

HOUSE BILL NO. 354

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVE VANCE

Introduced: 2/23/26

Referred: Judiciary, Labor and Commerce

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to virtual currency kiosks; relating to transactions involving virtual
2 currency; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * **Section 1.** AS 06.55 is amended by adding new sections to read:

5 **Article 1A. Virtual Currency Kiosks.**

6 **Sec. 06.55.120. Virtual currency kiosk operator licensing and registration.**

7 (a) A virtual currency kiosk operator may not engage in a virtual currency kiosk
8 transaction or hold itself out as being able to engage in virtual currency kiosk
9 transactions with or on behalf of another person unless the virtual currency kiosk
10 operator holds a money transmission license.

11 (b) A virtual currency kiosk operator may not locate a virtual currency kiosk
12 in the state unless the virtual currency kiosk operator registers with and obtains the
13 prior approval of the department to operate the virtual currency kiosk in the location.
14 The department may deny a request to locate a virtual currency kiosk, or may require

1 additional safeguards, in a location that has documented high fraud patterns or
2 repeated customer complaints.

3 **Sec. 06.55.125. Reporting.** On or before March 31 of each year, a virtual
4 currency kiosk operator shall submit an annual report to the department relating to the
5 virtual currency kiosk operator's business conducted in the state during the previous
6 calendar year. The report must be on a form prescribed by the department and include
7 a summary of

8 (1) fraud complaints received by the virtual currency kiosk operator;

9 (2) refunds issued by the virtual currency kiosk operator;

10 (3) prevention measures implemented by the virtual currency kiosk
11 operator;

12 (4) interactions the virtual currency kiosk operator had with law
13 enforcement relating to fraud; and

14 (5) data on incidents involving senior citizens at a virtual currency
15 kiosk operated by the virtual currency kiosk operator, including demographic data if
16 available.

17 **Sec. 06.55.130. Disclosures and receipts.** (a) When a user engages with a
18 virtual currency kiosk, the virtual currency kiosk operator shall obtain
19 acknowledgment of receipt of all disclosures required under this section before
20 completing a transaction.

21 (b) A virtual currency kiosk must prominently display on the kiosk screen for
22 each transaction the following disclosures:

23 (1) a warning, written prominently and in bold type, stating

24 Do not send money to strangers or unknown parties, especially
25 if the person pressures you by telephone call, text message, or
26 electronic mail and claims to be a family member, government official,
27 or authority figure in distress. If a person pressures you to complete this
28 transaction, hang up or end the communication and contact a trusted
29 family member or law enforcement immediately;

30 (2) a clear statement that a virtual currency transaction is irreversible
31 and nonrefundable except as provided by law;

1 (3) the address and telephone number of the Alaska state troopers,
2 local law enforcement, and the toll-free telephone number of a nonprofit that provides
3 resources for protecting senior citizens;

4 (4) a prominent warning about common scams, with specific emphasis
5 on those targeting seniors, including government impersonation, romance scams,
6 investment fraud, tech support scams, family emergency scams, threats of arrest or
7 deportation, and scams claiming to be a grandchild or other relative;

8 (5) a prompt asking the user if the user is 60 years of age or older; if
9 the user answers yes to the prompt, the virtual currency kiosk operator must provide
10 additional information or human assistance to the user; and

11 (6) the total amount of the transaction, including all transaction fees, in
12 United States dollars.

13 (c) The disclosures required under this section must be provided in English,
14 Spanish, and any other language the virtual currency kiosk operator uses to advertise
15 or solicit business in the state.

16 (d) After the completion of each transaction, the virtual currency kiosk
17 operator shall provide users with a paper or electronic receipt. In addition to the
18 information required under AS 06.55.830, the receipt must include the following
19 information:

20 (1) the virtual currency kiosk operator's name, address, and customer
21 service telephone number;

22 (2) the type, date, and time of the transaction;

23 (3) the value of the transaction, in United States currency;

24 (4) each applicable virtual currency wallet address, value, and
25 transaction hash, if applicable;

26 (5) a fraud warning with specific instructions directing senior citizens
27 how to report fraud to law enforcement, the office of the Department of Health that
28 administers adult protective services, or the Department of Commerce, Community,
29 and Economic Development; and

30 (6) a statement of the virtual currency kiosk operator's refund policy.

31 **Sec. 06.55.135. Fraud and anti-money laundering policy.** A virtual currency

1 kiosk operator shall take reasonable steps to detect and prevent fraud and money
2 laundering, including establishing and maintaining a written anti-fraud policy that
3 must, at a minimum,

4 (1) identify and assess fraud-related and money-laundering-related risk
5 areas, monitoring, periodic review, and mitigation procedures, and special protocols to
6 mitigate risks for users who are senior citizens;

7 (2) designate a compliance officer; the compliance officer may not be
8 the chief executive officer or have an ownership interest in 20 percent or more in the
9 virtual currency kiosk operator;

10 (3) use blockchain analytics to screen transactions and prevent
11 transfers to virtual currency wallets known to be associated with fraud or illicit
12 activity;

13 (4) require verbal confirmation, either through telephone or video call,
14 with a user who is 59 years of age or younger before authorizing a transaction of \$300
15 or more or who is 60 years of age or older before authorizing a transaction of any
16 amount; during a telephone or video call with a user who is 60 years of age or older,
17 the virtual currency kiosk operator shall offer to contact a designated trusted family
18 member or advocate for secondary verification;

19 (5) require a user to verify the user's identity using a government-
20 issued document for a transaction greater than \$1,000 or, if the user is 60 years of age
21 or older, a transaction greater than \$300;

22 (6) include a staffed customer service helpline that is available seven
23 days a week between 8:00 a.m. and 10:00 p.m. Alaska time and during all other hours
24 that a virtual currency kiosk is open for business; the helpline must include options for
25 non-English speakers and priority routing for senior citizens; and

26 (7) mandate that the virtual currency kiosk operator will provide all
27 relevant transaction records, including virtual currency wallet address records and the
28 results of blockchain analytics, within 48 hours after receiving a request by a law
29 enforcement agency that is investigating suspected fraud.

30 **Sec. 06.55.140. Department outreach.** The department shall regularly engage
31 in community outreach by providing education materials and presenting to senior

1 centers, senior citizens' organizations, and other places and organizations that serve
 2 senior citizens. The outreach must focus on educating senior citizens on the risks
 3 associated with using a virtual currency kiosk. When conducting community outreach
 4 under this section, the Department of Commerce, Community, and Economic
 5 Development shall seek assistance from the Alaska Commission on Aging and the
 6 office of the Department of Health that administers adult protective services.

7 **Sec. 06.55.145. Refunds.** (a) For cases related to fraud, a virtual currency
 8 kiosk operator shall issue a refund to a user in the full amount of each transaction paid
 9 by the user at the time of the transaction, including transaction fees, if the user reports
 10 the fraud to a law enforcement agency and the virtual currency kiosk operator within
 11 120 days after the transaction and submits to the virtual currency kiosk operator a
 12 police report or report by the department detailing the fraudulent nature of the
 13 transaction.

14 (b) If the conditions for a refund under this section are met and the virtual
 15 currency kiosk operator does not provide a refund to the user, the virtual currency
 16 kiosk operator shall be liable for treble damages to the user or \$10,000, whichever is
 17 greater.

18 **Sec. 06.55.150. Transaction limit.** (a) A virtual currency kiosk operator may
 19 not accept from a user who is 60 years of age or older transactions totaling more than
 20 \$1,000, or the equivalent in virtual currency, in one calendar day. For a user who is 59
 21 years of age or younger, a virtual currency kiosk operator may not accept transactions
 22 totaling more than \$2,000, or the equivalent in virtual currency, in one calendar day.

23 (b) A virtual currency kiosk operator may not accept transactions totaling
 24 more than \$10,000, or the equivalent in virtual currency, from a user in a 30-day
 25 period.

26 (c) The limits in this section apply to all products offered by a virtual currency
 27 kiosk operator. The use of alternative products, including online purchasing or over-
 28 the-counter platforms, may not be employed to circumvent or exceed the limits in this
 29 section.

30 **Sec. 06.55.155. Transaction fees.** The virtual currency kiosk operator must
 31 disclose to a user the total transaction fees that will be charged for a transaction before

1 the user completes the transaction. The total transaction fees that a virtual currency
 2 kiosk operator charges a user for a transaction may not exceed the greater of \$5 or 10
 3 percent of the transaction amount.

4 **Sec. 06.55.160. Penalties.** Notwithstanding AS 06.55.605, a person that
 5 violates AS 06.55.120 - 06.55.165 is subject to administrative action, including civil
 6 penalties of up to \$10,000 for each violation a day.

7 **Sec. 06.55.165. Definitions.** In AS 06.55.120 - 06.55.165,

8 (1) "blockchain analytics" means tools or services that analyze
 9 distributed ledger data to identify risks associated with wallet addresses or
 10 transactions, including links to fraud, illicit activity, or sanctioned entities;

11 (2) "virtual currency" means a digital representation of value that is
 12 used as a medium of exchange, unit of account, or store of value;

13 (3) "virtual currency kiosk" means an electronic device or machine that
 14 enables a customer to purchase or sell virtual currency using United States currency
 15 without direct assistance from another person;

16 (4) "virtual currency kiosk operator" means a person that owns,
 17 operates, manages, or controls a virtual currency kiosk located in the state;

18 (5) "virtual currency kiosk transaction" means a transaction conducted
 19 or performed, in whole or in part, by electronic means through a virtual currency kiosk
 20 or a transaction made at a virtual currency kiosk to purchase virtual currency with
 21 United States dollars or to sell virtual currency for United States dollars.

22 * **Sec. 2.** AS 06.55.840 is amended by adding a new subsection to read:

23 (b) This section does not apply to a refund requested for a virtual currency
 24 kiosk transaction under AS 06.55.120 - 06.55.165.

25 * **Sec. 3.** AS 06.55.990(15) is amended to read:

26 (15) "money transmission"

27 **(A)** means

28 **(i)** selling or issuing payment instruments or stored
 29 value, or receiving money or monetary value for transmission; **or**

30 **(ii) operating a virtual currency kiosk;**

31 **(B)** [, BUT] does not include the provision solely of delivery,

1 online services, telecommunications services, or network access;

2 * **Sec. 4.** This Act takes effect July 1, 2026.