FLORIDA HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS

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BILL #: CS/HB 505	**COMPANION BILL:** CS/CS/SB 198 (Rouson)
TITLE: Virtual Currency Kiosks	**LINKED BILLS:** None
SPONSOR(S): Owen and Daley	**RELATED BILLS:** None

FINAL HOUSE FLOOR ACTION: 107 **Y's** 0 **N's** **GOVERNOR'S ACTION:** Approved

SUMMARY

Effect of the Bill:
The bill expands the definition of money services business to include virtual currency kiosk businesses and requires such businesses to register with the Office of Financial Regulation.

The bill requires virtual currency kiosk businesses to warn customers of the risk of fraud. The bill limits kiosk transactions for new customers to $2,000 per day and for existing customers to $10,000 per day. The bill requires virtual currency kiosk businesses to provide customers with a physical or electronic receipt containing contact information for the business, transaction details, a statement of the business' liability, and the business' refund policy. The bill requires virtual currency kiosk businesses to issue a refund of the customer's first transaction 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:

Virtual Currency Kiosks

Effective January 1, 2027, the bill expands the definition of money services business to include virtual currency kiosk businesses. However, unlike other money services businesses, the bill does not require licensure and instead requires such businesses to apply for and obtain a registration from the Office of Financial Regulation ("OFR"). (Sections 1 and 7).

The bill defines a "virtual currency kiosk" as an electronic terminal that acts as a mechanical agent of the kiosk business, enabling the kiosk business to facilitate the exchange of virtual currency for fiat currency[1] or other virtual currency for a customer. (Section 1).

The bill updates existing prohibitions on unlicensed activity for money services businesses and corresponding penalties to also cover operating as a virtual currency kiosk business without a registration. (Sections 3 and 4).

The bill creates of part V of ch. 560, F.S., entitled "Virtual Currency Kiosk Businesses" that establishes regulation of virtual currency kiosk businesses. (Section 5).

Registration

Effective March 1, 2027, the bill prohibits a virtual currency kiosk business from operating in Florida without first registering, or renewing its registration, with OFR. (Section 7).

[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).

A money transmitter that is licensed as a money services business and offers virtual currency kiosk services is exempt from registering as a virtual currency kiosk business but is subject to the bill's requirements relating to disclosures, transaction limits, receipts, and refunds. (Section 7).

The bill also prohibits entities from acting as a money transmitter with respect to virtual currency kiosk transactions without obtaining a money services business license. Thus, if a virtual currency kiosk business does not act as a money transmitter, then the kiosk is only required to obtain a registration. However, if the virtual currency kiosk business acts as a money transmitter, then it would need to obtain a money services business license. (Section 7).

The bill provides that a virtual currency kiosk registration is not transferable or assignable. (Section 7).

Registration applications

Effective January 1, 2027, the bill creates application requirements. Applicants seeking registration as a virtual currency kiosk business must submit an application to OFR that includes:

- The applicant's legal name, any fictitious or trade names, and physical and mailing addresses.
- The date and state of formation, if applicable.
- For each control person,[2] their name, identification number (such as social security number, alien identification number, or taxpayer identification number), business and residential addresses, and employment history for the past 5 years.
- A description of the applicant's organizational structure, including any parent or subsidiary entities and whether any are publicly traded.
- The name and mailing address of the registered agent in the state.
- The physical address of the location of each virtual currency kiosk that the applicant plans to operate in the state.
- An attestation that the applicant has documented and implemented blockchain analytics[3] policies and procedures to prevent transfers to wallet addresses linked to known criminal activity, and that these controls are integrated into the applicant's compliance program.
- Any other information required by Florida statute or the Financial Services Commission ("Commission") rule. (Section 8).

Applicants must provide any information needed to correct application deficiencies within a timeframe set by Commission rule. Registrants must report any changes to the information in their initial application or application amendments within 30 days of the change taking effect. (Section 8).

Registrations must be renewed annually by December 31 of the year before expiration. To renew, a registrant must either submit updated application information if changes have occurred or an affidavit confirming that no information has changed since the prior year. (Section 8).

Upon request from OFR, registrants seeking renewal must also provide evidence of compliance with the bill's requirements relating to disclosures, transaction limits, receipts, and refunds. Such evidence may be prescribed by Commission rule and may include but is not limited to:

- Current disclosures presented to customers during the transaction process.
- Current use of blockchain analytics to prevent transfers to wallet addresses linked to known criminal activity. (Section 8).

[2] The term "control person" includes key employees of a money service business, such as a president, high ranking officers, and certain shareholders. See S. 560.103, F.S.

[3] The bill defines "blockchain analytics" as the process of examining, monitoring, and gathering insights from the data and transaction patterns on a blockchain network. The primary aims of blockchain analytics are to understand and monitor the network's health, track transaction flows, and identify potential security threats, including illicit activity, in order to extract actionable insights. 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.

If a registrant fails to renew its registration by December 31 of the year before expiration, its registration will become inactive for 60 days and the registrant may not conduct business in Florida while the registration is inactive. (Section 8).

To renew an inactive registration, the registrant must, within 60 days after the registration becomes inactive, submit the following to OFR:

- An updated application if any changes have occurred or an affidavit confirming that no information has changed since the prior year.
- Evidence that the registrant was operating in compliance with the bill's requirements relating to disclosures, transaction limits, receipts, and refunds. Such evidence may be prescribed by Commission rule and includes but is not limited to:
    - Current disclosures presented to customers during the transaction process.
    - Reports confirming compliance with transaction limits.
    - Copies of receipts provided to customers.
    - Records showing required refunds provided to customers.
    - Current use of blockchain analytics to prevent transfers to wallet addresses linked to known criminal activity. (Section 8).

A renewal registration becomes effective on the date OFR approves the application for registration. If a registrant fails to submit a renewal application within 60 days after the registration becomes inactive, the registration expires. Once expired, the virtual currency kiosk business must submit a new registration application and receive a new registration from OFR before conducting business in this state. (Section 8).

OFR may deny an initial or renewal application if a control person of the registrant or the registrant has engaged in unlawful business practices or has been convicted or found guilty of, or pled guilty or nolo contendere to crimes involving dishonest dealing, fraud, acts of moral turpitude, or other acts showing an inability to engage lawfully as a virtual currency kiosk business. OFR must deny a renewal application that fails to provide evidence of compliance, if required. (Section 8).

Any false statement in a registration application renders the registration void. A void registration does not provide a defense against prosecution for violations of the laws governing money services businesses. (Section 8).

Virtual currency kiosk businesses operating in Florida before January 1, 2027, must submit a registration application to OFR by January 31, 2027. (Section 8).

Transaction limits

Effective January 1, 2027, the bill prohibits virtual currency kiosk businesses from allowing new customers to transact more than $2,000 per calendar day and from allowing existing customers to transact more than $10,000 per calendar day. These limits apply regardless of whether the customer engages in a single transaction or multiple transactions and regardless of whether the transactions are through one or multiple virtual currency kiosks. (Section 6).

The bill defines "new customer" as a customer who has transacted with the virtual currency kiosk business for less than 7 days. The bill defines "existing customer" as a customer who has transacted with the virtual currency kiosk business for 7 or more days. (Section 6).

Disclosure requirements

Effective January 1, 2027, the bill requires a virtual currency kiosk business to ensure that its virtual currency kiosk requires customers to confirm whether the customer has conducted any transaction at another virtual currency kiosk on the same calendar day, and if so, in what amount. This requirement is to determine whether the customer has reached the daily transaction limit. (Section 9).

The bill requires virtual currency kiosk businesses to clearly display a disclosure on the kiosk screen before a customer may initiate a virtual currency transaction. The disclosure must state:

> "WARNING: 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 THIS TRANSACTION IMMEDIATELY AND CONTACT YOUR FINANCIAL ADVISOR OR LOCAL LAW ENFORCEMENT." (Section 9).

Receipt requirement
Effective January 1, 2027, the bill requires a virtual currency kiosk business to provide customers with a choice of a physical or electronic 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 virtual currency kiosk's liability, if any, for non-delivery or delayed delivery of the currency.
- Refund policy of the virtual currency kiosk business. (Section 11).

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. (Section 6).

The bill defines "wallet" as hardware or software that enables customers to store, use, send, receive, and spend virtual or store virtual currency private keys or passcodes. (Section 6).

Refund requirement
Effective January 1, 2027, the bill requires a virtual currency kiosk business to issue a full refund to a customer within 72 hours for the customer's first virtual currency kiosk transaction if all of the following conditions are met:

- The customer contacts both the virtual currency kiosk business and a law enforcement or governmental agency within 60 days after the transaction.
- The customer provides proof of the alleged fraud to the virtual currency kiosk business, such as a police report or notarized affidavit. (Section 12).

Effective date
The bill was approved by the Governor on June 26, 2026, ch. 2026-178, L.O.F., and will become effective on January 1, 2027, except as otherwise expressly provided. (Section 13).

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.[4] In some environments, virtual currency operates like "real" currency[5] (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).[6] 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. [7] 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.[8]

Virtual currencies generally operate on networks of computers (nodes) that enable, validate, and record transactions on a distributed digital ledger (blockchain).[9] 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.[10] 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.[11] Ledger entries are cryptographically secured, and accounts on a blockchain are identified by alphanumeric "public keys" rather than by personal names.[12] Virtual currency wallets are interfaces that store and transfer virtual currency.[13]

[4] S. 560.103(36), F.S.
[5] Often referred to as "fiat" currency.
[6] IRS, *Digital assets*, https://www.irs.gov/filing/digital-assets (last visited Dec. 1, 2025).
[7] *Id.*
[8] *Id.*
[9] 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).
[10] *Id.*
[11] *Id.*
[12] *Id.*
[13] 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.[14] 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.[15]

To engage in a transaction, a customer enters the address of the virtual wallet that will receive the purchased virtual currency.[16] The address could be the customer's own virtual wallet, or that of a third party.[17] 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.[18] The customer then inserts cash or a debit or credit card into the machine to finalize the transaction.[19]

As of December 2025, there are reportedly 37 operators and a total of 3,150 kiosks in Florida.[20]

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.[21]

State Regulation

The Financial Services Commission ("Commission") is an executive agency within the Department of Financial Services and is composed of the Governor, the Attorney General, the Chief Financial Officer, and the Commissioner of Agriculture.[22] The Commission serves as the rulemaking body for OFR and is responsible for appointing and removing OFR directors.[23]

OFR is responsible for all activities of the Commission relating to the regulation of banks, credit unions, other financial institutions, finance companies, and the securities industry.[24] The Division of Consumer Finance within OFR licenses and regulates various aspects of the non-depository financial services industries, including money services businesses.[25]

Money Services Businesses

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."[26] Money services businesses must be licensed with OFR.[27] Payment instruments do not include virtual currency.[28] However, money transmitters include those who for the

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[14] 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).
[15] 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).
[16] 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).
[17] *Id.*
[18] *Id.*
[19] *Id.*
[20] Coin ATM Radar, *Bitcoin ATMs in Florida*, available at https://coinatmradar.com/state/10/bitcoin-atm-florida/ (last visited Dec. 2, 2025).
[21] Email from Jason Holloway, Director of Fintech Policy, Office of Financial Regulation, RE: HB 505 – Inquiry regarding virtual currency kiosks (Dec. 2, 2025).
[22] S. 20.121, F.S.
[23] *Id.*
[24] *Id.*
[25] Office of Financial Regulation, *Division of Consumer Finance*, https://flofr.gov/divisions-offices/division-of-consumer-finance (last visited Dec. 2, 2025).
[26] S. 560.103(23), F.S.
[27] S. 560.125, F.S.
[28] S. 560.103(29), F.S.

purpose of acting as an intermediary, receive or transmit virtual currency.[29] Thus, under current law, a virtual currency kiosk business 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 business only conducts direct peer-to-peer transactions, meaning the business sells virtual currency from its own inventory directly to customers without a third party, then the business does not require licensure under current law.[30] 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 would constitute a money services business and would need a license from OFR.[31]

Money Transmitters

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.[32] The term includes only an intermediary that has the ability to unilaterally execute or indefinitely prevent a transaction.[33]

To obtain a money transmitter license, applicants must submit an application to OFR that includes detailed information about the applicant.[34] Application requirements include:

- A nonrefundable application fee of $375.
- Fingerprints for each control person.[35]
- 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.
- Any information needed to resolve application deficiencies.[36]

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.[37] Licensees are also required to comply with ongoing reporting, recordkeeping, and anti-money-laundering obligations under both state and federal law.[38]

Money transmitter licenses are valid for two years, unless the license is surrendered, suspended, or revoked.[39] To renew a license, licensees must submit a renewal application and pay a renewal fee of $750.[40]

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.[41]

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[29] S. 560.103(24), F.S.
[30] 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).
[31] *Id.*
[32] S. 560.103(24), F.S.
[33] *Id.*
[34] S. 560.141, F.S.
[35] A control person includes a president, director, officer, partner, and certain shareholders. S. 560.103(10), F.S.
[36] Ss. 560.141, F.S. and 560.209, F.S.
[37] S. 560.209, F.S.
[38] Ch. 560, F.S.
[39] S. 560.141, F.S.
[40] S. 560.143, F.S.
[41] Ch. 560, F.S.

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.[42] Unless an exception applies, a money services business must register with FinCEN.[43] Under federal law, money services businesses include persons who provide money transmission services.[44] 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."[45] According to OFR, virtual currency kiosk businesses that are not required to register with OFR as a money services business still need to register with FinCEN.[46]

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.[47] 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.[48] The United States Government Accountability Office (GAO) reports that only 164 of the estimated 297 kiosk operators in the United States were registered.[49]

[42] 31 U.S.C. §. 310.
[43] 31 C.F.R. §. 1022.380(a).
[44] 31 C.F.R. §. 1010.100(ff)(5).
[45] 31 CFR §. 1010.100(ff)(5)(i)(A).
[46] Email from Jason Holloway, Director of Fintech Policy, Office of Financial Regulation, RE: HB 505 – Inquiry regarding virtual currency kiosks (Dec. 2, 2025).
[47] 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).
[48] *Id.*
[49] 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).