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HOUSE BILL No. 1116

Proposed Changes to introduced printing by AM111602

DIGEST OF PROPOSED AMENDMENT

Real time customer service. Provides that the customer service made available to a user of a virtual currency kiosk by a virtual currency kiosk operator that operates a virtual currency kiosk that is located in Indiana must be provided by an individual located in the United States in real time.

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
10 acts, 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
16 reasonably know it does not have.
17 (2) That such subject of a consumer transaction is of a particular
18 standard, quality, grade, style, or model, if it is not and if the
19 supplier knows or should reasonably know that it is not.

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(3) That such subject of a consumer transaction is new or unused, if it is not and if the supplier knows or should reasonably know that it is not.

(4) That such subject of a consumer transaction will be supplied to the public in greater quantity than the supplier intends or reasonably expects.

(5) That replacement or repair constituting the subject of a consumer transaction is needed, if it is not and if the supplier knows or should reasonably know that it is not.

(6) That a specific price advantage exists as to such subject of a consumer transaction, if it does not and if the supplier knows or should reasonably know that it does not.

(7) That the supplier has a sponsorship, approval, or affiliation in such consumer transaction the supplier does not have, and which the supplier knows or should reasonably know that the supplier does not have.

(8) That such consumer transaction involves or does not involve a warranty, a disclaimer of warranties, or other rights, remedies, or obligations, if the representation is false and if the supplier knows or should reasonably know that the representation is false.

(9) That the consumer will receive a rebate, discount, or other benefit as an inducement for entering into a sale or lease in return for giving the supplier the names of prospective consumers or otherwise helping the supplier to enter into other consumer transactions, if earning the benefit, rebate, or discount is contingent upon the occurrence of an event subsequent to the time the consumer agrees to the purchase or lease.

(10) That the supplier is able to deliver or complete the subject of the consumer transaction within a stated period of time, when the supplier knows or should reasonably know the supplier could not. If no time period has been stated by the supplier, there is a presumption that the supplier has represented that the supplier will deliver or complete the subject of the consumer transaction within a reasonable time, according to the course of dealing or the usage of the trade.

(11) That the consumer will be able to purchase the subject of the consumer transaction as advertised by the supplier, if the supplier 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:



- 1 (A) the cost exceeds the estimate by an amount equal to or
 2 greater than ten percent (10%) of the estimate;
 3 (B) the supplier did not obtain written permission from the
 4 customer to authorize the supplier to complete the work
 5 even if the cost would exceed the amounts specified in
 6 clause (A);
 7 (C) the total cost for services and parts for a single
 8 transaction is more than seven hundred fifty dollars (\$750);
 9 and
 10 (D) the supplier knew or reasonably should have known that
 11 the cost would exceed the estimate in the amounts specified
 12 in clause (A).
 13 (13) That the replacement or repair constituting the subject of a
 14 consumer transaction is needed, and that the supplier disposes of
 15 the part repaired or replaced earlier than seventy-two (72) hours
 16 after both:
 17 (A) the customer has been notified that the work has been
 18 completed; and
 19 (B) the part repaired or replaced has been made available
 20 for examination upon the request of the customer.
 21 (14) Engaging in the replacement or repair of the subject of a
 22 consumer transaction if the consumer has not authorized the
 23 replacement or repair, and if the supplier knows or should
 24 reasonably know that it is not authorized.
 25 (15) The act of misrepresenting the geographic location of the
 26 supplier by listing an alternate business name or an assumed
 27 business name (as described in IC 23-0.5-3-4) in a local
 28 telephone directory if:
 29 (A) the name misrepresents the supplier's geographic
 30 location;
 31 (B) the listing fails to identify the locality and state of the
 32 supplier's business;
 33 (C) calls to the local telephone number are routinely
 34 forwarded or otherwise transferred to a supplier's business
 35 location that is outside the calling area covered by the local
 36 telephone directory; and
 37 (D) the supplier's business location is located in a county
 38 that is not contiguous to a county in the calling area covered
 39 by the local telephone directory.
 40 (16) The act of listing an alternate business name or assumed
 41 business name (as described in IC 23-0.5-3-4) in a directory
 42 assistance data base if:



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- 1 (A) the name misrepresents the supplier's geographic
- 2 location;
- 3 (B) calls to the local telephone number are routinely
- 4 forwarded or otherwise transferred to a supplier's business
- 5 location that is outside the local calling area; and
- 6 (C) the supplier's business location is located in a county
- 7 that 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),
- 23 as 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 solicitation), as set forth in IC 24-5-19-11.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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.



- 1 (ii) Any records associated with the person that the
 2 provider of money transmission may have that indicate
 3 the person's location, including an address associated
 4 with an account.
- 5 (13) "Individual" means a natural person.
- 6 (14) "Key individual" means an individual ultimately responsible
 7 for establishing or directing policies and procedures of a
 8 licensee, such as an executive officer, manager, director, or
 9 trustee.
- 10 (15) "Licensee" means a person licensed under this chapter.
- 11 (16) "Material litigation" means litigation that, according to
 12 United States generally accepted accounting principles, is
 13 significant to a person's financial health and would be required
 14 to be disclosed in the person's annual audited financial
 15 statements, report to shareholders, or similar records.
- 16 (17) "Money" means **any of the following:**
- 17 (A) A medium of exchange that is issued by the United
 18 States government or by a foreign government, ~~The term~~
 19 ~~includes~~ **including** a monetary unit of account established
 20 by an intergovernmental organization or by agreement
 21 between two (2) or more governments.
- 22 (B) **Virtual currency (as defined in IC 28-8-7-9).**
- 23 (18) "Monetary value" means a medium of exchange, whether or
 24 not redeemable in money.
- 25 (19) "Money transmission" means any of the following:
- 26 (A) Selling or issuing payment instruments to a person
 27 located in Indiana.
- 28 (B) Selling or issuing stored value to a person located in
 29 Indiana.
- 30 (C) Receiving money for transmission from a person
 31 located in Indiana.
- 32 (D) **Conducting or facilitating a virtual currency**
 33 **transaction (as defined in IC 28-8-7-12).**
- 34 The term does not include the provision of solely online or
 35 telecommunications services or network access.
- 36 (20) "MSB accredited state" means a state agency that is
 37 accredited by the Conference of State Bank Supervisors and
 38 Money Transmitter Regulators Association for money
 39 transmission licensing and supervision.
- 40 (21) "Multistate licensing process" means an agreement entered
 41 into by and among state regulators related to:
- 42 (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



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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]:

Chapter 7. Virtual Currency Kiosks

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

- (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.).

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

- (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.

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.

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



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1 (2) tracing of virtual currency addresses.
 2 **Sec. 5.** As used in this chapter, "charges", with respect to a
 3 virtual currency transaction, means:

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

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

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

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

- 22 (1) owns; or
 23 (2) engages in the business of operating;
 24 the virtual currency kiosk, regardless of whether the person
 25 provides custodial or noncustodial services with regard to virtual
 26 currency.

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

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

- 33 (1) confers economic, proprietary, or access rights or
 34 powers; and
 35 (2) is recorded using cryptographically secured distributed
 36 ledger technology, or an analogous technology.

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

41 **Sec. 11.** As used in this chapter, "virtual currency kiosk"
 42 means an electronic terminal through which the operator of the



1 electronic terminal is able to conduct or facilitate a virtual
2 currency transaction on behalf of a third party, including by:

- 3 (1) connecting to a separate virtual currency exchange that
- 4 performs the transaction; or
- 5 (2) drawing on virtual currency in the possession of the
- 6 operator.

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

- 9 (1) an exchange of virtual currency for:
- 10 (A) money;
- 11 (B) bank credit; or
- 12 (C) another form of virtual currency; or
- 13 (2) an exchange of:
- 14 (A) money; or
- 15 (B) bank credit;
- 16 for virtual currency;

17 conducted through a virtual currency kiosk.

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

- 20 (1) is assigned to a transaction on a blockchain; and
- 21 (2) confirms that the transaction has been validated and
- 22 added to the blockchain.

23 Sec. 14. As used in this chapter, "virtual currency wallet"
24 means a software application or other mechanism providing a
25 means to hold the electronic keys necessary to access and transfer
26 virtual currency.

27 Sec. 15. A person may not operate a virtual currency kiosk
28 that is located in Indiana unless the person is licensed under
29 IC 28-8-4.1.

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

- 32 (1) is licensed under IC 28-8-4.1; and
- 33 (2) obtains authorization for the installation from the
- 34 department.

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

- 39 (1) The following information regarding the operator:
- 40 (A) The legal name of the operator.
- 41 (B) Any fictitious or trade name used by the operator.
- 42 (C) The physical address of the operator.



- 1 (D) The virtual currency address or addresses used by
 2 the operator in conducting virtual currency transactions
 3 on behalf of users in Indiana.
- 4 (2) The following information regarding each of the
 5 operator's virtual currency kiosks that is located in Indiana:
- 6 (A) The street address at which the virtual currency
 7 kiosk is located.
- 8 (B) The following information regarding the owner of
 9 the premises on which the virtual currency kiosk is
 10 located:
- 11 (i) The legal name of the owner.
- 12 (ii) Any fictitious or assumed trade name used by
 13 the owner.
- 14 (iii) The primary address of the owner.
- 15 (iv) The registered agent of the owner.
- 16 (C) The start date of the virtual currency kiosk's
 17 operation.
- 18 (D) The end date of the virtual currency kiosk's
 19 operation, if the operator is no longer operating the
 20 virtual currency kiosk.
- 21 (E) The number of virtual currency transactions that
 22 were initiated at the virtual currency kiosk but declined
 23 by the operator due to suspicion of illicit activity.
- 24 The report required under this section is in addition to the report
 25 required to be submitted to the department under IC 28-8-4.1-701.
- 26 (b) Not later than March 31 of each year, an operator that
 27 operates a virtual currency kiosk that is located in Indiana shall
 28 submit to the department an annual report, in a form prescribed
 29 by the department, that includes the following information
 30 regarding the operator's business conducted during the
 31 immediately preceding calendar year through the operator's
 32 virtual currency kiosk or kiosks located in Indiana:
- 33 (1) The operator's gross revenue attributable to virtual
 34 currency transactions conducted through the operator's
 35 virtual currency kiosks located in Indiana.
- 36 (2) The total number and value of virtual currency
 37 transactions conducted through the operator's virtual
 38 currency kiosks located in Indiana.
- 39 (3) Copies of each complaint filed against the operator with:
- 40 (A) the Better Business Bureau; or
- 41 (B) a state or federal agency other than the department;
- 42 with regard to use of the operator's virtual currency kiosks



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located in Indiana, and a description of the resolution, if any, of 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 corresponding locations.

(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



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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 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 currency kiosk, the operator of the virtual currency kiosk shall provide the user with the following information on the electronic display of the virtual currency kiosk in a clear, conspicuous, and easily readable manner, and in the preferred language of the user:

(1) The following information, which must be displayed immediately after the user's initiation of use of the virtual currency kiosk and choice of the user's preferred language:

(A) The:

(i) name and address of the virtual currency kiosk's operator;

(ii) toll free telephone number at which the operator's customer service can be reached; and

(iii) days and times during which a user can contact the operator for assistance.

(B) 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.

(2) All terms and conditions associated with virtual currency transactions that can be conducted through the virtual currency kiosk, including:

(A) the charges collected; and

(B) exchange rates used;

by the operator for virtual currency transactions conducted



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through the virtual currency kiosk.

(3) A warning, written prominently and in bold type, and provided separately from the other information required to be displayed under this subsection, in the following or a substantially similar form:

"WARNING: This technology can be used to defraud you.

If someone asked you to deposit money in this machine and/or is on the phone with you and claims to be a:

(1) friend or family member;

(2) government agent;

(3) computer software representative;

(4) bill collector; or

(5) law enforcement officer;

or is anyone you do not know personally, STOP THIS TRANSACTION IMMEDIATELY and contact your local law enforcement agency and the kiosk operator. This transaction may be a scam.

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 (1)(A) and (1)(B) as part of the operator's record of the
2 transaction.

3 (d) The:

4 (1) provision of the information described in subsections (a)
5 and (b) to a user of a virtual currency kiosk; or

6 (2) receipt by a virtual currency kiosk operator of a user's
7 acknowledgments under subsection (c);

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

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

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

18 (1) verify the identity of the user by:

19 (A) requiring the user to submit to the operator a copy
20 of a government issued identification card that identifies
21 the user; or

22 (B) obtaining verification of the identity of the user
23 through an agent of the operator that requires the user
24 to submit to the agent a copy of a government issued
25 identification card that identifies the user; and

26 (2) require the user to submit to the operator the user's
27 name, date of birth, telephone number, address, and
28 electronic mail address.

29 (b) The operator of a virtual currency kiosk that is located in
30 Indiana may not allow a user to engage in a virtual currency
31 transaction through the virtual currency kiosk under a name or
32 identity that is not verified as the user's name and identity under
33 subsection (a).

34 Sec. 20. Upon a user's completion of a virtual currency
35 transaction through a virtual currency kiosk that is located in
36 Indiana, the operator of the virtual currency kiosk must provide
37 the user with a receipt, in both paper form and a retainable
38 electronic form, that includes the following information:

39 (1) The name of the operator and the toll free telephone
40 number at which the operator's customer service can be
41 reached.

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



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

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

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

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

(7) 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.

(8) Any additional information the department requires.

Sec. 21. (a) If an individual 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, the operator of the virtual currency kiosk shall, subject to 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;



1 detailing the fraudulent nature of the transaction.

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

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

11 (e) A virtual currency kiosk operator:

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

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

17 (A) the virtual currency kiosk operator's staff;

18 (B) oral interpretation services; or

19 (C) auxiliary aids and services.

20 Sec. 22. (a) An operator may not allow an individual to
21 conduct any combination of:

22 (1) one (1) or more virtual currency transactions through the
23 operator's virtual currency kiosk or kiosks located in
24 Indiana; and

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

29 (b) An operator may not allow an individual to conduct any
30 combination of:

31 (1) one (1) or more virtual currency transactions through the
32 operator's virtual currency kiosk or kiosks located in
33 Indiana; and

34 (2) one (1) or more purchases or transfers through any other
35 product or service offered by the operator;
36 in a single thirty (30) day period the total value of which is more
37 than ten thousand dollars (\$10,000).

38 Sec. 23. A virtual currency kiosk operator that operates a
39 virtual currency kiosk that is located in Indiana may not collect
40 charges, directly or indirectly, with respect to a single virtual
41 currency transaction conducted through the virtual currency kiosk
42 in an amount that exceeds three percent (3%) of the value of the



1 transaction in United States dollars.

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

5 (1) can be accessed by telephone; and

6 (2) is provided by an individual [located in the United States](#)
7 in real time;

8 available to users of the virtual currency kiosk from 8 a.m. to 10
9 p.m. Indiana time.

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

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

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

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

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

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

29 (1) use blockchain analytics and tracing software to:

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

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

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

40 (c) An operator that operates a virtual currency kiosk that is
41 located in Indiana may not allow a virtual currency transaction
42 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 can be 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

(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



1 through the operator's blockchain analytics and tracing
2 software; and

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

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

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

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

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

17 jointly for the violation.

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

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

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

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

32 (d) The remedies and penalties under this section are not
33 exclusive and are cumulative to any other remedy or penalty to
34 which a person may be liable for conduct that violates this chapter.

35 Sec. 29. (a) Except as provided in subsection (b), a political
36 subdivision may not adopt or enforce an ordinance, resolution,
37 regulation, or rule that:

38 (1) conflicts with this chapter;

39 (2) restricts, conditions, or regulates a matter governed by
40 this chapter in a manner less restrictive than this chapter; or

41 (3) diminishes any duty, prohibition, or protection
42 established by this chapter.



1 (b) A political subdivision may adopt or enforce an ordinance,
2 resolution, regulation, or rule that provides more protection for
3 users of virtual currency kiosks than is provided by this chapter,
4 to the extent the ordinance, resolution, regulation, or rule is not
5 inconsistent with this chapter.

6 Sec. 30. The department may adopt rules under IC 4-22-2
7 necessary to administer this chapter.

8 SECTION 4. An emergency is declared for this act. [\[](#)

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