



January 15, 2026

HOUSE BILL No. 1116

DIGEST OF HB 1116 (Updated January 13, 2026 1:42 pm - DI 154)

Citations Affected: IC 24-5; IC 28-8.

Synopsis: Virtual currency kiosks. Requires an operator of a virtual currency kiosk (operator) operated in Indiana to be licensed in Indiana as a money transmitter. Makes a corresponding amendment to a definition in the statute governing licensure of money transmitters. Provides that a person may not install, or cause to be installed, a virtual currency kiosk in Indiana unless the person is licensed as a money transmitter and obtains authorization for the installation from the department of financial institutions (department). Requires an operator to: (1) report specified information to the department quarterly and annually; and (2) provide specified information to the department upon request; and requires the department to prepare and make available to the public an annual report summarizing operators' reported information in composite form. Requires: (1) an operator to display notice of specified information on, or in readable proximity to, a virtual currency kiosk; and (2) the owner of the premises on which the virtual currency kiosk is located to ensure that the notice remains clearly and prominently displayed on, or in readable proximity to, the virtual currency kiosk. Requires an operator to provide a user of a virtual currency kiosk with specified information on the display of the virtual currency kiosk before the user may initiate a virtual currency transaction through the virtual currency kiosk. Requires an operator to: (1) verify a user's identity by requiring the user to submit a copy of a government issued identification card that identifies the user; and (2) (Continued next page)

Effective: Upon passage.

McNamara, Meltzer, Teshka, Steuerwald

January 5, 2026, read first time and referred to Committee on Financial Institutions.
January 15, 2026, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 126.3.

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Digest Continued

require the user to submit the user's name, date of birth, telephone number, address, and electronic mail address; before accepting payment from the user through a virtual currency kiosk. Requires a virtual currency kiosk to provide a user, upon completion of a virtual currency transaction, with a receipt that includes specified information. Provides that if an individual is fraudulently induced to make a payment or transfer through a virtual currency kiosk, the operator of the virtual currency kiosk shall refund to the individual: (1) the full amount of the payment or transfer; and (2) the amount of any charges assessed to the individual by the operator for the virtual currency transaction; upon receipt of specified information from the individual within specified deadlines. Provides that an operator may not allow a new user to conduct one or more virtual currency transactions that, in combination with any purchases or transfers by the new user through any other product or service offered by the operator, total: (1) more than \$2,000 in a single 24 hour period; or (2) more than \$10,000 in a single 30 day period. Provides that an operator may not allow an existing user to conduct one or more virtual currency transactions that, in combination with any purchases or transfers by the individual through any other product or service offered by the operator, total: (1) more than \$4,000 in a single 24 hour period; or (2) more than \$15,000 in a single 30 day period. Provides that a new user may not: (1) conduct a virtual currency transaction through the operator's virtual currency kiosk or kiosks located in Indiana; or (2) purchase or transfer any other product or service offered by the operator; unless the new user's profile with the operator has been activated for at least seven business days. Prohibits an operator from collecting charges with respect to a single virtual currency transaction in an amount that exceeds 15% of the value of the transaction. Requires an operator to provide live, telephone based customer service to users of a virtual currency kiosk 24 hours a day, 7 days a week. Requires an operator to take specified actions to detect and prevent the commission of fraud and money laundering through the operator's virtual currency kiosks. Provides that the operator of a virtual currency kiosk that is located on the premises of a business in Indiana: (1) shall annually provide the staff of the business with specified training materials; and (2) may not prohibit or prevent staff at the business from advising users of the virtual currency kiosk regarding fraud and scams. Prescribes responsibilities for operators with regard to cooperation with state and federal law enforcement and regulatory agencies. Provides exemption from these provisions for specified types of financial institutions. Requires the department of financial institutions to submit a report to the executive director of the legislative services agency for distribution to the members of the general assembly that provides certain information by December 31, 2027. Provides that: (1) a person that violates these provisions commits an act that is actionable by the attorney general under law regarding deceptive consumer sales; and (2) in addition to the penalties prescribed for deceptive consumer sales, a person that knowingly or intentionally violates these provisions may be ordered to forfeit one or both of: (A) the amount of the charges assessed to users of the person's virtual currency kiosks in Indiana during the period of the violation; and (B) any virtual currency kiosk operated by the operator in Indiana. Provides that the attorney general may bring an enforcement action against: (1) the operator of a virtual currency kiosk that gives rise to a violation; and (2) the owner of the premises on which the virtual currency kiosk is located; jointly for the violation.

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January 15, 2026

Second Regular Session of the 124th General Assembly (2026)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2025 Regular Session of the General Assembly.

HOUSE BILL No. 1116

A BILL FOR AN ACT to amend the Indiana Code concerning trade regulation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 24-5-0.5-3, AS AMENDED BY P.L.104-2024,
2 SECTION 42, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 UPON PASSAGE]: Sec. 3. (a) A supplier may not commit an unfair,
4 abusive, or deceptive act, omission, or practice in connection with a
5 consumer transaction. Such an act, omission, or practice by a supplier
6 is a violation of this chapter whether it occurs before, during, or after
7 the transaction. An act, omission, or practice prohibited by this section
8 includes both implicit and explicit misrepresentations.

9 (b) Without limiting the scope of subsection (a), the following acts,
10 and the following representations as to the subject matter of a
11 consumer transaction, made orally, in writing, or by electronic
12 communication, by a supplier, are deceptive acts:

13 (1) That such subject of a consumer transaction has sponsorship,
14 approval, performance, characteristics, accessories, uses, or
15 benefits it does not have which the supplier knows or should

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1 reasonably know it does not have.

2 (2) That such subject of a consumer transaction is of a particular

3 standard, quality, grade, style, or model, if it is not and if the

4 supplier knows or should reasonably know that it is not.

5 (3) That such subject of a consumer transaction is new or unused,

6 if it is not and if the supplier knows or should reasonably know

7 that it is not.

8 (4) That such subject of a consumer transaction will be supplied

9 to the public in greater quantity than the supplier intends or

10 reasonably expects.

11 (5) That replacement or repair constituting the subject of a

12 consumer transaction is needed, if it is not and if the supplier

13 knows or should reasonably know that it is not.

14 (6) That a specific price advantage exists as to such subject of a

15 consumer transaction, if it does not and if the supplier knows or

16 should reasonably know that it does not.

17 (7) That the supplier has a sponsorship, approval, or affiliation in

18 such consumer transaction the supplier does not have, and which

19 the supplier knows or should reasonably know that the supplier

20 does not have.

21 (8) That such consumer transaction involves or does not involve

22 a warranty, a disclaimer of warranties, or other rights, remedies,

23 or obligations, if the representation is false and if the supplier

24 knows or should reasonably know that the representation is false.

25 (9) That the consumer will receive a rebate, discount, or other

26 benefit as an inducement for entering into a sale or lease in return

27 for giving the supplier the names of prospective consumers or

28 otherwise helping the supplier to enter into other consumer

29 transactions, if earning the benefit, rebate, or discount is

30 contingent upon the occurrence of an event subsequent to the time

31 the consumer agrees to the purchase or lease.

32 (10) That the supplier is able to deliver or complete the subject of

33 the consumer transaction within a stated period of time, when the

34 supplier knows or should reasonably know the supplier could not.

35 If no time period has been stated by the supplier, there is a

36 presumption that the supplier has represented that the supplier

37 will deliver or complete the subject of the consumer transaction

38 within a reasonable time, according to the course of dealing or the

39 usage of the trade.

40 (11) That the consumer will be able to purchase the subject of the

41 consumer transaction as advertised by the supplier, if the supplier

42 does not intend to sell it.



(12) That the replacement or repair constituting the subject of a consumer transaction can be made by the supplier for the estimate the supplier gives a customer for the replacement or repair, if the specified work is completed and:

- (A) the cost exceeds the estimate by an amount equal to or greater than ten percent (10%) of the estimate;
- (B) the supplier did not obtain written permission from the customer to authorize the supplier to complete the work even if the cost would exceed the amounts specified in clause (A);
- (C) the total cost for services and parts for a single transaction is more than seven hundred fifty dollars (\$750); and
- (D) the supplier knew or reasonably should have known that the cost would exceed the estimate in the amounts specified in clause (A).

(13) That the replacement or repair constituting the subject of a consumer transaction is needed, and that the supplier disposes of the part repaired or replaced earlier than seventy-two (72) hours after both:

- (A) the customer has been notified that the work has been completed; and
- (B) the part repaired or replaced has been made available for examination upon the request of the customer.

(14) Engaging in the replacement or repair of the subject of a consumer transaction if the consumer has not authorized the replacement or repair, and if the supplier knows or should reasonably know that it is not authorized.

(15) The act of misrepresenting the geographic location of the supplier by listing an alternate business name or an assumed business name (as described in IC 23-0.5-3-4) in a local telephone directory if:

- (A) the name misrepresents the supplier's geographic location;
- (B) the listing fails to identify the locality and state of the supplier's business;
- (C) calls to the local telephone number are routinely forwarded or otherwise transferred to a supplier's business location that is outside the calling area covered by the local telephone directory; and
- (D) the supplier's business location is located in a county that is not contiguous to a county in the calling area covered by the local telephone directory.

(16) The act of listing an alternate business name or assumed business name (as described in IC 23-0.5-3-4) in a directory



1 assistance data base if:

2 (A) the name misrepresents the supplier's geographic location;

3 (B) calls to the local telephone number are routinely forwarded

4 or otherwise transferred to a supplier's business location that

5 is outside the local calling area; and

6 (C) the supplier's business location is located in a county that

7 is not contiguous to a county in the local calling area.

8 (17) The violation by a supplier of IC 24-3-4 concerning

9 cigarettes for import or export.

10 (18) The act of a supplier in knowingly selling or reselling a

11 product to a consumer if the product has been recalled, whether

12 by the order of a court or a regulatory body, or voluntarily by the

13 manufacturer, distributor, or retailer, unless the product has been

14 repaired or modified to correct the defect that was the subject of

15 the recall.

16 (19) The violation by a supplier of 47 U.S.C. 227, including any

17 rules or regulations issued under 47 U.S.C. 227.

18 (20) The violation by a supplier of the federal Fair Debt

19 Collection Practices Act (15 U.S.C. 1692 et seq.), including any

20 rules or regulations issued under the federal Fair Debt Collection

21 Practices Act (15 U.S.C. 1692 et seq.).

22 (21) A violation of IC 24-5-7 (concerning health spa services), as

23 set forth in IC 24-5-7-17.

24 (22) A violation of IC 24-5-8 (concerning business opportunity

25 transactions), as set forth in IC 24-5-8-20.

26 (23) A violation of IC 24-5-10 (concerning home consumer

27 transactions), as set forth in IC 24-5-10-18.

28 (24) A violation of IC 24-5-11 (concerning real property

29 improvement contracts), as set forth in IC 24-5-11-14.

30 (25) A violation of IC 24-5-12 (concerning telephone

31 solicitations), as set forth in IC 24-5-12-23.

32 (26) A violation of IC 24-5-13.5 (concerning buyback motor

33 vehicles), as set forth in IC 24-5-13.5-14.

34 (27) A violation of IC 24-5-14 (concerning automatic

35 dialing-announcing devices), as set forth in IC 24-5-14-13.

36 (28) A violation of IC 24-5-15 (concerning credit services

37 organizations), as set forth in IC 24-5-15-11.

38 (29) A violation of IC 24-5-16 (concerning unlawful motor

39 vehicle subleasing), as set forth in IC 24-5-16-18.

40 (30) A violation of IC 24-5-17 (concerning environmental

41 marketing claims), as set forth in IC 24-5-17-14.

42 (31) A violation of IC 24-5-19 (concerning deceptive commercial



1 solicitation), as set forth in IC 24-5-19-11.

2 (32) A violation of IC 24-5-21 (concerning prescription drug
3 discount cards), as set forth in IC 24-5-21-7.

4 (33) A violation of IC 24-5-23.5-7 (concerning real estate
5 appraisals), as set forth in IC 24-5-23.5-9.

6 (34) A violation of IC 24-5-26 (concerning identity theft), as set
7 forth in IC 24-5-26-3.

8 (35) A violation of IC 24-5.5 (concerning mortgage rescue fraud),
9 as set forth in IC 24-5.5-6-1.

10 (36) A violation of IC 24-8 (concerning promotional gifts and
11 contests), as set forth in IC 24-8-6-3.

12 (37) A violation of IC 21-18.5-6 (concerning representations
13 made by a postsecondary credit bearing proprietary educational
14 institution), as set forth in IC 21-18.5-6-22.5.

15 (38) A violation of IC 24-5-15.5 (concerning collection actions of
16 a plaintiff debt buyer), as set forth in IC 24-5-15.5-6.

17 (39) A violation of IC 24-14 (concerning towing services), as set
18 forth in IC 24-14-10-1.

19 (40) A violation of IC 24-5-14.5 (concerning misleading or
20 inaccurate caller identification information), as set forth in
21 IC 24-5-14.5-12.

22 (41) A violation of IC 24-5-27 (concerning intrastate inmate
23 calling services), as set forth in IC 24-5-27-27.

24 (42) A violation of IC 15-21 (concerning sales of dogs by retail
25 pet stores), as set forth in IC 15-21-7-4.

26 (43) A violation of IC 24-4-23 (concerning the security of
27 information collected and transmitted by an adult oriented website
28 operator), as set forth in IC 24-4-23-14.

29 (44) **A violation of IC 28-8-7 (concerning virtual currency
30 kiosk operators), as set forth in IC 28-8-7-28.**

31 (c) Any representations on or within a product or its packaging or
32 in advertising or promotional materials which would constitute a
33 deceptive act shall be the deceptive act both of the supplier who places
34 such representation thereon or therein, or who authored such materials,
35 and such other suppliers who shall state orally or in writing that such
36 representation is true if such other supplier shall know or have reason
37 to know that such representation was false.

38 (d) If a supplier shows by a preponderance of the evidence that an
39 act resulted from a bona fide error notwithstanding the maintenance of
40 procedures reasonably adopted to avoid the error, such act shall not be
41 deceptive within the meaning of this chapter.

42 (e) It shall be a defense to any action brought under this chapter that



1 the representation constituting an alleged deceptive act was one made
2 in good faith by the supplier without knowledge of its falsity and in
3 reliance upon the oral or written representations of the manufacturer,
4 the person from whom the supplier acquired the product, any testing
5 organization, or any other person provided that the source thereof is
6 disclosed to the consumer.

7 (f) For purposes of subsection (b)(12), a supplier that provides
8 estimates before performing repair or replacement work for a customer
9 shall give the customer a written estimate itemizing as closely as
10 possible the price for labor and parts necessary for the specific job
11 before commencing the work.

12 (g) For purposes of subsection (b)(15) and (b)(16), a telephone
13 company or other provider of a telephone directory or directory
14 assistance service or its officer or agent is immune from liability for
15 publishing the listing of an alternate business name or assumed
16 business name of a supplier in its directory or directory assistance data
17 base unless the telephone company or other provider of a telephone
18 directory or directory assistance service is the same person as the
19 supplier who has committed the deceptive act.

20 (h) For purposes of subsection (b)(18), it is an affirmative defense
21 to any action brought under this chapter that the product has been
22 altered by a person other than the defendant to render the product
23 completely incapable of serving its original purpose.

24 SECTION 2. IC 28-8-4.1-201, AS ADDED BY P.L.198-2023,
25 SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
26 UPON PASSAGE]: Sec. 201. The following definitions apply
27 throughout this chapter:

28 (1) "Acting in concert" means persons knowingly acting together
29 with a common goal of jointly acquiring control of a licensee
30 whether or not pursuant to an express agreement.

31 (2) "Authorized delegate" means a person a licensee designates to
32 engage in money transmission on behalf of the licensee.

33 (3) "Average daily money transmission liability", with respect to
34 a calendar quarter, means:

35 (A) the sum of the amounts of a licensee's outstanding money
36 transmission obligations in Indiana at the end of each day in
37 the calendar quarter; divided by

38 (B) the total number of days in that calendar quarter.

39 For purposes of this subdivision, a "calendar quarter" is a quarter
40 ending on March 31, June 30, September 30, or December 31.

41 (4) "Bank Secrecy Act" means:

42 (A) the Bank Secrecy Act (31 U.S.C. 5311 et seq.); and



(B) regulations adopted under the Bank Secrecy Act (31 U.S.C. 5311 et seq.).

(5) "Closed loop stored value" means stored value that is redeemable by the issuer only for goods or services provided by the issuer or the issuer's affiliate or by franchisees of the issuer or the issuer's affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value.

8 (6) "Control" means any of the following:

13 (B) The power to elect or appoint a majority of key individuals
14 or executive officers, managers, directors, trustees, or other
15 persons exercising managerial authority of a person in control
16 of a licensee.

17 (C) The power to exercise, directly or indirectly, a controlling
18 influence over the management or policies of a licensee or of
19 a person in control of a licensee. For purposes of this clause,
20 a person is presumed to exercise a controlling influence if the
21 person holds the power to vote, directly or indirectly, at least
22 ten percent (10%) of the outstanding voting shares or voting
23 interests of a licensee or of a person in control of a licensee.
24 However, a person presumed to exercise a controlling
25 influence under this clause may rebut the presumption of
26 control if the person is a passive investor.

For purposes of this subdivision, the percentage of a person controlled by any other person is determined by aggregating the other person's interest with the interest of any other immediate family member of that person, including the person's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons-in-law and daughters-in-law, and any other person who shares the person's home.

34 (7) "Department" refers to the members of the department of
35 financial institutions.

36 (8) "Director" refers to the director of the department appointed
37 under IC 28-11-2-1.

38 (9) "Eligible rating" means a credit rating of any of the three (3)
39 highest rating categories provided by an eligible rating service,
40 including any rating category modifiers, such as "plus" or "minus"
41 for S&P Global, or an equivalent modifier for any other eligible
42 rating service. The term includes the following:



1 (A) A long term credit rating equal to at least A- by S&P
2 Global, or an equivalent long term credit rating for any other
3 eligible rating service.

4 (B) A short term credit rating equal to at least A-2 by S&P
5 Global, or an equivalent short term credit rating for any other
6 eligible rating service.

7 In any case in which the credit ratings differ among eligible rating
8 services, the highest rating applies in determining whether the
9 credit rating is an "eligible rating" as defined in this subdivision.

10 (10) "Eligible rating service" means:

11 (A) a nationally recognized statistical rating organization, as
12 defined by the United States Securities and Exchange
13 Commission; or

14 (B) any other organization designated as such by the director.

15 (11) "Federally insured depository financial institution" means:

16 (A) a bank;

17 (B) a credit union;

18 (C) a savings and loan association;

19 (D) a trust company;

20 (E) a corporate fiduciary;

21 (F) a savings association;

22 (G) a savings bank;

23 (H) an industrial bank; or

24 (I) an industrial loan company;

25 that is organized under the law of the United States or any state of
26 the United States and that has federally or privately insured
27 deposits as permitted by state or federal law.

28 (12) "In Indiana", with respect to the location of a transaction,
29 means the following:

30 (A) At a physical location in Indiana, for a transaction
31 requested in person.

32 (B) For a transaction requested electronically or by telephone,
33 a determination made by the provider of money transmission,
34 by relying on the following, that the person requesting the
35 transaction is in Indiana:

36 (i) Information, provided by the person, regarding the
37 location of the individual's residential address or the
38 business entity's principal place of business or other physical
39 address location, as applicable.

40 (ii) Any records associated with the person that the provider
41 of money transmission may have that indicate the person's
42 location, including an address associated with an account.



(13) "Individual" means a natural person.

(14) "Key individual" means an individual ultimately responsible for establishing or directing policies and procedures of a licensee, such as an executive officer, manager, director, or trustee.

(15) "Licensee" means a person licensed under this chapter.

(16) "Material litigation" means litigation that, according to United States generally accepted accounting principles, is significant to a person's financial health and would be required to be disclosed in the person's annual audited financial statements, report to shareholders, or similar records.

(17) "Money" means a medium of exchange that is issued by the United States government or by a foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two (2) or more governments.

(18) "Monetary value" means a medium of exchange, whether or not redeemable in money.

(19) "Money transmission" means any of the following:

- (A) Selling or issuing payment instruments to a person located in Indiana.
- (B) Selling or issuing stored value to a person located in Indiana.
- (C) Receiving money for transmission from a person located in Indiana.

(D) After December 31, 2026, conducting or facilitating a virtual currency transaction (as defined in IC 28-8-7-12).

The term does not include the provision of solely online or telecommunications services or network access.

(20) "MSB accredited state" means a state agency that is accredited by the Conference of State Bank Supervisors and Money Transmitter Regulators Association for money transmission licensing and supervision.

(21) "Multistate licensing process" means an agreement entered into by and among state regulators related to:

- (A) coordinated processing of applications for money transmission licenses;
- (B) applications for the acquisition and control of a licensee;
- (C) control determinations; or
- (D) notice and information requirements for a change of key individuals.

(22) "NMLS" means the Nationwide Multistate Licensing System and Registry:



1 (A) developed by the Conference of State Bank Supervisors
2 and the American Association of Residential Mortgage
3 Regulators; and
4 (B) owned and operated by the State Regulatory Registry,
5 LLC, or by any successor or affiliated entity;
6 for the licensing and registry of persons in financial services
7 industries.

8 (23) "Outstanding money transmission obligation", as established
9 and extinguished in accordance with applicable state law, means:

10 (A) any payment instrument or stored value that:

11 (i) is issued or sold by a licensee to a person located in the
12 United States, or reported as sold by an authorized delegate
13 of the licensee to a person located in the United States; and
14 (ii) has not yet been paid or refunded by or for the licensee,
15 or escheated in accordance with applicable abandoned
16 property laws; or

17 (B) any money that:

18 (i) is received for transmission by a licensee, or by an
19 authorized delegate of the licensee, from a person located in
20 the United States; and

21 (ii) has not been received by the payee or refunded to the
22 seller, or escheated in accordance with applicable
23 abandoned property laws.

For purposes of this subdivision, a person is located "in the United States" if the person is located in any state, territory, or possession of the United States or in the District of Columbia, the Commonwealth of Puerto Rico, or a United States military installation located in a foreign country.

29 (24) "Passive investor" means a person that:

30 (A) does not have the power to elect a majority of key
31 individuals or executive officers, managers, directors, trustees,
32 or other persons exercising managerial authority over a person
33 in control of a licensee;

34 (B) is not employed by and does not have any managerial
35 duties with respect to the licensee or a person in control of the
36 licensee;

37 (C) does not have the power to exercise, directly or indirectly,
38 a controlling influence over the management or policies of the
39 licensee or a person in control of the licensee; and

40 (D) either:

41 (i) attests to as facts the characteristics of passivity set forth
42 in clauses (A) through (C), in a form and by a medium



prescribed by the director; or

(ii) commits to the characteristics of passivity set forth in clauses (A) through (C) in a written document.

(25) "Payment instrument" means a written or electronic check, draft, money order, traveler's check, or other written or electronic instrument for the transmission or payment of money or monetary value, whether or not negotiable. The term does not include:

(A) stored value; or

(B) any instrument that:

(i) is redeemable by the issuer only for goods or services provided by the issuer or its affiliate, or franchisees of the issuer or its affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value; or

(ii) is not sold to the public but is issued and distributed as part of a loyalty, rewards, or promotional program.

(26) "Person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, association, joint stock corporation, or other corporate entity, as so identified by the director.

(27) "Receiving money for transmission" means receiving money or monetary value in the United States for transmission within or outside the United States by electronic or other means. The term "money received for transmission" has a corresponding meaning.

(28) "Stored value" means monetary value representing a claim, against the issuer, that is evidenced by an electronic or digital record and that is intended and accepted for use as a means of redemption for money or monetary value, or payment for goods or services. The term includes "prepaid access" as defined in 31 CFR 1010.100. The term does not include:

(A) a payment instrument;

(B) closed loop stored value; or

(C) stored value not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

(29) "Tangible net worth" means the aggregate assets of a licensee, excluding all intangible assets, less liabilities, as determined in accordance with United States generally accepted accounting principles.

SECTION 3. IC 28-8-7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]:



1 **Chapter 7. Virtual Currency Kiosks**
2

3 **Sec. 1. This chapter does not apply to the following:**
4

- (1) **A federally insured depository financial institution (as defined in IC 28-8-4.1-201(11)).**
- (2) **A bank holding company.**
- (3) **An office of an international banking corporation.**
- (4) **A foreign bank that establishes a federal branch under the International Banking Act of 1978 (12 U.S.C. 3101 et seq.).**
- (5) **A corporation organized under the Bank Service Company Act (12 U.S.C. 1861 et seq.).**
- (6) **A corporation organized under the Edge Act (12 U.S.C. 611 et seq.).**

7 **Sec. 2. As used in this chapter, "blockchain" means data that is:**
8

- (1) **shared across a network to create a ledger of verified transactions or information among network participants; and**
- (2) **linked using cryptography to maintain the integrity of the ledger and to execute other functions.**

9 **Sec. 3. As used in this chapter, "blockchain analytics" means the examination and interpretation of data extracted from public records of transactions on blockchains or on similar publicly distributed electronic ledgers.**

10 **Sec. 4. As used in this chapter, "blockchain analytics and tracing software" means a software service that uses blockchain analytics to provide:**

- (1) **risk specific information regarding blockchain transactions; and**
- (2) **tracing of virtual currency addresses.**

11 **Sec. 5. As used in this chapter, "charges", with respect to a virtual currency transaction, means:**

- (1) **fees or expenses paid by a user to the operator of a virtual currency kiosk as compensation for the operator's facilitation of the virtual currency transaction; and**
- (2) **the difference between:**
 - (A) **the market price of a virtual currency purchased, sold, transferred, or exchanged by the user in the virtual currency transaction; and**
 - (B) **the price of the virtual currency charged to the user by the operator of the virtual currency kiosk.**

12 **Sec. 6. As used in this chapter, "operate", with regard to a virtual currency kiosk, means to use the virtual currency kiosk to remotely conduct or facilitate virtual currency transactions through the virtual currency kiosk:**



- (1) on behalf of users of the virtual currency kiosk; and
- (2) for compensation by a user of the virtual currency kiosk in the form of charges assessed to the user.

Sec. 7. As used in this chapter, "operator", with regard to a virtual currency kiosk, means a person that:

(1) owns; or

(2) engages in the business of operating;

the virtual currency kiosk, regardless of whether the person provides custodial or noncustodial services with regard to virtual currency.

Sec. 8. As used in this chapter, "user" means an individual that initiates a virtual currency transaction through a virtual currency kiosk for the purpose of the individual's purchase, sale, transfer, or exchange of virtual currency.

**Sec. 9. As used in this chapter, "virtual currency" means a
natively electronic asset that:**

(1) confers economic, proprietary, or access rights or powers; and

(2) is recorded using cryptographically secured distributed ledger technology, or an analogous technology.

Sec. 10. As used in this chapter, "virtual currency address" means an alphanumeric identifier that is associated with a virtual currency wallet and that identifies the location to which a virtual currency transaction can be sent.

Sec. 11. As used in this chapter, "virtual currency kiosk" means an electronic terminal through which the operator of the electronic terminal is able to conduct or facilitate a virtual currency transaction on behalf of a third party, including by:

(1) connecting to a separate virtual currency exchange that performs the transaction; or

(2) drawing on virtual currency in the possession of the operator.

Sec. 12. As used in this chapter, "virtual currency transaction" means:

(1) an exchange of virtual currency for:

(A) money;

(B) bank credit; or

(C) another form of virtual currency; or

(2) an exchange of:

(A) money; or

(B) bank credit:

(B) bank credit, for virtual currency:



1 **conducted through a virtual currency kiosk.**

2 **Sec. 13. As used in this chapter, "virtual currency transaction**
3 **hash" means a unique, alphanumeric identifier that:**

4 **(1) is assigned to a transaction on a blockchain; and**

5 **(2) confirms that the transaction has been validated and**
6 **added to the blockchain.**

7 **Sec. 14. As used in this chapter, "virtual currency wallet" means**
8 **a software application or other mechanism providing a means to**
9 **hold the electronic keys necessary to access and transfer virtual**
10 **currency.**

11 **Sec. 15. After December 31, 2026, a person may not operate a**
12 **virtual currency kiosk that is located in Indiana unless the person**
13 **is licensed under IC 28-8-4.1.**

14 **Sec. 16. A person may not install, or cause a third party to**
15 **install, a virtual currency kiosk in Indiana unless the person:**

16 **(1) is licensed under IC 28-8-4.1, after December 31, 2026;**
17 **and**

18 **(2) obtains authorization for the installation from the**
19 **department.**

20 **Sec. 17. (a) Not later than forty-five (45) days after the end of**
21 **each calendar quarter, an operator that operates a virtual**
22 **currency kiosk that is located in Indiana shall submit to the**
23 **department a report that includes the following information:**

24 **(1) The following information regarding the operator:**

25 **(A) The legal name of the operator.**

26 **(B) Any fictitious or trade name used by the operator.**

27 **(C) The physical address of the operator.**

28 **(D) The virtual currency address or addresses used by the**
29 **operator in conducting virtual currency transactions on**
30 **behalf of users in Indiana.**

31 **(2) The following information regarding each of the**
32 **operator's virtual currency kiosks that is located in Indiana:**

33 **(A) The street address at which the virtual currency kiosk**
34 **is located.**

35 **(B) The following information regarding the owner of the**
36 **premises on which the virtual currency kiosk is located:**

37 **(i) The legal name of the owner.**

38 **(ii) Any fictitious or assumed trade name used by the**
39 **owner.**

40 **(iii) The primary address of the owner.**

41 **(iv) The registered agent of the owner.**

42 **(C) The start date of the virtual currency kiosk's**



operation.

(D) The end date of the virtual currency kiosk's operation, if the operator is no longer operating the virtual currency kiosk.

(E) The number of virtual currency transactions that were initiated at the virtual currency kiosk but declined by the operator due to suspicion of illicit activity.

The report required under this section is in addition to the report required to be submitted to the department under JC 28-8-4.1-701.

(b) Not later than March 31 of each year, an operator that operates a virtual currency kiosk that is located in Indiana shall submit to the department an annual report, in a form prescribed by the department, that includes the following information regarding the operator's business conducted during the immediately preceding calendar year through the operator's virtual currency kiosk or kiosks located in Indiana:

(1) The operator's gross revenue attributable to virtual currency transactions conducted through the operator's virtual currency kiosks located in Indiana.

(2) The total number and value of virtual currency transactions conducted through the operator's virtual currency kiosks located in Indiana.

(3) Copies of each complaint filed against the operator with:

(A) the Better Business Bureau; or

(B) a state or federal agency other than the department; with regard to use of the operator's virtual currency kiosks located in Indiana, and a description of the resolution, if any, each complaint.

(4) The:

(A) total number of refunds requested by users in connection with virtual currency transactions conducted through the operator's virtual currency kiosks located in Indiana:

(B) number and total dollar amount of refunds that were granted by the operator in response to requests described in clause (A); and

(C) number of requests described in clause (A) that were denied by the operator.

(5) Contact information for the operator's compliance officer.
(6) The total number of the operator's virtual currency

(3) The total number of the operator's virtual currency corresponding locations.
(7) The:

(7) The.



(A) total number of suspicious activity reports filed by the operator under 31 U.S.C. 5311 et seq. with regard to virtual currency transactions conducted through the operator's virtual currency kiosks located in Indiana; and (B) total value of the transactions reported as suspicious by the operator under clause (A).

The report required under this section is in addition to the information required to be filed with the department under IC 28-8-4.1-702.

(c) Upon request by the department, an operator shall provide to the department any virtual currency transaction and user information requested by the department with regard to the operator's virtual currency kiosks located in Indiana, including information related to virtual currency transactions that were initiated by a user but denied by the operator.

(d) Information received by the department under this section is confidential under IC 28-8-4.1-402 and may be released only in composite form, except as otherwise provided by law.

(e) The department shall prepare and make available to the public an annual report summarizing the information, in composite form as described in subsection (d), received by the department under this section in the immediately preceding calendar year.

Sec. 18. (a) The operator of a virtual currency kiosk that is located in Indiana shall provide the following information in a notice that is clearly and prominently displayed on, or in readable proximity to, the virtual currency kiosk:

(1) Notice that criminals may direct victims of fraud or scams to send money via virtual currency kiosks.

(2) The:

(A) name and address of the virtual currency kiosk's operator:

(B) toll free telephone number at which

- (B) toll-free telephone number at which the operator's customer service can be reached; and
- (C) days and times during which a user can contact the operator for assistance.

(3) Contact information for any state or local law enforcement or government agency with jurisdiction in the virtual currency kiosk's location to investigate allegations of fraud regarding financial transactions.

(b) After a user initiates use of a virtual currency kiosk that is located in Indiana, but before the virtual currency kiosk allows the user to initiate a virtual currency transaction through the virtual



1 currency kiosk, the operator of the virtual currency kiosk shall
2 provide the user with the following information on the electronic
3 display of the virtual currency kiosk in a clear, conspicuous, and
4 easily readable manner, and in the preferred language of the user:
5 (1) The following information, which must be displayed
6 immediately after the user's initiation of use of the virtual
7 currency kiosk and choice of the user's preferred language:
8 (A) The:
9 (i) name and address of the virtual currency kiosk's
10 operator;
11 (ii) toll free telephone number at which the operator's
12 customer service can be reached; and
13 (iii) days and times during which a user can contact the
14 operator for assistance.
15 (B) Contact information for any state or local law
16 enforcement or government agency with jurisdiction in the
17 virtual currency kiosk's location to investigate allegations
18 of fraud regarding financial transactions.
19 (2) All terms and conditions associated with virtual currency
20 transactions that can be conducted through the virtual
21 currency kiosk, including:
22 (A) the charges collected; and
23 (B) exchange rates used;
24 by the operator for virtual currency transactions conducted
25 through the virtual currency kiosk.
26 (3) A warning, written prominently and in bold type, and
27 provided separately from the other information required to
28 be displayed under this subsection, in the following or a
29 substantially similar form:
30 "WARNING: This technology can be used to defraud you.
31 If someone asked you to deposit money in this machine
32 and/or is on the phone with you and claims to be a:
33 (1) friend or family member;
34 (2) government agent;
35 (3) computer software representative;
36 (4) bill collector; or
37 (5) law enforcement officer;
38 or is anyone you do not know personally, STOP THIS
39 TRANSACTION IMMEDIATELY and contact your local
40 law enforcement agency and the kiosk operator. This
41 transaction may be a scam.
42 NEVER SEND MONEY to someone you don't know.".



(4) Notice regarding the material risks associated with virtual currency and virtual currency transactions, in the following or a substantially similar form:

"Virtual currency is not issued or backed by the United States government and is not legal tender in the United States. Virtual currency is not subject to protections by the Federal Deposit Insurance Corporation, National Credit Union Administration, or Securities Investor Protection Corporation, and its value relative to the U.S. dollar may fluctuate significantly.".

(5) Any additional information the department requires.

(c) The operator of a virtual currency kiosk that is located in Indiana shall:

(1) require a user of the virtual currency kiosk, as a condition of the user's continued use of the virtual currency kiosk after the user is provided with the information described in subsection (b), to affirmatively acknowledge:

(A) that the user has received and understood the information described in subsection (b); and

(B) that the user consents to continue using the virtual currency kiosk after the user's receipt of the information described in subsection (b); and

(2) preserve the user's acknowledgments under subdivision (1)(A) and (1)(B) as part of the operator's record of the transaction.

(d) The:

(1) provision of the information described in subsections (a) to (b) of article 1, which

and (b) to a user of a virtual currency kiosk; or
(2) receipt by a virtual currency kiosk operator of a user's acknowledgments under subsection (c);

does not affect the user's eligibility for a refund under section 21 of this chapter.

(e) The owner of the premises on which a virtual currency kiosk is located shall ensure that the notice provided by a virtual currency kiosk's operator under subsection (a) remains clearly and prominently displayed on, or in readable proximity to, the virtual currency kiosk.

Sec. 19. (a) Before accepting payment from a user through a virtual currency kiosk that is located in Indiana, the operator of the virtual currency kiosk shall:

(1) verify the identity of the user by:

(A) requiring the user to submit to the operator a copy of



1 **a government issued identification card that identifies the**
2 **user; or**

3 **(B) obtaining verification of the identity of the user**
4 **through an agent of the operator that requires the user to**
5 **submit to the agent a copy of a government issued**
6 **identification card that identifies the user; and**

7 **(2) require the user to submit to the operator the user's name,**
8 **date of birth, telephone number, address, and electronic mail**
9 **address.**

10 **(b) The operator of a virtual currency kiosk that is located in**
11 **Indiana may not allow a user to engage in a virtual currency**
12 **transaction through the virtual currency kiosk under a name or**
13 **identity that is not verified as the user's name and identity under**
14 **subsection (a).**

15 **Sec. 20. Upon a user's completion of a virtual currency**
16 **transaction through a virtual currency kiosk that is located in**
17 **Indiana, the operator of the virtual currency kiosk must provide**
18 **the user with a receipt, in both paper form and a retainable**
19 **electronic form, that includes the following information:**

20 **(1) The name of the operator and the toll free telephone**
21 **number at which the operator's customer service can be**
22 **reached.**

23 **(2) The type, value, date, and precise time of the transaction.**

24 **(3) Each virtual currency address and transaction hash**
25 **associated with the transaction, if available.**

26 **(4) All charges assessed to the user with respect to the**
27 **transaction.**

28 **(5) The exchange rate that was used for purposes of the**
29 **transaction, expressed in United States dollars to the virtual**
30 **currency that was the subject of the virtual currency**
31 **transaction.**

32 **(6) A statement of the operator's refund policy.**

33 **(7) Contact information for any state or local law enforcement**
34 **or government agency with jurisdiction in the virtual**
35 **currency kiosk's location to investigate allegations of fraud**
36 **regarding financial transactions.**

37 **(8) Any additional information the department requires.**

38 **Sec. 21. (a) If an individual is fraudulently induced to make a**
39 **payment or transfer through a virtual currency transaction**
40 **conducted through a virtual currency kiosk that is located in**
41 **Indiana, the operator of the virtual currency kiosk shall, subject to**
42 **subsection (b), refund to the individual:**



(1) the full amount of the payment or transfer; and
(2) the amount of any charges assessed to the individual by the operator with respect to the virtual currency transaction; regardless of any acknowledgment or affirmation of consent to the virtual currency transaction that is made by the individual, and regardless of whether the virtual currency transaction is authorized or unauthorized.

(b) To receive a refund under subsection (a), an individual who is fraudulently induced to make a payment or transfer through a virtual currency transaction conducted through a virtual currency kiosk that is located in Indiana must:

(1) not later than ninety (90) days after:

- (A) the date of the virtual currency transaction; or
- (B) the date on which the individual reasonably becomes aware of the fraud;

provide notice of the fraudulent nature of the transaction to the operator of the virtual currency kiosk; and

(2) not later than one hundred twenty (120) days after contacting the virtual currency kiosk operator under subdivision (1), submit to the operator a:

- (A) police report;
- (B) government agency report; or
- (C) sworn statement:

(S) sworn statement, detailing the fraudulent nature of the transaction.

(c) If an individual meets the conditions for a refund under subsection (b), the operator shall issue a refund to the individual under subsection (a) not later than seventy-two (72) hours after receiving from the individual the notice required under subsection (b)(1) and the police report, government agency report, or a sworn statement required under subsection (b)(2).

(d) A virtual currency kiosk operator shall make a refund under this section in the originating currency used by the individual to make the payment or transfer.

(e) A virtual currency kiosk operator:

(1) shall provide any notice sent to a user for purposes of this section in both English and Spanish; and

(2) when communicating directly with a user for purposes of this section, shall communicate with the user in the user's preferred language through:

- (A) the virtual currency kiosk operator's staff;
- (B) oral interpretation services; or
- (C) auxiliary aids and services.



1 **Sec. 22. (a) As used in this section, "existing user" means an**
2 **individual who has had a profile with a virtual currency kiosk**
3 **operator for at least forty-five (45) days.**

4 **(b) As used in this section, "new user" means an individual who**
5 **has had a profile with a virtual currency kiosk operator for less**
6 **than forty-five (45) days.**

7 **(c) Subject to subsection (g), an operator may not allow a new**
8 **user to conduct any combination of:**

9 **(1) one (1) or more virtual currency transactions through the**
10 **operator's virtual currency kiosk or kiosks located in Indiana;**
11 **and**

12 **(2) one (1) or more purchases or transfers through any other**
13 **product or service offered by the operator;**

14 **in a single twenty-four (24) hour period the total value of which is**
15 **more than two thousand dollars (\$2,000).**

16 **(d) An operator may not allow an existing user to conduct any**
17 **combination of:**

18 **(1) one (1) or more virtual currency transactions through the**
19 **operator's virtual currency kiosk or kiosks located in Indiana;**
20 **and**

21 **(2) one (1) or more purchases or transfers through any other**
22 **product or service offered by the operator;**

23 **in a single twenty-four (24) hour period the total value of which is**
24 **more than four thousand dollars (\$4,000).**

25 **(e) Subject to subsection (g), an operator may not allow a new**
26 **user to conduct any combination of:**

27 **(1) one (1) or more virtual currency transactions through the**
28 **operator's virtual currency kiosk or kiosks located in Indiana;**
29 **and**

30 **(2) one (1) or more purchases or transfers through any other**
31 **product or service offered by the operator;**

32 **in a single thirty (30) day period the total value of which is more**
33 **than ten thousand dollars (\$10,000).**

34 **(f) An operator may not allow an existing user to conduct any**
35 **combination of:**

36 **(1) one (1) or more virtual currency transactions through the**
37 **operator's virtual currency kiosk or kiosks located in Indiana;**
38 **and**

39 **(2) one (1) or more purchases or transfers through any other**
40 **product or service offered by the operator;**

41 **in a single thirty (30) day period the total value of which is more**
42 **than fifteen thousand dollars (\$15,000).**



(g) A new user may not:

- (1) conduct a virtual currency transaction through the operator's virtual currency kiosk or kiosks located in Indiana; or
- (2) purchase or transfer any other product or service offered by the operator;

unless the new user's profile with the operator has been activated for at least seven (7) business days.

Sec. 23. After December 31, 2026, a virtual currency kiosk operator that operates a virtual currency kiosk that is located in Indiana may not collect charges, directly or indirectly, with respect to a single virtual currency transaction conducted through the virtual currency kiosk in an amount that exceeds fifteen percent (15%) of the value of the transaction in United States dollars.

Sec. 24. A virtual currency kiosk operator that operates a virtual currency kiosk that is located in Indiana shall make customer service that:

(1) can be accessed by telephone; and

(2) is provided by an individual located in the United States in real time;

available to users of the virtual currency kiosk twenty-four (24) hours a day, seven (7) days a week.

Sec. 25. (a) An operator that operates a virtual currency kiosk that is located in Indiana shall take reasonable steps to detect and prevent the commission of fraud and money laundering through the virtual currency kiosk, including by establishing and maintaining a written anti-fraud and anti-money-laundering policy that includes:

(1) identification and assessment of risks for the commission of fraud and money laundering through the operator's virtual currency kiosk or kiosks;

(2) procedures and controls to protect against the risks identified under subdivision (1);

(3) allocation of responsibility within the operator's organization for monitoring the risks identified under subdivision (1); and

(4) procedures for periodic evaluation and revision of the policy, procedures, controls, and monitoring described in this subsection.

(b) An operator that operates a virtual currency kiosk that is located in Indiana shall:

(1) use blockchain analytics and tracing software to:



(A) assist in preventing the use of the virtual currency kiosk to transfer virtual currency to a virtual currency wallet that is, at the time of the virtual currency transaction, known or likely to be associated with fraudulent activity; and

(B) detect virtual currency transaction patterns indicative of fraud or other illicit activities; and

(2) upon request by the department, provide to the department evidence of the operator's use of blockchain analytics as required by this subsection.

(c) An operator that operates a virtual currency kiosk that is located in Indiana may not allow a virtual currency transaction between:

(1) a user; and

(2) a virtual currency wallet that is associated with an overseas exchange that is not accessible to United States users;

to be completed through the virtual currency kiosk.

Sec. 26. The operator of a virtual currency kiosk that is located on the premises of a business in Indiana:

(1) shall annually provide the staff of the business with training materials that are approved by the department and that describe:

(A) the manner in which virtual currency kiosks used in furtherance of illicit activity;

(B) indicators that a virtual currency kiosk is being used in furtherance of illicit activity; and

(C) indicators that a user of a virtual currency kiosk may:

- (i) have been induced to use the virtual currency kiosk by fraud or by a scam; or
- (ii) be a victim of financial abuse or exploitation; and

(ii) be a victim of financial abuse or exploitation; and
(j) may not prohibit or prevent staff at the business from

(2) may not prohibit or prevent staff at the business from advising users of the virtual currency kiosk regarding fraud and scams.

Sec. 27. (a) An operator that operates a virtual currency kiosk that is located in Indiana shall:

(1) maintain a dedicated:

(A) United States telephone number; or

(B) electronic mail address;

by which a federal or state regulatory agency can contact the operator regarding reported fraud committed via one (1) or more of the operator's virtual currency kiosks located in



Indiana; and

(2) respond within a reasonable time to reports received by the operator through the telephone number or electronic mail address.

(b) An operator that operates a virtual currency kiosk that is located in Indiana shall, as required by a subpoena or civil investigative demand served on the virtual kiosk operator by a law enforcement agency, a regulatory agency, or the attorney general, or as required by a court order:

(1) provide the law enforcement agency, regulatory agency, or attorney general with data obtained by the operator through the operator's blockchain analytics and tracing software; and

(2) assist the law enforcement agency, regulatory agency, or attorney general in performing blockchain analytics; to assist in any investigative matter related to potential fraud or unfair, deceptive, or abusive acts.

Sec. 28. (a) A person that violates this chapter commits a deceptive act that is actionable by the attorney general under IC 24-5-0.5 and is subject to the remedies and penalties under IC 24-5-0.5.

(b) The attorney general may bring an action under subsection (a) against:

(1) the operator of a virtual currency kiosk that gives rise to a violation of this chapter; and

(2) the owner of the premises on which the virtual currency kiosk is located;

jointly for the violation.

(c) If a court finds that a person has knowingly or intentionally operated one (1) or more virtual currency kiosks in Indiana in violation of this chapter, the court may, in addition to any other penalty imposed under IC 24-5-0.5, order one (1) or more of the following:

(1) That the person forfeit and pay to the state the amount of any charges that were collected by the person from users of the virtual currency kiosk or kiosks during the period in which the person operated the virtual currency kiosk or kiosks in violation of this chapter.

(2) That the person forfeit to the state any virtual currency kiosk that is owned by the person and located in Indiana.

(3) That the person pay to the attorney general all costs associated with the investigation of the violation.

(d) The remedies and penalties under this section are not



1 **exclusive and are cumulative to any other remedy or penalty to**
2 **which a person may be liable for conduct that violates this chapter.**

3 **Sec. 29. (a) Except as provided in subsection (b), a political**
4 **subdivision may not adopt or enforce an ordinance, resolution,**
5 **regulation, or rule that:**

6 **(1) conflicts with this chapter;**
7 **(2) restricts, conditions, or regulates a matter governed by**
8 **this chapter in a manner less restrictive than this chapter; or**
9 **(3) diminishes any duty, prohibition, or protection established**
10 **by this chapter.**

11 **(b) A political subdivision may adopt or enforce an ordinance,**
12 **resolution, regulation, or rule that provides more protection for**
13 **users of virtual currency kiosks than is provided by this chapter,**
14 **to the extent the ordinance, resolution, regulation, or rule is not**
15 **inconsistent with this chapter.**

16 **Sec. 30. Not later than December 31, 2027, the department shall**
17 **submit to the executive director of the legislative services agency**
18 **for distribution to the members of the general assembly a report in**
19 **an electronic format under IC 5-14-6 that does the following:**

20 **(1) Compares the limit on charges described in section 23 of**
21 **this chapter with any limit on charges associated with a**
22 **virtual currency transaction conducted through a virtual**
23 **currency kiosk established by other states.**

24 **(2) Calculates the total number of complaints received by the**
25 **attorney general's office and the department concerning**
26 **fraudulently induced virtual currency transactions conducted**
27 **through virtual currency kiosks in the previous calendar year.**

28 **(3) Provides a detailed breakdown concerning the complaints**
29 **described in subdivision (2), including detailing the number of**
30 **complaints per county in Indiana and specifying whether the**
31 **complaint involved a virtual currency kiosk operated by an**
32 **operator licensed under IC 28-8-4.1.**

33 **(4) Specifies the number of complaints described in**
34 **subdivision (2) that were submitted by individuals who had**
35 **not completed a virtual currency transaction conducted**
36 **through a virtual currency kiosk with the virtual currency**
37 **kiosk operator that operated the virtual currency kiosk**
38 **involved in the fraudulently induced virtual currency**
39 **transaction prior to the fraudulently induced virtual currency**
40 **transaction.**

41 **Sec. 31. The department may adopt rules under IC 4-22-2**
42 **necessary to administer this chapter.**



1 SECTION 4. **An emergency is declared for this act.**

HB 1116—LS 6503/DI 119



COMMITTEE REPORT

Mr. Speaker: Your Committee on Financial Institutions, to which was referred House Bill 1116, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 6, delete lines 24 through 42, begin a new paragraph and insert:

"SECTION 2. IC 28-8-4.1-201, AS ADDED BY P.L.198-2023, SECTION 4, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 201. The following definitions apply throughout this chapter:

(1) "Acting in concert" means persons knowingly acting together with a common goal of jointly acquiring control of a licensee whether or not pursuant to an express agreement.

(2) "Authorized delegate" means a person a licensee designates to engage in money transmission on behalf of the licensee.

(3) "Average daily money transmission liability", with respect to a calendar quarter, means:

(A) the sum of the amounts of a licensee's outstanding money transmission obligations in Indiana at the end of each day in the calendar quarter; divided by

(B) the total number of days in that calendar quarter.

For purposes of this subdivision, a "calendar quarter" is a quarter ending on March 31, June 30, September 30, or December 31.

(4) "Bank Secrecy Act" means:

(A) the Bank Secrecy Act (31 U.S.C. 5311 et seq.); and

(B) regulations adopted under the Bank Secrecy Act (31 U.S.C. 5311 et seq.).

(5) "Closed loop stored value" means stored value that is redeemable by the issuer only for goods or services provided by the issuer or the issuer's affiliate or by franchisees of the issuer or the issuer's affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value.

(6) "Control" means any of the following:

(A) The power to vote, directly or indirectly, at least twenty-five percent (25%) of the outstanding voting shares or voting interests of a licensee or of a person in control of a licensee.

(B) The power to elect or appoint a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority of a person in control



of a licensee.

(C) The power to exercise, directly or indirectly, a controlling influence over the management or policies of a licensee or of a person in control of a licensee. For purposes of this clause, a person is presumed to exercise a controlling influence if the person holds the power to vote, directly or indirectly, at least ten percent (10%) of the outstanding voting shares or voting interests of a licensee or of a person in control of a licensee. However, a person presumed to exercise a controlling influence under this clause may rebut the presumption of control if the person is a passive investor.

For purposes of this subdivision, the percentage of a person controlled by any other person is determined by aggregating the other person's interest with the interest of any other immediate family member of that person, including the person's spouse, parents, children, siblings, mothers-in-law and fathers-in-law, sons-in-law and daughters-in-law, and any other person who shares the person's home.

(7) "Department" refers to the members of the department of financial institutions.

(8) "Director" refers to the director of the department appointed under IC 28-11-2-1.

(9) "Eligible rating" means a credit rating of any of the three (3) highest rating categories provided by an eligible rating service, including any rating category modifiers, such as "plus" or "minus" for S&P Global, or an equivalent modifier for any other eligible rating service. The term includes the following:

(A) A long term credit rating equal to at least A- by S&P Global, or an equivalent long term credit rating for any other eligible rating service.

(B) A short term credit rating equal to at least A-2 by S&P Global, or an equivalent short term credit rating for any other eligible rating service.

In any case in which the credit ratings differ among eligible rating services, the highest rating applies in determining whether the credit rating is an "eligible rating" as defined in this subdivision.

(10) "Eligible rating service" means:

(A) a nationally recognized statistical rating organization, as defined by the United States Securities and Exchange Commission; or

(B) any other organization designated as such by the director.

(11) "Federally insured depository financial institution" means:



- (A) a bank;
- (B) a credit union;
- (C) a savings and loan association;
- (D) a trust company;
- (E) a corporate fiduciary;
- (F) a savings association;
- (G) a savings bank;
- (H) an industrial bank; or
- (I) an industrial loan company;

that is organized under the law of the United States or any state of the United States and that has federally or privately insured deposits as permitted by state or federal law.

(12) "In Indiana", with respect to the location of a transaction, means the following:

- (A) At a physical location in Indiana, for a transaction requested in person.
- (B) For a transaction requested electronically or by telephone, a determination made by the provider of money transmission, by relying on the following, that the person requesting the transaction is in Indiana:
 - (i) Information, provided by the person, regarding the location of the individual's residential address or the business entity's principal place of business or other physical address location, as applicable.
 - (ii) Any records associated with the person that the provider of money transmission may have that indicate the person's location, including an address associated with an account.

(13) "Individual" means a natural person.

(14) "Key individual" means an individual ultimately responsible for establishing or directing policies and procedures of a licensee, such as an executive officer, manager, director, or trustee.

(15) "Licensee" means a person licensed under this chapter.

(16) "Material litigation" means litigation that, according to United States generally accepted accounting principles, is significant to a person's financial health and would be required to be disclosed in the person's annual audited financial statements, report to shareholders, or similar records.

(17) "Money" means a medium of exchange that is issued by the United States government or by a foreign government. The term includes a monetary unit of account established by an intergovernmental organization or by agreement between two (2) or more governments.



(18) "Monetary value" means a medium of exchange, whether or not redeemable in money.

(19) "Money transmission" means any of the following:

(A) Selling or issuing payment instruments to a person located in Indiana.

(B) Selling or issuing stored value to a person located in Indiana.

(C) Receiving money for transmission from a person located in Indiana.

(D) After December 31, 2026, conducting or facilitating a virtual currency transaction (as defined in IC 28-8-7-12).

The term does not include the provision of solely online or telecommunications services or network access.

(20) "MSB accredited state" means a state agency that is accredited by the Conference of State Bank Supervisors and Money Transmitter Regulators Association for money transmission licensing and supervision.

(21) "Multistate licensing process" means an agreement entered into by and among state regulators related to:

(A) coordinated processing of applications for money transmission licenses;

(B) applications for the acquisition and control of a licensee;

(C) control determinations; or

(D) notice and information requirements for a change of key individuals.

(22) "NMLS" means the Nationwide Multistate Licensing System and Registry:

(A) developed by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators; and

(B) owned and operated by the State Regulatory Registry, LLC, or by any successor or affiliated entity;

for the licensing and registry of persons in financial services industries.

(23) "Outstanding money transmission obligation", as established and extinguished in accordance with applicable state law, means:

(A) any payment instrument or stored value that:

(i) is issued or sold by a licensee to a person located in the United States, or reported as sold by an authorized delegate of the licensee to a person located in the United States; and

(ii) has not yet been paid or refunded by or for the licensee, or escheated in accordance with applicable abandoned



property laws; or

(B) any money that:

(i) is received for transmission by a licensee, or by an authorized delegate of the licensee, from a person located in the United States; and

(ii) has not been received by the payee or refunded to the seller, or escheated in accordance with applicable abandoned property laws.

For purposes of this subdivision, a person is located "in the United States" if the person is located in any state, territory, or possession of the United States or in the District of Columbia, the Commonwealth of Puerto Rico, or a United States military installation located in a foreign country.

(24) "Passive investor" means a person that:

(A) does not have the power to elect a majority of key individuals or executive officers, managers, directors, trustees, or other persons exercising managerial authority over a person in control of a licensee;

(B) is not employed by and does not have any managerial duties with respect to the licensee or a person in control of the licensee;

(C) does not have the power to exercise, directly or indirectly, a controlling influence over the management or policies of the licensee or a person in control of the licensee; and

(D) either:

(i) attests to as facts the characteristics of passivity set forth in clauses (A) through (C), in a form and by a medium prescribed by the director; or

(ii) commits to the characteristics of passivity set forth in clauses (A) through (C) in a written document.

(25) "Payment instrument" means a written or electronic check, draft, money order, traveler's check, or other written or electronic instrument for the transmission or payment of money or monetary value, whether or not negotiable. The term does not include:

(A) stored value; or

(B) any instrument that:

(i) is redeemable by the issuer only for goods or services provided by the issuer or its affiliate, or franchisees of the issuer or its affiliate, except to the extent required by applicable law to be redeemable in cash for its cash value; or

(ii) is not sold to the public but is issued and distributed as



part of a loyalty, rewards, or promotional program.

(26) "Person" means any individual, general partnership, limited partnership, limited liability company, corporation, trust, association, joint stock corporation, or other corporate entity, as so identified by the director.

(27) "Receiving money for transmission" means receiving money or monetary value in the United States for transmission within or outside the United States by electronic or other means. The term "money received for transmission" has a corresponding meaning.

(28) "Stored value" means monetary value representing a claim, against the issuer, that is evidenced by an electronic or digital record and that is intended and accepted for use as a means of redemption for money or monetary value, or payment for goods or services. The term includes "prepaid access" as defined in 31 CFR 1010.100. The term does not include:

- (A) a payment instrument;
- (B) closed loop stored value; or
- (C) stored value not sold to the public but issued and distributed as part of a loyalty, rewards, or promotional program.

(29) "Tangible net worth" means the aggregate assets of a licensee, excluding all intangible assets, less liabilities, as determined in accordance with United States generally accepted accounting principles.".

Delete pages 7 through 10.

Page 11, delete lines 1 through 41.

Page 14, line 13, delete "A person" and insert "**After December 31, 2026, a person**".

Page 14, line 18, delete "IC 28-8-4.1;" and insert "**IC 28-8-4.1, after December 31, 2026;**".

Page 21, delete lines 2 through 19, begin a new paragraph and insert:

"Sec. 22. (a) As used in this section, "existing user" means an individual who has had a profile with a virtual currency kiosk operator for at least forty-five (45) days.

(b) As used in this section, "new user" means an individual who has had a profile with a virtual currency kiosk operator for less than forty-five (45) days.

(c) Subject to subsection (g), an operator may not allow a new user to conduct any combination of:

- (1) one (1) or more virtual currency transactions through the operator's virtual currency kiosk or kiosks located in Indiana;**



and

(2) one (1) or more purchases or transfers through any other product or service offered by the operator;
in a single twenty-four (24) hour period the total value of which is more than two thousand dollars (\$2,000).

(d) An operator may not allow an existing user to conduct any combination of:

(1) one (1) or more virtual currency transactions through the operator's virtual currency kiosk or kiosks located in Indiana; and
(2) one (1) or more purchases or transfers through any other product or service offered by the operator;
in a single twenty-four (24) hour period the total value of which is more than four thousand dollars (\$4,000).

(e) Subject to subsection (g), an operator may not allow a new user to conduct any combination of:

(1) one (1) or more virtual currency transactions through the operator's virtual currency kiosk or kiosks located in Indiana; and
(2) one (1) or more purchases or transfers through any other product or service offered by the operator;
in a single thirty (30) day period the total value of which is more than ten thousand dollars (\$10,000).

(f) An operator may not allow an existing user to conduct any combination of:

(1) one (1) or more virtual currency transactions through the operator's virtual currency kiosk or kiosks located in Indiana; and
(2) one (1) or more purchases or transfers through any other product or service offered by the operator;
in a single thirty (30) day period the total value of which is more than fifteen thousand dollars (\$15,000).

(g) A new user may not:

(1) conduct a virtual currency transaction through the operator's virtual currency kiosk or kiosks located in Indiana; or
(2) purchase or transfer any other product or service offered by the operator;

unless the new user's profile with the operator has been activated for at least seven (7) business days.".

Page 21, line 20, delete "A virtual" and insert "After December 31, 2026, a virtual".



Page 21, line 24, delete "three percent (3%)" and insert "**fifteen percent (15%)**".

Page 21, line 30, after "individual" insert "**located in the United States**".

Page 21, line 31, delete "from 8 a.m. to 10" and insert "**twenty-four (24) hours a day, seven (7) days a week.**".

Page 21, delete line 32.

Page 24, between lines 25 and 26, begin a new paragraph and insert:

"Sec. 30. Not later than December 31, 2027, the department shall submit to the executive director of the legislative services agency for distribution to the members of the general assembly a report in an electronic format under IC 5-14-6 that does the following:

- (1) Compares the limit on charges described in section 23 of this chapter with any limit on charges associated with a virtual currency transaction conducted through a virtual currency kiosk established by other states.**
- (2) Calculates the total number of complaints received by the attorney general's office and the department concerning fraudulently induced virtual currency transactions conducted through virtual currency kiosks in the previous calendar year.**
- (3) Provides a detailed breakdown concerning the complaints described in subdivision (2), including detailing the number of complaints per county in Indiana and specifying whether the complaint involved a virtual currency kiosk operated by an operator licensed under IC 28-8-4.1.**
- (4) Specifies the number of complaints described in subdivision (2) that were submitted by individuals who had not completed a virtual currency transaction conducted through a virtual currency kiosk with the virtual currency kiosk operator that operated the virtual currency kiosk involved in the fraudulently induced virtual currency transaction prior to the fraudulently induced virtual currency transaction."**

Page 24, line 26, delete "Sec. 30." and insert "**Sec. 31.**".

and when so amended that said bill do pass.

(Reference is to HB 1116 as introduced.)

TESHKA

Committee Vote: yeas 12, nays 0.

HB 1116—LS 6503/DI 119

