



2025 ASSEMBLY BILL 384

July 31, 2025 - Introduced by Representatives SPAUDE, MIRESE, ANDERSON, DESMIDT, GOODWIN, HYSELL, JOERS, ROE, SNODGRASS, UDELL and CLANCY, cosponsored by Senators ROYS, DASSLER-ALFHEIM, DRAKE, HESSELBEIN, KEYESKI, RATCLIFF and WALL. Referred to Committee on Financial Institutions.

1 **AN ACT** *to create* 217.12 of the statutes; **relating to:** virtual currency kiosks.

Analysis by the Legislative Reference Bureau

This bill requires a virtual currency kiosk operator to be licensed as a money transmitter and imposes certain regulatory requirements on virtual currency kiosk operators in addition to those that apply to money transmitters.

Under current law, the Division of Banking (division) in the Department of Financial Institutions regulates money transmitters. With exceptions, a person may not engage in the business of money transmission unless the person is licensed by the division. “Money transmission” means selling or issuing payment instruments or stored value, such as checks, money orders, or prepaid cards, to a person located in this state or receiving money for transmission from a person located in this state. “Money” is not defined to include virtual currency such as cryptocurrency.

Under the bill, a person may not engage in the business of operating virtual currency kiosks in this state unless the person is licensed by the division as a money transmitter. A “virtual currency kiosk” is defined as an electronic terminal or retail location, in this state, from which a person may exchange fiat currency (money) for virtual currency or virtual currency for money or other virtual currency. The bill requires a virtual currency kiosk operator to affix a specified printed warning to the front of each virtual currency kiosk and to electronically display this warning on the kiosk’s screen, which the customer must acknowledge to proceed with the transaction.

The bill also includes customer identification requirements. Before entering

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into an initial transaction with an individual, a virtual currency kiosk operator must verify the individual's identity by collecting certain information, including the individual's full legal name, date of birth, and contact information, and obtaining a copy of the individual's driver's license, passport, or other government-issued identification document. In each transaction, the virtual currency kiosk operator must verify the customer's identity before accepting payment from or dispensing funds to the customer and take a photograph of the customer at the virtual currency kiosk.

The bill limits virtual currency kiosk transactions to \$1,000 per customer per day. The bill also limits the fees a virtual currency kiosk operator may charge a customer per transaction to the greater of \$5 or 3 percent of the transaction amount. A virtual currency kiosk operator must issue a refund to a customer, upon the customer's request, for the full amount of a transaction if 1) the customer was fraudulently induced to engage in the transaction and 2) within 30 days after the transaction, the customer contacted the virtual currency kiosk operator and a government or law enforcement agency to inform them of the fraudulent nature of the transaction.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 217.12 of the statutes is created to read:

2 **217.12 Virtual currency kiosks. (1) DEFINITIONS.** In this section:

3 (a) "Fiat currency" means a medium of exchange that is authorized or
4 adopted by the federal government as part of its currency and is not backed by a
5 commodity.

6 (b) "Transaction" means a transaction conducted by means of a virtual
7 currency kiosk.

8 (c) "Virtual currency" has the meaning given in s. 177.01 (16).

9 (d) "Virtual currency kiosk" means an electronic terminal or retail location, in
10 this state, from which a person may exchange fiat currency for virtual currency or
11 virtual currency for fiat currency or other virtual currency, including by connecting
12 to a separate virtual currency exchange.

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1 (e) "Virtual currency kiosk operator" means a person engaged in the business
2 of operating virtual currency kiosks in this state.

3 (2) LICENSE REQUIRED. No person may engage in the business of operating
4 virtual currency kiosks in this state unless the person is licensed under this
5 chapter.

6 (3) WARNING. (a) A virtual currency kiosk operator shall affix to the front of
7 each virtual currency kiosk, within the customer's field of vision, the following
8 printed warning, capitalized as indicated:

9 "FRAUD ALERT! Criminals seek to defraud virtual currency customers by
10 impersonating loved ones, government officials, law enforcement officers, or
11 charities; threatening jail time; stating that your identity was stolen or your
12 accounts frozen; or claiming your computer was hacked. IF SOMEONE YOU
13 DON'T KNOW IS ASKING YOU TO SEND VIRTUAL CURRENCY FROM THIS
14 MACHINE, DO NOT PROCEED WITH THE TRANSACTION. LOSSES DUE TO
15 FRAUDULENT OR ACCIDENTAL TRANSACTIONS MAY NOT BE
16 RECOVERABLE."

17 (b) A virtual currency kiosk operator shall ensure that, as part of each virtual
18 currency kiosk transaction, the warning under par. (a) is also displayed
19 electronically on the virtual currency kiosk screen before any other disclosure
20 appears on the screen and that the customer affirmatively acknowledges the
21 warning before the customer may proceed with the transaction.

22 (c) The warning affixed to the front of a virtual currency kiosk under par. (a)
23 shall be printed in type size no smaller than 20 point.

24 (4) CUSTOMER IDENTIFICATION. (a) *Collection of information.* Before entering

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1 into an initial transaction with an individual, a virtual currency kiosk operator
2 shall verify the individual's identity by doing all of the following:

3 1. Collecting all of the following information pertaining to the individual:

4 a. Full legal name.

5 b. Date of birth.

6 c. Telephone number.

7 d. Residence address.

8 e. Email address.

9 2. Obtaining a copy of the individual's driver's license, passport, or other
10 government-issued identification document that identifies the individual.

11 (b) *Identity verification for each transaction.* In each transaction with a
12 customer, a virtual currency kiosk operator shall do all of the following:

13 1. Verify the customer's identity before accepting payment from or dispensing
14 funds to the customer.

15 2. Take a photograph of the customer in a retainable format at the virtual
16 currency kiosk.

17 (c) *False or multiple identities.* 1. A virtual currency kiosk operator may not
18 complete a transaction with a customer unless the virtual currency kiosk operator
19 has verified the customer's identity as provided in par. (b) 1.

20 2. A virtual currency kiosk operator may not allow a customer to engage in a
21 transaction under any name or identity other than the customer's own true name
22 and identity, or under any account other than an account associated with the
23 customer's true name and identity.

24 (5) TRANSACTION RESTRICTIONS AND REFUNDS. (a) *Daily transaction limit.* A

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1 virtual currency kiosk operator may not accept from or dispense to a customer, by
2 means of any virtual currency kiosk, more than a total of \$1,000 in fiat currency in
3 the same day.

4 (b) *Fee limit.* A virtual currency kiosk operator may not collect fees or other
5 charges from a customer in connection with a transaction that exceed the greater of
6 \$5 or 3 percent of the transaction amount. For purposes of this paragraph, “fees or
7 other charges” includes any difference between the price charged to a customer to
8 buy, sell, exchange, or convert virtual currency and the prevailing market value of
9 the virtual currency at the time of the transaction.

10 (c) *Refund in certain circumstances.* Upon request of a customer, a virtual
11 currency kiosk operator shall issue a refund to the customer for the full amount of
12 any transaction if all of the following apply with respect to the transaction:

- 13 1. The customer was fraudulently induced to engage in the transaction.
- 14 2. Not later than 30 days after the transaction, the customer contacted the
15 virtual currency kiosk operator and a government or law enforcement agency to
16 inform them of the fraudulent nature of the transaction.

17 **SECTION 2. Initial applicability.**

18 (1) CUSTOMER IDENTIFICATION REQUIREMENTS. The treatment of s. 217.12 (4)
19 first applies to transactions occurring on the 60th day after the effective date of this
20 subsection.

21 (END)