

HB 2387 -- Redline

Engrossed to Chaptered -- cryptocurrency kiosk; license; fraud prevention

Deletions ~~struck~~ · Insertions underlined

~~House~~Senate Engrossed House Bill cryptocurrency kiosk;

fraud prevention State of Arizona House of Representatives Fifty-seventh Legislature First Regular Session CHAPTER 171 HOUSE BILL 2387 AN ACT AMENDING TITLE 6, CHAPTER 12, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 6-1236;

~~attorney disclosures; general;~~

receipt;

refunds;

enforcement;

A CRYPTOCURRENCY KIOSK OPERATOR SHALL PROVIDE THE FOLLOWING DISCLOSURES SEPARATELY IN A FONT THAT CONTRASTS WITH THE BACKGROUND WHERE THE WRITTEN WARNING APPEARS AND THE CUSTOMER MUST ACCEPT THE TWO SEPARATE DISCLOSURES BEFORE EXECUTING A CRYPTOCURRENCY ~~TRANSACTION.~~KIOSK TRANSACTION:

ON THE COMPLETION OF EACH CRYPTOCURRENCY KIOSK TRANSACTION, THE CRYPTOCURRENCY KIOSK OPERATOR SHALL PROVIDE ~~AN~~THE INDIVIDUAL WHO MADE THE TRANSACTION AT THE CRYPTOCURRENCY KIOSK WITH A PHYSICAL OR DIGITAL RECEIPT IN THE LANGUAGE CHOSEN BY THE INDIVIDUAL THAT CONTAINS ALL OF THE FOLLOWING INFORMATION:

A CRYPTOCURRENCY KIOSK OPERATOR SHALL USE BLOCKCHAIN ANALYTICS AND TRACING SOFTWARE TO HELP PREVENT FRAUD BY NOT SENDING PURCHASED VIRTUAL CURRENCY FROM A CRYPTOCURRENCY KIOSK OPERATOR TO A VIRTUAL WALLET KNOWN TO BE AFFILIATED WITH FRAUD AT THE TIME OF A TRANSACTION.

FOR EXISTING CUSTOMERS, A CRYPTOCURRENCY KIOSK OPERATOR SHALL ENSURE THAT THE CRYPTOCURRENCY KIOSK DOES NOT, IN CONNECTION WITH CRYPTOCURRENCY SERVICES FOR A SINGLE PERSON IN THIS STATE USING ONE OR MORE CRYPTOCURRENCY KIOSKS, ACCEPT OR DISPENSE IN A SINGLE DAY MORE THAN ~~\$5,000.~~\$10,500.

IF A NEW CUSTOMER AS DEFINED IN SUBSECTION L, PARAGRAPH 7 OF THIS SECTION HAS BEEN FRAUDULENTLY INDUCED TO ENGAGE IN A CRYPTOCURRENCY KIOSK TRANSACTION, THE ~~ATTORNEY~~CRYPTOCURRENCY ~~GENERAL~~KIOSK OPERATOR SHALL ENFORCEISSUE THIS SECTION-FULL REFUND FOR THE FRAUDULENTLY INDUCED CRYPTOCURRENCY KIOSK TRANSACTION, INCLUDING ANY FEES CHARGED IN ASSOCIATION WITH THE TRANSACTION, IF THE NEW CUSTOMER DOES ALL OF THE FOLLOWING:

~~ANY~~1. ~~ACT OR PRACTICE THAT VIOLATES THIS SECTION IS A VIOLATION OF SECTION 44-1522.~~

CONTACTS THE CRYPTOCURRENCY KIOSK OPERATOR WITHIN THIRTY DAYS AFTER THE CRYPTOCURRENCY KIOSK TRANSACTION.

2.

CONTACTS A LAW ENFORCEMENT AGENCY OR THE ATTORNEY GENERAL WITHIN THIRTY DAYS AFTER THE CRYPTOCURRENCY KIOSK TRANSACTION.

3.

PROVIDES THE CRYPTOCURRENCY KIOSK OPERATOR WITH A REPORT FROM THE LAW ENFORCEMENT AGENCY OR ATTORNEY GENERAL'S OFFICE THAT DETERMINES THAT THE NEW CUSTOMER WAS FRAUDULENTLY INDUCED TO ENGAGE IN A CRYPTOCURRENCY KIOSK TRANSACTION.

~~NOTWITHSTANDING A ANY VICTIM OTHER OF PROVISION FRAUD OF IS LAW, ELIGIBLE ALL TO INDIVIDUALS RECEIVE OR A ENTITIES REFUND SUBJECT EVEN TO IF THIS A STATUTE CRYPTOCURRENCY SHALL KIOSK BE OPERATOR CLASSIFIED PROVIDES AS THE ARE REQUIRED NEW DISCLOSURES CUSTOMER PRESCRIBED FOR IN THE SUBSECTIONS PURPOSES A AND B OF COMPLIANCE THIS UPON SECTION AND THE EFFECTIVE RECEIPT DATE PRESCRIBED IN SUBSECTION C OF THIS LEGISLATION. SECTION.~~

~~A NEW CUSTOMER AUTOMATICALLY CONVERTS TO AN EXISTING CUSTOMER SEVENTY-TWO HOURS AFTER BECOMING A NEW CUSTOMER.~~

~~AN EXISTING CUSTOMER IS SUBJECT TO THE TRANSACTION LIMITS PRESCRIBED IN THIS ACT.~~

THE ATTORNEY GENERAL SHALL ENFORCE THIS SECTION.

ANY ACT OR PRACTICE THAT VIOLATES THIS SECTION IS A VIOLATION OF SECTION 44-1522.

K.

NOTWITHSTANDING ANY OTHER LAW, ALL INDIVIDUALS OR ENTITIES SUBJECT TO THIS SECTION SHALL BE CLASSIFIED AS A NEW CUSTOMER FOR THE PURPOSES OF COMPLIANCE ON THE EFFECTIVE DATE OF THIS SECTION.

A NEW CUSTOMER AUTOMATICALLY CONVERTS TO AN EXISTING CUSTOMER TEN DAYS AFTER BECOMING A NEW CUSTOMER.

AN EXISTING CUSTOMER IS SUBJECT TO THE TRANSACTION LIMITS PRESCRIBED IN THIS SECTION.

L.

(a) MEANS A PHYSICAL, ELECTRONIC TERMINAL THAT IS A MECHANICAL AGENT OF THE CRYPTOCURRENCY KIOSK OPERATOR AND THAT ENABLES A CRYPTOCURRENCY KIOSK OPERATOR TO FACILITATE THE PURCHASE, SALE OR EXCHANGE OF CRYPTOCURRENCY FOR MONEY, BANK CREDIT OR ANY OTHER VIRTUAL CURRENCY.

~~(b.) THAT 3 OPERATES OR H.B. MANAGES A MONEY TRANSMISSION KIOSK WHERE VIRTUAL CURRENCY BUSINESS ACTIVITY~~

~~IS OFFERED IN THIS STATE.~~

2387 (b) THAT OPERATES OR MANAGES A MONEY TRANSMISSION KIOSK WHERE VIRTUAL CURRENCY BUSINESS ACTIVITY IS OFFERED IN THIS STATE.

"EXISTING CUSTOMER" MEANS A CONSUMER TRANSACTING AT A CRYPTOCURRENCY KIOSK IN THIS STATE WHO HAS BEEN A CUSTOMER WITH A CRYPTOCURRENCY KIOSK OPERATOR FOR ~~MORE~~AT LEAST ~~SEVENTY-TWO~~TEN HOURS~~, DAYS.~~

"NEW CUSTOMER" MEANS A CONSUMER TRANSACTING AT A CRYPTOCURRENCY KIOSK IN THIS STATE WHO HAS BEEN A CUSTOMER OF A CRYPTOCURRENCY KIOSK OPERATOR FOR ~~FEWER~~LESS THAN ~~SEVENTY-TWO~~TEN HOURS~~, DAYS.~~

"TRANSACTION HASH" MEANS A UNIQUE IDENTIFIER MADE UP OF A STRING OF CHARACTERS THAT ~~ACT~~ACTS AS A RECORD ~~OF,~~OF AND ~~PROVIDE~~PROVIDES PROOF ~~THAT,~~THAT THE TRANSACTION WAS VERIFIED AND ADDED TO THE BLOCKCHAIN.

~~-9.3- H.B.~~

~~2387-9.~~

APPROVED BY THE GOVERNOR MAY 12, 2025.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MAY 12, 2025.