business
264 that does not renew its registration by December 31 of the year
265 of expiration must be made inactive for 60 days. A virtual
266 currency kiosk business may not conduct business while its
267 registration is inactive.

268 (6) To renew an inactive registration, a virtual currency
269 kiosk business must, within 60 days after the registration
270 becomes inactive, submit all of the following:

271 (a) The information required in paragraph (1)(a) if there
272 are changes in the application information or an affidavit
273 signed by the registrant that the information remains the same
274 as the prior year.

275 (b) Evidence that the registrant was operating in
276 compliance with ss. 560.504 and 560.505. Such evidence may be
277 prescribed by rule by the commission and may include, but need
278 not be limited to, all of the following:

279 1. Current disclosures presented to customers during the
280 transaction process.

281 2. Current use of blockchain analytics to prevent transfers
282 to wallet addresses linked to known criminal activity.

283
284 Any renewal registration made pursuant to this subsection
285 becomes effective upon the date the office approves the
286 application for registration. The office shall approve the
287 renewal registration within a timeframe prescribed by rule.

288 (7) Failure to submit an application to renew a virtual
289 currency kiosk business's registration within 60 days after the
290 registration becomes inactive shall result in the registration

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291 becoming null and void. If the registration is null and void, a
292 new application to register the virtual currency kiosk business
293 pursuant to subsection (1) must be submitted to the office and a
294 certification of registration must be issued by the office
295 before the virtual currency kiosk business may conduct business
296 in this state.

297 (8) If a control person of a registrant or prospective
298 registrant has engaged in any unlawful business practice, or
299 been convicted or found guilty of, or pled guilty or nolo
300 contendere to, regardless of adjudication, a crime involving
301 dishonest dealing, fraud, acts of moral turpitude, or other acts
302 that reflect an inability to engage lawfully in the business of
303 a registered virtual currency kiosk business, the office must
304 deny the prospective registrant's initial registration
305 application or the registrant's renewal application.

306 (9) The office shall deny the application of a virtual
307 currency kiosk business that submits a renewal application and
308 fails to provide evidence of compliance upon request pursuant to
309 paragraph (4) (b) or as required in paragraph (6) (b).

310 (10) Any false statement made by a virtual currency kiosk
311 business with respect to the name of the business or its
312 business address or location in any application for registration
313 under this section renders the registration void. A void
314 registration may not be construed as creating a defense to any
315 prosecution for violation of this chapter.

316 (11) The commission may adopt rules to administer this
317 section.

318 Section 7. Section 560.504, Florida Statutes, is created to
319 read:

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320 560.504 Disclosures.—

321 (1) Disclosures or attestations required by this section
322 and displayed by a virtual currency kiosk must meet all of the
323 following requirements:

324 (a) Be full and complete.

325 (b) Contain no material misrepresentations.

326 (c) Be readily understandable and in the language in which
327 the virtual currency kiosk transaction is conducted.

328 (d) Be displayed in at least 14-point type.

329 (2) Before authorizing a customer to initiate a virtual
330 currency kiosk transaction, the owner-operator shall ensure that
331 the virtual currency kiosk displays the disclosures in this
332 section on two separate screens.

333 (a) The first disclosure must be in substantially the
334 following form:

335
336 WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM
337 A STRANGER WHO IS INITIATING A DISHONEST SCHEME.

338
339 I UNDERSTAND THAT DISHONEST SCHEMES MAY APPEAR IN MANY
340 FORMS, INCLUDING, BUT NOT LIMITED TO:

341 1. Claims of a frozen bank account or credit
342 card.

343 2. Fraudulent bank transactions.

344 3. Claims of identity theft or job offerings in
345 exchange for payments.

346 4. Requests for payments to government agencies
347 or companies.

348 5. Requests for disaster relief donations or

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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.

(b) 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.

(3) (a) After the disclosures provided in subsection (2) are

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378 acknowledged by the customer, the virtual currency kiosk
379 business shall ensure that the virtual currency kiosk displays
380 on a pop-up window the following question to the customer: "ARE
381 YOU USING THIS KIOSK TO SEND VIRTUAL CURRENCY TO A WALLET OWNED
382 BY SOMEONE ELSE?"

383 (b) The virtual currency kiosk business shall require the
384 customer to respond to the question in paragraph (a) with a "no"
385 response before the customer can proceed to the attestation
386 required in subsection (4).

387 (c) The virtual currency kiosk business shall ensure that
388 the virtual currency kiosk terminates a customer's virtual
389 currency kiosk transaction if the customer provides a "yes"
390 response to the question in paragraph (a).

391 (4) After the disclosure provided in subsection (2) and,
392 with respect to virtual currency kiosk businesses, an answer of
393 "no" to the question provided in paragraph (3)(a), the owner-
394 operator must ensure that the virtual currency kiosk displays,
395 on a screen by itself, a toll-free number for the customer to
396 contact regarding the risk of engaging in virtual currency
397 transactions and the following attestation in substantially the
398 following form:

399
400 I ATTEST THAT I HAVE BEEN GIVEN A TOLL-FREE NUMBER AND
401 THAT I HAVE HAD AN OPPORTUNITY TO CALL THE NUMBER TO
402 SPEAK WITH SOMEONE REGARDING THE RISKS OF ENGAGING IN
403 VIRTUAL CURRENCY KIOSK TRANSACTIONS. I FURTHER ATTEST
404 THAT I UNDERSTAND THAT I MAY BE SOLELY RESPONSIBLE FOR
405 LOSS OF FUNDS DUE TO USER ERROR OR FRAUD.
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407 (a) If a customer makes the attestation in this subsection,
408 the virtual currency kiosk may allow the customer to proceed
409 with the virtual currency kiosk transaction.

410 (b) If the customer does not make the attestation in this
411 subsection, the owner-operator must ensure that the virtual
412 currency kiosk terminates the customer's virtual currency kiosk
413 transaction.

414 (5) The commission may adopt rules to administer this
415 section and to ensure that virtual currency kiosk disclosures
416 are responsive to consumer fraud and emerging technology.

417 Section 8. Section 560.505, Florida Statutes, is created to
418 read:

419 560.505 Conduct of business.—

420 (1) An owner-operator may transact business under this part
421 only under the legal name by which such business is registered.
422 The use of a fictitious name is allowed if the fictitious name
423 has been registered with the Department of State and disclosed
424 to the office as part of an initial registration or license
425 application, or subsequent amendment to the application, before
426 its use.

427 (2) An owner-operator must maintain clearly documented
428 policies, processes, and procedures with regard to the manner in
429 which the blockchain analytics activity integrates into their
430 compliance controls. An owner-operator must use blockchain
431 analytics to prevent transfers to wallet addresses linked to
432 known criminal activity.

433 Section 9. Section 560.506, Florida Statutes, is created to
434 read:

435 560.506 Penalties.—

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436 (1) An owner-operator of a virtual currency kiosk which
437 violates s. 560.504 commits a felony of the third degree,
438 punishable as provided in s. 775.082, s. 775.083, or s. 775.084.

439 (2) Each of the following violations constitutes a
440 misdemeanor of the second degree, punishable as provided in s.
441 775.082 or s. 775.083:

442 (a) Operating a virtual currency kiosk under any name other
443 than that designated in the registration, unless written
444 notification is given to the office.

445 (b) Assigning or attempting to assign a virtual currency
446 kiosk business registration issued under this part.

447 (c) Operating a virtual currency kiosk without the use of
448 blockchain analytics as required under s. 560.505.

449 (3) In addition to the criminal penalties provided in this
450 section, a court may invalidate the registration of any
451 registrant under this part who has been found guilty of conduct
452 punishable under subsection (1) or subsection (2).

453 Section 10. Except as otherwise expressly provided in this
454 act, this act shall take effect January 1, 2026.