

**KANSAS STATUTES**

**VIRTUAL CURRENCY KIOSK CONSUMER PROTECTION ACT**

**Chapter 9- BANKS AND BANKING; TRUST COMPANIES**

**2026 HB 2591 New Sections 6 through 11**

- New Sec 6 Title of Act; effective date.
- New Sec 7 Definitions.
- New Sec 8 Required disclosures; disclosure of terms and conditions; risk of use; fraud.
- New Sec 9 Use of Blockchain analytics software; live customer assistance requirements; anti-fraud and due diligence policy; kiosk location report; verification of identity of user.
- New Sec 10 Allowable fee charges.
- New Sec 11 Holding period; judicial orders; transaction limits; refunds; requirements and reporting of fraudulent transactions.

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**Chapter 9- BANKS AND BANKING; TRUST COMPANIES**

**2026 HB 2591 New Sections 6 through 11**

**2026 HB 2591 New Sec. 6. Title of Act; effective date.**

- (a) The provisions of sections 6 through 11, and amendments thereto, shall be known and may be cited as the virtual currency kiosk consumer protection act, and shall be a part of and supplemental to the Kansas money transmission act.
- (b) This section shall take effect on and after July 1, 2026.

*History:* L. 2026, HB 2591, § 6; July 1

**2026 HB 2591 New Sec. 7. Definitions.**

- (a) As used in this act:
  - (1) "Act" means the virtual currency kiosk consumer protection act.
  - (2) "Blockchain" means a distributed digital ledger or database that is chronological, consensus-based, decentralized and mathematically verified in nature.
  - (3) "Blockchain analytics" means a software service that uses data from various virtual currencies and such currencies' applicable blockchains to provide a risk rating specific to digital wallet addresses from users of virtual currency kiosks.
  - (4) "Digital wallet" means hardware or software that enables individuals to store and use virtual currency.
  - (5) "Digital wallet address" means an alphanumeric identifier representing a destination on a blockchain for a virtual currency transfer that is associated with a digital wallet.
  - (6) "Initial virtual currency transaction" means the first transaction that a virtual currency operator facilitates in the exchange of money for virtual currency or virtual currency for money or other virtual currency with a person in Kansas.
  - (7) "Virtual currency" means a digital representation of value that:
    - (A) Is used as a medium of exchange, unit of account or store of value;

- (B) is not money, whether or not denominated in money; and
- (C) does not include a:
  - (i) Transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from or exchanged with the merchant for money, bank credit or virtual currency; or
  - (ii) digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform or family of games sold by the same publisher or offered on the same game platform.
- (8) "Virtual currency kiosk" means an electronic terminal owned, rented or leased by a virtual currency kiosk operator that enables the operator to facilitate the exchange of money for virtual currency or virtual currency for money or other virtual currency with a person in Kansas, including, but not limited to:
  - (A) Connecting directly to a separate virtual currency exchange that performs the actual virtual currency transmission; or
  - (B) drawing upon the virtual currency in the possession of the owner or operator of the electronic terminal.
- (9) "Virtual currency kiosk operator" means a person who owns, rents or leases a virtual currency kiosk and engages in virtual currency transactions at a physical location within this state.

(b) This section shall take effect on and after July 1, 2026.

*History:* L. 2026, HB 2591, § 7; July 1

**2026 HB 2591 New Sec. 8. Required disclosures; disclosure of terms and conditions; risk of use; fraud.**

- (a) Prior to entering into an initial virtual currency transaction for, on behalf of or with a person in Kansas, each virtual currency kiosk operator shall disclose in clear, conspicuous and legible writing in the English language, whether in accessible terms of service or elsewhere, all material risks associated with such virtual currency kiosk operator's products, services and activities and virtual currency, generally, including disclosures substantially similar to the following:
  - (1) Virtual currency is not legal tender and is not backed or insured by the government;

- (2) legislative and regulatory changes or actions at the state, federal or international level may adversely affect the use, transfer, exchange and value of virtual currency;
  - (3) transactions in virtual currency may be irreversible, and, accordingly, losses due to fraudulent or accidental transactions may not be recoverable;
  - (4) some virtual currency transactions shall be deemed to be made when recorded on a public ledger that is not necessarily the date or time that you initiate the transaction;
  - (5) the value of virtual currency may be derived from the continued willingness of market participants to exchange money for virtual currency, which may result in the potential for permanent and total loss of value of a particular virtual currency should the market for that virtual currency disappear;
  - (6) there is no assurance that a person who accepts a virtual currency as payment today will continue to do so in the future;
  - (7) the volatility and unpredictability of the price of virtual currency relative to the United States dollar may result in significant loss over a short period of time;
  - (8) the nature of virtual currency may lead to an increased risk of fraud or cyber attack;
  - (9) the nature of virtual currency means that any technological difficulties experienced by the virtual currency kiosk operator may prevent the access or use of your virtual currency; and
  - (10) any bond or trust account maintained by the virtual currency kiosk operator for the benefit of such operator's customers may not be sufficient to cover all losses incurred by customers.
- (b) When opening an account, and prior to entering into an initial virtual currency transaction for, on behalf of or with such person in Kansas, each virtual currency kiosk operator shall disclose in clear, conspicuous and legible writing in the English language, whether in accessible terms of service or elsewhere, all relevant terms and conditions associated with such virtual currency kiosk operator's products, services and activities and virtual currency, generally, including disclosures substantially similar to the following:
- (1) The person's liability for unauthorized virtual currency transactions;
  - (2) under what circumstances the virtual currency kiosk operator will, absent a court or government order, disclose the person's information to third parties;
  - (3) the person's right to receive periodic account statements and valuations from the virtual currency kiosk operator;

- (4) the person's right to receive a receipt, trade ticket or other evidence of a transaction;
  - (5) the person's right to prior notice of a change in the virtual currency kiosk operator's rules or policies; and
  - (6) such other disclosures as are customarily given in connection with the opening of accounts.
- (c) Prior to entering into each virtual currency transaction with a person in Kansas, each virtual currency kiosk operator shall ensure that a warning is clearly and conspicuously disclosed on the screen, that shall be acknowledged by tapping the screen or similar manner, and by email, in at least 12-point or the largest available font size that is substantially similar to the following, including bold and capitalization:

**WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM A STRANGER WHO IS INITIATING A DISHONEST SCHEME. CRIMINAL ACTIVITY MAY APPEAR IN MANY FORMS, INCLUDING, BUT NOT LIMITED TO, THE FOLLOWING:**

1. Impersonating a family member or friend while claiming to be in financial or criminal trouble.
2. Communication from someone impersonating a representative of your financial institution or a law enforcement officer.
3. Claims of a frozen bank account or credit card.
4. Claims of fraudulent financial transactions.
5. Claims of identity theft or job offers in exchange for payment.
6. Requests for payment to government agencies or companies.
7. Requests for disaster relief donations or loans.
8. Offers to purchase tickets for lotteries, sweepstakes or drawings for vehicles.

**IF YOU BELIEVE YOU ARE BEING SCAMMED, CONTACT YOUR LOCAL LAW ENFORCEMENT.**

- (d) Upon completion of any virtual currency kiosk transaction, each virtual currency kiosk operator shall provide to the person in Kansas a receipt containing the following information:
- (1) The name and contact information of the virtual currency kiosk operator, including a telephone number established by the virtual currency kiosk operator to answer questions and register complaints;

- (2) the type, value, date and precise time of the transaction in the local time zone;
  - (3) the fee charged;
  - (4) the exchange rate, if applicable;
  - (5) the difference, if any, between the exchange rate and the market rate of any virtual currency involved in the transaction realized by the person in Kansas if the difference represents a decrease in value. The difference shall be expressed in the equivalent United States dollar and labeled as a "spread fee";
  - (6) a statement of the liability of the virtual currency kiosk operator for non-delivery or delayed delivery;
  - (7) a statement of the refund policy of the virtual currency kiosk operator in compliance with section 7, and amendments thereto; and
  - (8) the complete wallet address where money or virtual currency is deposited or sent.
- (e) The receipt required by subsection (d) shall be provided in paper form if the virtual currency kiosk operator first placed a virtual currency kiosk into service in Kansas on or after July 1, 2026. If a virtual currency kiosk was placed into service before July 1, 2026, the virtual currency kiosk operator shall provide a paper or digital receipt. All digital receipts shall require a clicked acknowledgment that the consumer has provided such consumer's email address.
- (f) If the virtual currency kiosk provider agrees to conduct the transaction in Spanish, all disclosures required by this section shall also be provided in Spanish. In lieu of the disclosure required by subsection (c), the virtual currency kiosk provider shall ensure that a warning is clearly and conspicuously disclosed on the screen, that shall be acknowledged by tapping the screen or similar manner, and by email in at least 12-point or the largest available font size that is substantially similar to the following, including bold and capitalization:

**ADVERTENCIA: EL FRAUDE AL CONSUMIDOR FRECUENTEMENTE COMIENZA CON EL CONTACTO DE UN EXTRAÑO QUE ESTÁ INICIANDO UN PLAN DESHONESTO. LA ACTIVIDAD CRIMINAL PUEDE APARECER DE MUCHAS FORMAS, INCLUYENDO, PERO NO LIMITADO, A LAS SIGUIENTES:**

1. Hacerse pasar por un familiar o amigo mientras afirma estar en problemas financieros o criminales.
2. Comunicación de alguien que se hace pasar por un representante de su institución financiera o una agente policíaca.
3. Afirmaciones de cuenta bancaria o tarjeta de crédito congelada.

4. Afirmaciones de transacciones financieras fraudulentas.
5. Afirmaciones de robo de identidad u ofertas de trabajo a cambio de un pago.
6. Solicitudes de pago a agencias o empresas gubernamentales.
7. Solicitudes de donaciones o préstamos para ayuda en casos de desastre.
8. Ofertas para la compra de billetes de loterías, sorteos o sorteos de vehículos.

SI CREES QUE ESTÁS SIENDO ESTAFADO, COMUNÍQUESE CON LA POLICÍA LOCAL.

- (g) Each virtual currency kiosk operator shall retain evidence of disclosures as required by this section for three years in addition to all other retention requirements of K.S.A. 2025 Supp. 9-578, and amendments thereto.
- (h) The disclosures required by this section are intended to serve as warnings to users who may be conducting a virtual currency kiosk transaction as a result of a scam. Such disclosures shall not affect or prevent a fraud victim's ability to be eligible for a refund.
- (i) This section shall take effect on and after July 1, 2026.

*History:* L. 2026, HB 2591, § 8; July 1

**2026 HB 2591 New Sec. 9. Use of Blockchain analytics software; live customer assistance requirements; anti-fraud and due diligence policy; kiosk location report; verification of identity of user.**

- (a) All virtual currency kiosk operators shall use blockchain analytics software to assist in the prevention of sending purchased virtual currency from a virtual currency kiosk operator to a digital wallet known to be affiliated with fraudulent activity at the time of a transaction. The commissioner may request evidence from any virtual currency kiosk operator of current and historical use of blockchain analytics. The virtual currency kiosk operator shall be held harmless if such virtual currency kiosk operator refuses to complete a transaction based upon the knowledge or a credible suspicion that a digital wallet in the transaction is affiliated with fraudulent activity.
- (b) All virtual currency kiosk operators performing business in this state shall provide live customer service during kiosk operating hours. The customer service toll-free number shall be displayed on the virtual currency kiosk or the virtual currency kiosk screens. The customer service toll-free number shall be staffed by trained individuals who are employed by or on behalf of the virtual currency kiosk operator and who provide customer assistance to a caller in real time.

- (c) All virtual currency kiosk operators shall take reasonable steps to detect and prevent fraud, including establishing and maintaining a written anti-fraud policy. The anti-fraud policy shall, at a minimum, include:
  - (1) The identification and assessment of fraud-related risk areas;
  - (2) procedures and controls to protect against identified risks;
  - (3) allocation of responsibility for monitoring risks; and
  - (4) procedures for the periodic evaluation and revision of the anti-fraud procedures, controls and monitoring mechanisms.
- (d)
  - (1) Each virtual currency kiosk operator shall maintain, implement and enforce a written enhanced due diligence policy. Such a policy shall be reviewed and approved by the virtual currency kiosk operator's board of directors or an equivalent governing body of the virtual currency kiosk operator.
  - (2) The enhanced due diligence policy shall identify, at a minimum, individuals who are at risk of fraud based on age or mental capacity.
- (e) Each virtual currency kiosk operator shall designate and employ a consumer protection officer with the following requirements:
  - (1) The individual shall be qualified to coordinate and monitor compliance with this section and all other applicable federal and state laws, rules and regulations;
  - (2) the individual shall be employed full time by the virtual currency kiosk operator;
  - (3) the designated consumer protection officer shall not be an individual who owns more than 20% of the virtual currency kiosk operator by which the individual is employed; and
  - (4) the designated consumer protection officer shall have a direct dedicated telephone number outside of any call routing system and an email address for facilitating law enforcement and regulatory agency communications.
- (f)
  - (1) Each virtual currency kiosk operator shall submit a report to the commissioner, including the location of each virtual currency kiosk within this state, within 45 days of the end of each calendar quarter in the form and manner directed by the commissioner.
  - (2) The location report of such virtual currency kiosk shall include, at a minimum:
    - (A) The legal name of the company;
    - (B) any fictitious or trade name;

- (C) the physical address;
  - (D) when the virtual currency kiosk was first placed into service in Kansas;
  - (E) the virtual currency kiosk's operating hours;
  - (F) the start date of operation of a virtual currency kiosk at each location; and
  - (G) the end date of operation of a virtual currency kiosk at each location, if applicable.
- (g) (1) Any virtual currency kiosk operator who owns, operates, solicits, markets, advertises or facilitates virtual currency kiosks in this state shall be deemed to be engaged in money transmission and require licensure pursuant to K.S.A. 2025 Supp. 9-564, and amendments thereto, and fully comply with money transmitter reporting.
- (2) All unlicensed virtual currency kiosk operators shall apply for a money transmitter license within 60 days after July 1, 2026. Virtual currency kiosk operators who apply within such time provided shall be allowed to continue operations while the commissioner reviews a complete application. Any virtual currency kiosk operator whose application is denied by the commissioner shall cease operations until granted a money transmitter license.
- (h) For each virtual currency transaction, the virtual currency kiosk operator or such operator's authorized delegate shall verify the identity of the user prior to accepting payment from such user. A virtual currency kiosk operator or such operator's authorized delegate shall obtain a copy of a government-issued identification card that identifies such user and shall collect additional information, including the user's name, date of birth, telephone number, address and email address prior to accepting a payment from such user at a virtual currency kiosk. A virtual currency kiosk operator shall not allow a user to engage in any transaction at a virtual currency kiosk under any name, account or identity other than such user's own true name and identity. A virtual currency kiosk operator shall be strictly liable for any violation of this section.
- (i) This section shall take effect on and after July 1, 2026.

*History:* L. 2026, HB 2591, § 9; July 1

**2026 HB 2591 New Sec. 10. Allowable fee charges.**

- (a) A virtual currency kiosk operator shall not collect direct or indirect charges related to a virtual currency transaction from a person in Kansas that exceed the greater of the following:
- (1) \$5 in United States currency or the equivalent; or

- (2) 18% of the full money transmission amount in United States currency or the equivalent.
- (b) A spread on a virtual currency purchase or sale between the market price and the price offered to a person in Kansas shall be considered an indirect charge.
- (c) Each virtual currency kiosk provider shall retain documentation of the relevant virtual currency market price at the time of each transaction.
- (d) This section shall take effect on and after July 1, 2026.

*History:* L. 2026, HB 2591, §10; July 1

**2026 HB 2591 New Sec. 11. Holding period; judicial orders; transaction limits; refunds; requirements and reporting of fraudulent transactions.**

- (a) Each virtual currency kiosk operator shall retain, hold and safekeep any money or virtual currency provided as part of a transaction with a person in Kansas for 72 hours for any transaction with a person that is conducted within 14 days of the initial transaction.
- (b) Irrespective of the holding period in subsection (a), the transaction shall be completed at the agreed rates at the time the person in Kansas initiated the transaction unless the virtual currency kiosk operator is required by law or judicially ordered to safekeep the funds due to criminal activity or receives a refund request under this section.
- (c) A virtual currency kiosk operator may only engage in a transaction with a person in Kansas under the following transaction and day limitations:
  - (1) For the initial transaction, up to \$1,000;
  - (2) within 14 days of the initial transaction, up to \$1,000 per day and only one transaction within 72 hours of the initial transaction, and a maximum of \$10,000 in total transactions within the first 14 days of the initial transaction; and
  - (3) more than 14 days from the initial transaction, up to \$10,500 per day.
- (d)
  - (1) Any person in Kansas may request a full refund of the initial transaction for any reason from a virtual currency kiosk operator within the holding period in subsection (a). The virtual currency kiosk operator shall issue a full refund unless safekeeping the funds due to criminal activity is required by law or judicially ordered.
  - (2) An existing customer of the virtual currency kiosk operator may request only a refund of direct and indirect charges, including any spread fee and transaction fee, if such existing customer:

- (A) Reports that a money transmission or a series of money transmissions was fraudulent to the commissioner, the attorney general or a law enforcement agency within 30 calendar days after the date of the last fraudulent money transmission; and
  - (B) submits to such virtual currency kiosk operator a police report or a sworn declaration detailing the fraudulent nature of the money transmission involving such virtual currency kiosk operator.
- (e) For any initial transaction, or any transaction within 14 days of the initial transaction, upon the request of any person in Kansas, the commissioner, the attorney general or any law enforcement agency, the virtual currency kiosk operator shall issue a refund for the full money transmission amount and any fees charged, including any spread fee, if the person in Kansas:
- (1) Reports that a money transmission or a series of money transmissions was fraudulent to the commissioner, the attorney general or a law enforcement agency within 30 calendar days after the date of the last fraudulent money transmission; and
  - (2) submits to such virtual currency kiosk operator a police report or a sworn declaration detailing the fraudulent nature of the money transmission involving such virtual currency kiosk operator.
- (f) The virtual currency kiosk operator shall issue any refund requested under this section via a cash payout, the automated clearing house or mail a paper check within 10 business days after receiving the refund request. Notwithstanding the refund requirements of this section, under reasonable suspicion of fraud or wrongdoing by any person on behalf of the person in Kansas who initiated the transaction, a virtual currency kiosk operator may delay sending a refund for cause if the operator immediately reports such suspected fraud or wrongdoing to the commissioner, the attorney general or any law enforcement agency, until the receiving agency has advised the virtual currency kiosk operator of the conclusion of any investigation into such alleged fraud or wrongdoing.
- (g) This section shall take effect on and after July 1, 2026.

History: L. 2026, HB 2591, § 11; July 1

**2026 HB 2591 New Sec. 12. Authority to investigate reported fraudulent money transmission; requirement of Kansas Attorney General and any law enforcement agency to report violations to the Commissioner; sharing of information with Attorney General**

- (a) The attorney general's office and any law enforcement agency have the authority to investigate any fraudulent money transmission reported by a person in Kansas. All

money transmitters shall comply with any investigation to the extent permitted by state and federal law.

- (b) The attorney general's office and any law enforcement agency in Kansas shall periodically report to the commissioner any fraud or activity that violates this act and is conducted by or alleged against a money transmitter. In deciding whether to revoke or refuse to renew a license, the commissioner may consider previous fraudulent activity or any activity violating this act that is conducted by a money transmitter. The commissioner shall share any reported fraudulent money transmission with the attorney general's office and any relevant law enforcement agency in Kansas.
- (c) The provisions of this section shall be a part of and supplemental to the Kansas money transmission act.
- (d) This section shall take effect on and after July 1, 2026.

History: L. 2026, HB 2591, § 12; July 1