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HOUSE BILL No. 1116

Proposed Changes to introduced printing by AM111606

DIGEST OF PROPOSED AMENDMENT

Transaction and charge limits. 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.

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

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consumer transaction, made orally, in writing, or by electronic communication, by a supplier, are deceptive acts:

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

(2) That such subject of a consumer transaction is of a particular standard, quality, grade, style, or model, if it is not and if the supplier knows or should reasonably know that it is not.

(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:

(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



- 1 forwarded or otherwise transferred to a supplier's business
 2 location that is outside the calling area covered by the local
 3 telephone directory; and
 4 (D) the supplier's business location is located in a county
 5 that is not contiguous to a county in the calling area covered
 6 by the local telephone directory.
- 7 (16) The act of listing an alternate business name or assumed
 8 business name (as described in IC 23-0.5-3-4) in a directory
 9 assistance data base if:
- 10 (A) the name misrepresents the supplier's geographic
 11 location;
 12 (B) calls to the local telephone number are routinely
 13 forwarded or otherwise transferred to a supplier's business
 14 location that is outside the local calling area; and
 15 (C) the supplier's business location is located in a county
 16 that is not contiguous to a county in the local calling area.
- 17 (17) The violation by a supplier of IC 24-3-4 concerning
 18 cigarettes for import or export.
- 19 (18) The act of a supplier in knowingly selling or reselling a
 20 product to a consumer if the product has been recalled, whether
 21 by the order of a court or a regulatory body, or voluntarily by the
 22 manufacturer, distributor, or retailer, unless the product has been
 23 repaired or modified to correct the defect that was the subject of
 24 the recall.
- 25 (19) The violation by a supplier of 47 U.S.C. 227, including any
 26 rules or regulations issued under 47 U.S.C. 227.
- 27 (20) The violation by a supplier of the federal Fair Debt
 28 Collection Practices Act (15 U.S.C. 1692 et seq.), including any
 29 rules or regulations issued under the federal Fair Debt Collection
 30 Practices Act (15 U.S.C. 1692 et seq.).
- 31 (21) A violation of IC 24-5-7 (concerning health spa services),
 32 as set forth in IC 24-5-7-17.
- 33 (22) A violation of IC 24-5-8 (concerning business opportunity
 34 transactions), as set forth in IC 24-5-8-20.
- 35 (23) A violation of IC 24-5-10 (concerning home consumer
 36 transactions), as set forth in IC 24-5-10-18.
- 37 (24) A violation of IC 24-5-11 (concerning real property
 38 improvement contracts), as set forth in IC 24-5-11-14.
- 39 (25) A violation of IC 24-5-12 (concerning telephone
 40 solicitations), as set forth in IC 24-5-12-23.
- 41 (26) A violation of IC 24-5-13.5 (concerning buyback motor
 42 vehicles), as set forth in IC 24-5-13.5-14.



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(27) A violation of IC 24-5-14 (concerning automatic dialing-announcing devices), as set forth in IC 24-5-14-13.

(28) A violation of IC 24-5-15 (concerning credit services organizations), as set forth in IC 24-5-15-11.

(29) A violation of IC 24-5-16 (concerning unlawful motor vehicle subleasing), as set forth in IC 24-5-16-18.

(30) A violation of IC 24-5-17 (concerning environmental marketing claims), as set forth in IC 24-5-17-14.

(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



1 a calendar quarter, means:

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

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

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

8 (4) "Bank Secrecy Act" means:

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

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

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

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

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

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

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

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



- 1 shares the person's home.
- 2 (7) "Department" refers to the members of the department of
- 3 financial institutions.
- 4 (8) "Director" refers to the director of the department appointed
- 5 under IC 28-11-2-1.
- 6 (9) "Eligible rating" means a credit rating of any of the three (3)
- 7 highest rating categories provided by an eligible rating service,
- 8 including any rating category modifiers, such as "plus" or
- 9 "minus" for S&P Global, or an equivalent modifier for any other
- 10 eligible rating service. The term includes the following:
- 11 (A) A long term credit rating equal to at least A- by S&P
- 12 Global, or an equivalent long term credit rating for any
- 13 other eligible rating service.
- 14 (B) A short term credit rating equal to at least A-2 by S&P
- 15 Global, or an equivalent short term credit rating for any
- 16 other eligible rating service.
- 17 In any case in which the credit ratings differ among eligible
- 18 rating services, the highest rating applies in determining whether
- 19 the credit rating is an "eligible rating" as defined in this
- 20 subdivision.
- 21 (10) "Eligible rating service" means:
- 22 (A) a nationally recognized statistical rating organization,
- 23 as defined by the United States Securities and Exchange
- 24 Commission; or
- 25 (B) any other organization designated as such by the
- 26 director.
- 27 (11) "Federally insured depository financial institution" means:
- 28 (A) a bank;
- 29 (B) a credit union;
- 30 (C) a savings and loan association;
- 31 (D) a trust company;
- 32 (E) a corporate fiduciary;
- 33 (F) a savings association;
- 34 (G) a savings bank;
- 35 (H) an industrial bank; or
- 36 (I) an industrial loan company;
- 37 that is organized under the law of the United States or any state
- 38 of the United States and that has federally or privately insured
- 39 deposits as permitted by state or federal law.
- 40 (12) "In Indiana", with respect to the location of a transaction,
- 41 means the following:
- 42 (A) At a physical location in Indiana, for a transaction



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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 **any of the following:**

(A) A medium of exchange that is issued by the United States government or by a foreign government, ~~The term includes~~ **including** a monetary unit of account established by an intergovernmental organization or by agreement between two (2) or more governments.

(B) Virtual currency (as defined in IC 28-8-7-9).

(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) Conducting or facilitating a virtual currency transaction (as defined in IC 28-8-7-12).



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

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

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

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

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

13 (C) control determinations; or

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

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

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

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

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

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

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

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

33 (ii) has not yet been paid or refunded by or for the
34 licensee, or escheated in accordance with applicable
35 abandoned property laws; or

36 (B) any money that:

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

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



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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.

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.



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

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

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

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

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

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

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

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

- 31 (1) owns; or
- 32 (2) engages in the business of operating;

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

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

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

- 42 (1) confers economic, proprietary, or access rights or



1 powers; and

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

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

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

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

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

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

18 (1) an exchange of virtual currency for:

19 (A) money;

20 (B) bank credit; or

21 (C) another form of virtual currency; or

22 (2) an exchange of:

23 (A) money; or

24 (B) bank credit;

25 for virtual currency;

26 conducted through a virtual currency kiosk.

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

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

30 (2) confirms that the transaction has been validated and
31 added to the blockchain.

32 Sec. 14. As used in this chapter, "virtual currency wallet"
33 means a software application or other mechanism providing a
34 means to hold the electronic keys necessary to access and transfer
35 virtual currency.

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

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

41 (1) is licensed under IC 28-8-4.1; and

42 (2) obtains authorization for the installation from the



department.

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

(1) The following information regarding the operator:

(A) The legal name of the operator.

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

(C) The physical address of the operator.

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

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

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

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

(i) The legal name of the owner.

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

(iii) The primary address of the owner.

(iv) The registered agent of the owner.

(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 IC 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



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1 currency transactions conducted through the operator's
2 virtual currency kiosks located in Indiana.

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

6 (3) Copies of each complaint filed against the operator with:
7 (A) the Better Business Bureau; or
8 (B) a state or federal agency other than the department;
9 with regard to use of the operator's virtual currency kiosks
10 located in Indiana, and a description of the resolution, if any,
11 of each complaint.

12 (4) The:

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

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

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

22 (5) Contact information for the operator's compliance
23 officer.

24 (6) The total number of the operator's virtual currency
25 corresponding locations.

26 (7) The:

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

32 (B) total value of the transactions reported as suspicious
33 by the operator under clause (A).

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

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



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(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 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 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)(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) 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 a government issued identification card that identifies the user; or

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

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

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



1 **Sec. 20. Upon a user's completion of a virtual currency**
 2 **transaction through a virtual currency kiosk that is located in**
 3 **Indiana, the operator of the virtual currency kiosk must provide**
 4 **the user with a receipt, in both paper form and a retainable**
 5 **electronic form, that includes the following information:**

6 (1) The name of the operator and the toll free telephone
 7 number at which the operator's customer service can be
 8 reached.

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

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

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

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

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

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

23 (8) Any additional information the department requires.

24 **Sec. 21. (a) If an individual is fraudulently induced to make a**
 25 **payment or transfer through a virtual currency transaction**
 26 **conducted through a virtual currency kiosk that is located in**
 27 **Indiana, the operator of the virtual currency kiosk shall, subject to**
 28 **subsection (b), refund to the individual:**

29 (1) the full amount of the payment or transfer; and

30 (2) the amount of any charges assessed to the individual by
 31 the operator with respect to the virtual currency transaction;
 32 regardless of any acknowledgment or affirmation of consent to the
 33 virtual currency transaction that is made by the individual, and
 34 regardless of whether the virtual currency transaction is
 35 authorized or unauthorized.

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

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

41 (A) the date of the virtual currency transaction; or

42 (B) the date on which the individual reasonably becomes



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- 1 aware of the fraud;
 2 provide notice of the fraudulent nature of the transaction to
 3 the operator of the virtual currency kiosk; and
 4 (2) not later than one hundred twenty (120) days after
 5 contacting the virtual currency kiosk operator under
 6 subdivision (1), submit to the operator a:
 7 (A) police report;
 8 (B) government agency report; or
 9 (C) sworn statement;
 10 detailing the fraudulent nature of the transaction.
 11 (c) If an individual meets the conditions for a refund under
 12 subsection (b), the operator shall issue a refund to the individual
 13 under subsection (a) not later than seventy-two (72) hours after
 14 receiving from the individual the notice required under subsection
 15 (b)(1) and the police report, government agency report, or a sworn
 16 statement required under subsection (b)(2).
 17 (d) A virtual currency kiosk operator shall make a refund
 18 under this section in the originating currency used by the
 19 individual to make the payment or transfer.
 20 (e) A virtual currency kiosk operator:
 21 (1) shall provide any notice sent to a user for purposes of this
 22 section in both English and Spanish; and
 23 (2) when communicating directly with a user for purposes of
 24 this section, shall communicate with the user in the user's
 25 preferred language through:
 26 (A) the virtual currency kiosk operator's staff;
 27 (B) oral interpretation services; or
 28 (C) auxiliary aids and services.
 29 [] [Sec. 22. ~~<(a) An>~~ (a) As used in this section, "existing user"
 30 means an individual who has had a profile with a virtual currency
 31 kiosk operator for at least forty-five (45) days.
 32 (b) As used in this section, "new user" means an individual
 33 who has had a profile with a virtual currency kiosk operator for
 34 less than forty-five (45) days.
 35 (c) Subject to subsection (g), an operator may not allow ~~<a>~~ [a
 36 in ~~<individual>~~ [ew user] to conduct any combination of:
 37 (1) one (1) or more virtual currency transactions through the
 38 operator's virtual currency kiosk or kiosks located in
 39 Indiana; and
 40 (2) one (1) or more purchases or transfers through any other
 41 product or service offered by the operator;
 42 in a single twenty-four (24) hour period the total value of which is



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more than ~~one~~ two thousand dollars (\$~~1~~ 2,000).[]

[(~~b~~ d) An operator may not allow an ~~individual~~ 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~~ twenty-four (~~30~~ 24) ~~day~~ hour period the total value of which is more than ~~ten~~ four thousand dollars (~~\$10,000~~);

> \$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.

Sec. 23. 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 ~~three~~ fifteen percent (~~3%~~ 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 in real time;
- available to users of the virtual currency kiosk from 8 a.m. to 10 p.m. Indiana time.

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:



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(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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