

LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS
FISCAL IMPACT STATEMENT

LS 6503

BILL NUMBER: HB 1116

NOTE PREPARED: Jan 22, 2026

BILL AMENDED: Jan 22, 2026

SUBJECT: Virtual Currency Kiosks.

FIRST AUTHOR: Rep. McNamara

BILL STATUS: CR Adopted - 1st House

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: (Amended) *Virtual Currency Kiosks* - This bill requires an operator of a virtual currency kiosk (operator) operated in Indiana to be licensed in Indiana as a money transmitter. It makes a corresponding amendment to a definition in the statute governing licensure of money transmitters.

It 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).

It 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.

It 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.

It 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.

It 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) 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.

It requires an operator, in addition to any fee associated with obtaining a license, to pay \$500 to the Department of Financial Institutions before February 1 of each year for each virtual currency kiosk that the operator operated in Indiana in the previous calendar year.

It requires a virtual currency kiosk to provide a user, upon completion of a virtual currency transaction, with a receipt that includes specified information.

It 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.

It 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.

It 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.

It 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.

It prohibits an operator from collecting charges with respect to a single virtual currency transaction in an amount that exceeds 10% of the value of the transaction.

It 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.

It 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.

It 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.

It prescribes responsibilities for operators with regard to cooperation with state and federal law enforcement and regulatory agencies.

It provides exemption from these provisions for specified types of financial institutions.

It 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.

Deceptive Sales - The bill 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.

It also 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; if the owner knowingly or intentionally permitted for the violation.

Effective Date: Upon passage.

Explanation of State Expenditures: *Department of Financial Institutions (DFI):* The bill would increase the workload for the DFI to approve installation of virtual currency kiosks, license virtual currency kiosk operators, regulate operators, collect reports from operators, create an annual report, and submit a report to the General Assembly by December 31, 2027. The workload increase can likely be done within current resources. [The DFI received \$12.5 M in appropriations from the Financial Institutions Fund in FY 2026.]

Deceptive Acts: This bill adds to the list of unfair and deceptive acts that are actionable by the Attorney General. Agency workload could increase to investigate and prosecute allegations. The Attorney General should be able to enforce the bill's provisions within existing resource levels.

Explanation of State Revenues: *Money Transmitter License Fee:* The bill would increase money transmitter license fee revenue by an estimated \$14,000 starting in FY 2026. The actual increase in revenue will depend on the number of operators that apply for a license. The \$1,000 license fee is deposited in the Financial Institutions Fund.

[The Ohio Department of Commerce reports 14 companies that are licensed as companies for cryptocurrency kiosks. The revenue increase estimate assumes Indiana would have a similar license count as Ohio.]

(Revised) Virtual Currency Kiosk Fee: The fee revenue could bring an estimated \$451,500 starting in the latter half of FY 2027 and thereafter. However, the fee revenue will depend on the number of virtual currency kiosks in operation. The DFI would collect the \$500 fee from the operator when obtaining or renewing the money transmitter license. The revenue would be deposited into the Financial Institutions Fund.

[It is estimated that there are 903 virtual currency kiosks in operation in Indiana as of January 2025. The revenue increase estimate assumes that all current virtual currency kiosks in operation will pay the fee.]

Deceptive Acts: If the bill increases the number of deceptive acts discovered, General Fund revenue will increase. Actual increases in revenue are unknown but expected to be small. Deceptive acts discovered by the Attorney General carry a civil penalty up to \$5,000.

Court Fee Revenue: If additional civil cases occur and court fees are collected, revenue to the state General Fund will increase. The total revenue per case would range between \$100 and \$122. The amount deposited will vary depending on whether the case is filed in a court of record or a municipal court. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

Explanation of Local Expenditures:

Explanation of Local Revenues: *Court Fee Revenue:* If additional cases occur, revenue will be collected by certain local units. If the case is filed in a court of record, the county will receive \$32 and qualifying municipalities will receive a share of \$3. If the case is filed in a municipal court, the county receives \$20, and the municipality will receive \$37. The following linked document describes the fees and distribution of the revenue: [Court fees imposed in civil, probate, and small claims cases.](#)

State Agencies Affected: Department of Financial Institutions; Office of the Attorney General.

Local Agencies Affected: Trial courts, city and town courts.

Information Sources: Indiana Supreme Court, Indiana Trial Court Fee Manual.
Ohio Department of Commerce,
<https://com.ohio.gov/divisions-and-programs/financial-institutions/money-transmitters/guides-and-resources/list-of-licensed-cryptocurrency-kiosks-and-atm-companies>.
List of major cities in United States with Bitcoin ATM installations,
<https://coinatmrader.com/country/226/bitcoin-atm-united-states/>.

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