

FLORIDA HOUSE OF REPRESENTATIVES

BILL ANALYSIS

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BILL #: [CS/HB 505](#)

TITLE: Virtual Currency Kiosks

SPONSOR(S): Owen and Daley

Committee References

[Insurance & Banking](#)

18 Y, 0 N

COMPANION BILL: [SB 198](#) (Rouson)

LINKED BILLS: None

RELATED BILLS: None

[Commerce](#)

24 Y, 1 N, As CS

SUMMARY

Effect of the Bill:

The bill expands the definition of money transmitter to include owners and operators of a virtual currency kiosks, thereby requiring them to obtain a money transmitter license. The bill exempts owners and operators of virtual currency kiosks from licensure fees.

The bill requires the owner or operator of virtual currency kiosks to warn customers of the risk of fraud. The bill limits kiosk transactions for new customers to \$500 per day and for existing customers to \$1,000 per day. The bill requires the owner or operator of virtual currency kiosks to provide customers with an electronic and printed receipt containing contact information for the owner or operator, transaction details, a statement of the owner's or operator's liability, and the owner's or operator's refund policy. The bill requires the owner or operator to issue a refund of transaction fees or costs within 72 hours under certain conditions.

Fiscal or Economic Impact:

The bill has an indeterminate impact on the private sector and state government.

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ANALYSIS

EFFECT OF THE BILL:

Licensure requirement

The bill expands the definition of money transmitter to include owners and operators of virtual currency kiosks, regardless of whether the owner or operator is acting in an intermediary or peer-to-peer capacity. By including owners and operators of virtual currency kiosks under the definition of money transmitter, the bill requires said owners and operators to obtain a money transmitter license from the [Office of Financial Regulation \(OFR\)](#). (Section 1).

The bill exempts owners and operators of virtual currency kiosks from money transmitter license application fees and license renewal fees if they are solely engaged in the business of owning or operating virtual currency kiosks. (Section 2).

Disclosure requirement

The bill requires the owner or operator of a [virtual currency kiosk](#) to clearly display a disclosure on the kiosk screen before a customer may initiate a [virtual currency](#) transaction. The disclosure must state:

“WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM A STRANGER. IF YOU HAVE BEEN DIRECTED TO THIS MACHINE BY SOMEONE CLAIMING TO BE A GOVERNMENT AGENT, BILL COLLECTOR, LAW ENFORCEMENT OFFICER, OR ANYONE YOU DO NOT KNOW PERSONALLY, STOP

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THIS TRANSACTION IMMEDIATELY AND CONTACT YOUR FINANCIAL ADVISOR OR LOCAL LAW ENFORCEMENT." (Section 3).

The bill defines a "virtual currency kiosk" as an electronic terminal that acts as a mechanical agent of the owner or operator, enabling the owner or operator to facilitate the exchange of virtual currency for fiat currency¹ or other virtual currency on behalf of a customer. (Section 3).

Transaction limits

The bill prohibits owners or operators of virtual currency kiosks from allowing new customers to transact more than \$500 per calendar day and from allowing existing customers to transact more than \$1,000 per calendar day. These limits apply regardless of whether the customer engages in a single transaction or multiple transactions. (Section 3).

The bill defines "new customer" as a customer who has transacted with the owner or operator of a virtual currency kiosk for less than 7 days. The bill defines "existing customer" as a customer who has transacted with the owner or operator of a virtual currency kiosk for 7 or more days. (Section 3).

Receipt requirement

The bill requires the owner or operator of virtual currency kiosks to provide customers with an electronic and paper receipt, which must include the following information:

- Name and contact information of the owner or operator, including a toll-free telephone number and an e-mail address;
- Date, time, value, and type of the transaction;
- Transaction hash and each wallet used;
- Total fee charged;
- Exchange rate, if applicable;
- Statement of the owner's or operator's liability, if any, for non-delivery or delayed delivery of the currency;
- Refund policy of the owner or operator; and
- A website where the customer can initiate a refund request. (Section 3).

The bill defines "transaction hash" as a unique identifier consisting of a string of characters which provides a verifiable record that a transaction has been confirmed and added to the blockchain.² (Section 3).

The bill defines "wallet" as hardware or software that enables customers to store and use digital currency. (Section 3).

Refund requirement

The bill requires the owner or operator of virtual currency kiosks to issue a full refund to the customer of any transaction fees or costs within 72 hours after being contacted by the customer, as long as:

- The customer contacts both the owner or operator of the virtual currency kiosk and a law enforcement or governmental agency within 60 days after the transaction; and
- The customer provides a case or incident report number issued by a law enforcement agency, or OFR. (Section 3).

Effective date

The bill provides an effective date of July 1, 2026. (Section 4).

¹ "Fiat currency" refers to government-issued legal tender, such as the United States Dollar. Modern Treasury, *What is Fiat Money?* <https://www.moderntreasury.com/learn/what-is-fiat-money> (last visited Jan. 21, 2026).

² The bill defines "blockchain" as a mathematically secured, chronological, decentralized, distributed, and digital ledger or database that consists of records of transactions that cannot be altered retroactively.

RULEMAKING:

The bill authorizes the Financial Services Commission to adopt rules to implement the bill.

Lawmaking is a legislative power; however, the Legislature may delegate a portion of such power to executive branch agencies to create rules that have the force of law. To exercise this delegated power, an agency must have a grant of rulemaking authority and a law to implement.

FISCAL OR ECONOMIC IMPACT:**STATE GOVERNMENT:**

There is an indeterminate impact on state government, to the extent that the Financial Services Commission may incur costs to promulgate rules.

PRIVATE SECTOR:

There is an indeterminate impact on the private sector. This bill may reduce the financial losses associated with virtual currency kiosk scams. However, virtual currency kiosk businesses may incur additional expenditures to comply with the bill's provisions.

RELEVANT INFORMATION**SUBJECT OVERVIEW:****Virtual Currency**

Virtual currency is a digital representation of value that functions as a medium of exchange but lacks legal tender status.³ In some environments, virtual currency operates like "real" currency⁴ (i.e., the coin and paper money of the United States or of any other country that is designated as legal tender, circulates, and is customarily used and accepted as a medium of exchange in the country of issuance).⁵ Virtual currency that has an equivalent value in real currency, or that acts as a substitute for real currency, is referred to as "convertible" virtual currency.⁶ Bitcoin is one example of a convertible virtual currency, as it can be digitally traded between users and can be purchased for, or exchanged into, U.S. dollars, Euros, and other real or virtual currencies.⁷

Virtual currencies generally operate on networks of computers (nodes) that enable, validate, and record transactions on a distributed digital ledger (blockchain).⁸ To transfer an asset on a blockchain, the transferor uses an alphanumeric code known only to the transferor (a private key) to create a request that the network software validate a new ledger entry, which assigns control of the asset to the recipient.⁹ Once the network has validated this transfer, the ledger is updated and the recipient may transfer the asset to another recipient using their own private key.¹⁰ Ledger entries are cryptographically secured, and accounts on a blockchain are identified by alphanumeric "public keys" rather than by personal names.¹¹ Virtual currency wallets are interfaces that store and transfer virtual currency.¹²

³ [S. 560.103\(36\), F.S.](#)

⁴ Often referred to as "fiat" currency.

⁵ IRS, *Digital assets*, <https://www.irs.gov/filing/digital-assets> (last visited Dec. 1, 2025).

⁶ *Id.*

⁷ *Id.*

⁸ Office of the Federal Register, National Archives and Records Administration, *Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets*, GovInfo, (Dec. 23, 2020), <https://www.govinfo.gov/app/details/FR-2020-12-23/2020-28437/summary> (last visited Dec. 1, 2025).

⁹ *Id.*

¹⁰ *Id.*

¹¹ *Id.*

¹² FinCEN, *Application of FinCEN's Regulations to Certain Business Models Involving Convertible Virtual Currencies*, (May 9, 2019), <https://www.fincen.gov/system/files/2019-05/FinCEN%20Guidance%20CVC%20FINAL%20508.pdf> (last visited Dec. 1, 2025).

Virtual Currency Kiosks

Virtual currency kiosks are physical ATM-like machines that allow users to buy or exchange virtual currency.¹³ Virtual currency kiosks generate revenue for their owner or operator through the collection of fees and are generally located in businesses such as convenience stores, gas stations, cafes, and supermarkets.¹⁴

To engage in a transaction, a customer enters the address of the virtual wallet that will receive the purchased virtual currency.¹⁵ The address could be the customer's own virtual wallet, or that of a third party.¹⁶ The wallet address is usually embedded in a quick-response (QR) code, which is a barcode that can be scanned and read with a kiosk camera.¹⁷ The customer then inserts cash or a debit or credit card into the machine to finalize the transaction.¹⁸

As of December 2025, there are reportedly 37 operators and a total of 3,150 kiosks in Florida.¹⁹

According to the Office of Financial Regulation (OFR), the Federal Bureau of Investigation and Federal Trade Commission have received Florida-based complaints involving virtual currency kiosk fraud, totaling well over \$33 million in alleged victim losses between January 2020 and December 2025.²⁰

State Regulation

The OFR is responsible for all activities of the Financial Services Commission relating to the regulation of banks, credit unions, other financial institutions, finance companies, and the securities industry.²¹ The Division of Consumer Finance within OFR licenses and regulates various aspects of the non-depository financial services industries, including money services businesses.²²

A money services business is, "any person located in or doing business in this state, from this state, or into this state from locations outside this state or country who acts as a payment instrument seller, foreign currency exchanger, check casher, or money transmitter."²³ Money services businesses must be licensed with OFR.²⁴ Payment instruments do not include virtual currency.²⁵ However, money transmitters include those who for the purpose of acting as an intermediary, receive or transmit virtual currency.²⁶ Thus, the owner or operator of a virtual currency kiosk may constitute a money services business if it acts as a money transmitter.

Florida does not have a separate regulatory regime for virtual currency kiosk businesses. If the kiosk only conducts direct peer-to-peer transactions, meaning the owner or operator sells virtual currency from its own inventory directly to customers without a third party, then the owner or operator does not require licensure under current

¹³ FinCEN, *Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity*, (Aug. 4, 2025), <https://www.fincen.gov/system/files/2025-08/FinCEN-Notice-CVCKIOSK.pdf> (last visited Dec. 1, 2025).

¹⁴ FTC, *Bitcoin ATMs: A payment portal for scammers*, ("FTC Report") (Sept. 3, 2024), <https://www.ftc.gov/news-events/data-visualizations/data-spotlight/2024/09/bitcoin-atms-payment-portal-scammers> (last visited Dec. 1, 2025).

¹⁵ FinCEN, *Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity*, (Aug. 4, 2025), <https://www.fincen.gov/system/files/2025-08/FinCEN-Notice-CVCKIOSK.pdf> (last visited Dec. 1, 2025).

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ Coin ATM Radar, *Bitcoin ATMs in Florida*, available at <https://coinatmradar.com/state/10/bitcoin-atm-florida/> (last visited Dec. 2, 2025).

²⁰ Email from Jason Holloway, Director of Fintech Policy, Office of Financial Regulation, RE: HB 505 – Inquiry regarding virtual currency kiosks (Dec. 2, 2025).

²¹ [S. 20.121\(3\)\(a\)2., F.S.](#)

²² Office of Financial Regulation, *Division of Consumer Finance*, <https://flofr.gov/divisions-offices/division-of-consumer-finance> (last visited Dec. 2, 2025).

²³ [S. 560.103\(23\), F.S.](#)

²⁴ [S. 560.125, F.S.](#)

²⁵ [S. 560.103\(29\), F.S.](#)

²⁶ [S. 560.103\(24\), F.S.](#)

law.²⁷ However, if the kiosk acts as an intermediary, meaning it facilitates the transmission of funds from one party to a third party, then the kiosk may act as a money transmitter, and thus the owner or operator would constitute a money services business and would need a license from OFR.²⁸

Money transmitter licensure

A money transmitter is an entity that acts as an intermediary to transmit currency, monetary value, a payment instrument, or virtual currency from one person to another location or person by any means, including by wire, facsimile, electronic transfer, courier, the Internet, or through bill payment services or other businesses that facilitate such transfer within, to, or from this country.²⁹ The term includes only an intermediary that has the ability to unilaterally execute or indefinitely prevent a transaction.³⁰

To obtain a money transmitter license, applicants must submit an application to OFR that includes detailed information about the applicant.³¹ Application requirements include:

- a nonrefundable application fee of \$375;
- fingerprints for each control person³²;
- a copy of the applicant's written anti-money laundering program required under federal law;
- a sample authorized vendor contract;
- a sample form of a payment instrument;
- proof of a minimum net worth of \$100,000;
- proof of a corporate surety bond or collateral in an amount ranging between \$50,000 and \$2,000,000 based on the applicant's size and number of locations;
- a financial audit report for the most recent fiscal year; and
- any information needed to resolve application deficiencies.³³

Once licensed, a money transmitter must continue to maintain a net worth of at least \$100,000, obtain annual financial audit reports, and maintain a corporate surety bond or collateral.³⁴ Licensees are also required to comply with ongoing reporting, recordkeeping, and anti-money-laundering obligations under both state and federal law.³⁵

Money transmitter licenses are valid for two years, unless the license is surrendered, suspended, or revoked.³⁶ To renew a license, licensees must submit a renewal application and pay a renewal fee of \$750.³⁷

OFR has the authority to conduct examinations, request records, issue administrative fines, impose corrective actions, suspend or revoke licenses, and pursue enforcement actions against money transmitter licensees.³⁸

Federal Regulation

The Financial Crimes Enforcement Network (FinCEN), a bureau of the United States Department of Treasury, is responsible for safeguarding the financial system from illegal use, combatting money laundering and related crimes, and promoting national security.³⁹ Unless an exception applies, a money services business must register

²⁷ Florida Office of Financial Regulation, Biennial Report December 2024, p. 32, available at https://flofr.gov/docs/default-source/documents/biennial-report-2024.pdf?sfvrsn=4030c57c_1 (last visited Dec. 2, 2025).

²⁸ *Id.*

²⁹ [S. 560.103\(24\), F.S.](#)

³⁰ *Id.*

³¹ [S. 560.141, F.S.](#)

³² A control person includes a president, director, officer, partner, and certain shareholders. [S. 560.103\(10\), F.S.](#)

³³ [Ss. 560.141, F.S.](#) and [560.209, F.S.](#)

³⁴ [S. 560.209, F.S.](#)

³⁵ Ch. 560, F.S.

³⁶ [S. 560.141, F.S.](#)

³⁷ [S. 560.143, F.S.](#)

³⁸ Ch. 560, F.S.

³⁹ 31 U.S.C. §. 310.

with FinCEN.⁴⁰ Under federal law, money services businesses include persons who provide money transmission services.⁴¹ Money transmission involves the “acceptance of currency, funds, or other value that substitutes for currency and the transmission of currency, funds, or other value that substitutes for currency to another location or person by any means” or “any other person engaged in the transfer of funds.”⁴² According to OFR, virtual currency kiosk businesses that are not required to register with OFR as a money services business would still need to register with FinCEN.⁴³

Virtual currency kiosks that engage in money transmission are considered money services businesses under the Bank Secrecy Act which must comply with registration and reporting requirements.⁴⁴ Notwithstanding these requirements, limited information on virtual currency kiosks is collected, which has made it difficult for federal agencies such as FinCEN to identify and track virtual currency kiosks.⁴⁵ The United States Government Accountability Office (GAO) reports that only 164 of the estimated 297 kiosk operators in the United States were registered.⁴⁶

⁴⁰ 31 C.F.R. §. 1022.380(a).

⁴¹ 31 C.F.R. §. 1010.100(ff)(5).

⁴² 31 CFR §. 1010.100(ff)(5)(i)(A).

⁴³ Email from Jason Holloway, Director of Fintech Policy, Office of Financial Regulation, RE: HB 505 – Inquiry regarding virtual currency kiosks (Dec. 2, 2025).

⁴⁴ FinCEN, *Application of FinCEN’s Regulations to Certain Business Models Involving Convertible Virtual Currencies*, (May 9, 2019), <https://www.fincen.gov/system/files/2019-05/FinCEN%20Guidance%20CVC%20FINAL%20508.pdf> (last visited Dec. 1, 2025).

⁴⁵ *Id.*

⁴⁶ 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 Dec. 1, 2025).

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Insurance & Banking Subcommittee	18 Y, 0 N	12/9/2025	Brackett	Highsmith
Commerce Committee	24 Y, 1 N, As CS	1/27/2026	Hamon	Highsmith

THE CHANGES ADOPTED BY THE COMMITTEE:

- Provided that an owner or operator of a virtual currency kiosk is a money transmitter and therefore must obtain a money transmitter license from the Office of Financial Regulation.
- Exempted owners and operators of virtual currency kiosks from money transmitter license application fees and license renewal fees if they are solely engaged in the business of owning or operating virtual currency kiosks.
- Lowered the transaction limits for new customers from \$2,000 to \$500 and for existing customers from \$10,500 to \$1,000.
- Added a requirement for owners or operators of virtual currency kiosks to provide customers with a printed receipt in addition to the electronic receipt.
- Provided that receipts must include an email address for the owner or operator of a virtual currency kiosk as well as a website link.
- Removed the provision requiring owners and operators of virtual currency kiosks to refund the full amount of a customer's first transaction and replaces it with a requirement to refund all transaction fees and costs if certain conditions are met.
- Changed the effective date from January 1, 2027, to July 1, 2026.

THIS BILL ANALYSIS HAS BEEN UPDATED TO INCORPORATE ALL OF THE CHANGES DESCRIBED ABOVE.
