

SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION

S.F. No. 4743

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DATE
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Introduction and first reading
Referred to Commerce and Consumer Protection

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to commerce; regulating disclosures and consumer protections related to
1.3 virtual-currency kiosks; proposing coding for new law in Minnesota Statutes,
1.4 chapter 53B.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. 53B.721 VIRTUAL-CURRENCY KIOSK.

1.7 Subdivision 1. Definitions. (a) For purposes of this section, the following terms have
1.8 the meanings given.

1.9 (b) "Virtual currency address" means an alphanumeric identifier representing a destination
1.10 for a transfer that is associated with a virtual currency wallet.

1.11 (c) "Virtual-currency kiosk" or "kiosk" means an electronic terminal acting as a licensee's
1.12 mechanical agent to facilitate the exchange of virtual currency, including but not limited to
1.13 by:

1.14 (1) connecting directly to a separate virtual currency exchanger that performs the actual
1.15 virtual currency transfer; or

1.16 (2) drawing upon the virtual currency in possession of the licensee that owns or operates
1.17 the kiosk.

1.18 (d) "Virtual currency wallet" means a software application or other electronic mechanism
1.19 that provides a means to hold, store, or transfer virtual currency.

1.20 Subd. 2. Disclosures. (a) In addition to the requirements under section 53B.72, paragraph
1.21 (b), a licensee operating a virtual-currency kiosk must disclose and receive a customer
1.22 acknowledgment of:

- 2.1 (1) the daily virtual currency transaction limit under subdivision 3, paragraph (a); and
- 2.2 (2) the difference between the virtual currency's sale price and the virtual currency's
- 2.3 current market price.
- 2.4 (b) In addition to the requirements of section 53B.72, paragraph (c), a licensee operating
- 2.5 a virtual-currency kiosk must include in the record:
- 2.6 (1) a statement of the licensee's liability for nondelivery or delayed delivery;
- 2.7 (2) the virtual currency addresses involved; and
- 2.8 (3) the licensee's refund policy, including the requirements of subdivision 3, paragraph
- 2.9 (b).
- 2.10 Subd. 3. **Transaction limit and refund.** (a) A licensee must not allow a person to exceed
- 2.11 \$2,500 in transactions per day at a virtual-currency kiosk.
- 2.12 (b) A licensee, at the licensee's own expense and within 72 hours of the time a transfer
- 2.13 or exchange at a virtual-currency kiosk occurs, must allow the person who initiated the
- 2.14 transfer or exchange to cancel the transfer or exchange and receive a full refund if:
- 2.15 (1) the subject transfer or exchange is the person's first transfer or exchange with the
- 2.16 licensee; or
- 2.17 (2) the virtual currency wallet or exchange is located outside of the United States.