

1.1 Senator ..... moves to amend S.F. No. 4909 as follows:

1.2 Delete everything after the enacting clause and insert:

1.3 "Section 1. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding  
1.4 a subdivision to read:

1.5 Subd. 3a. **Transaction hash.** "Transaction hash" means a unique identifier made up of  
1.6 a string of characters that act as a record of and provides proof that the transaction was  
1.7 verified and added to the blockchain.

1.8 Sec. 2. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
1.9 subdivision to read:

1.10 Subd. 3b. **New customer.** "New customer" means a consumer transacting at a kiosk in  
1.11 Minnesota who has been a customer with a virtual currency kiosk operator for less than 96  
1.12 hours. After a 96-hour period has elapsed from the day of first signing up as a customer  
1.13 with a virtual currency kiosk operator, the customer will be considered an existing customer  
1.14 and no longer subject to the new customer transaction limit described in this act.

1.15 Sec. 3. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
1.16 subdivision to read:

1.17 Subd. 3c. **Existing customer.** "Existing customer" means a consumer transacting at a  
1.18 kiosk in Minnesota who has been a customer with a virtual currency kiosk operator for more  
1.19 than a 96-hour period. A new customer will automatically convert to an existing customer  
1.20 after the 96-hour period of first becoming a new customer. An existing customer is subject  
1.21 to the transaction limits described in this act.

1.22 Sec. 4. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
1.23 subdivision to read:

1.24 Subd. 6a. **Virtual currency address.** "Virtual currency address" means an alphanumeric  
1.25 identifier representing a destination for a virtual currency transfer that is associated with a  
1.26 virtual currency wallet.

1.27 Sec. 5. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a  
1.28 subdivision to read:

1.29 Subd. 10. **Virtual currency kiosk.** "Virtual currency kiosk" means an electronic terminal  
1.30 acting as a mechanical agent of the operator to enable the operator to facilitate the exchange

of virtual currency for money, bank credit, or other virtual currency, including, but not limited to, by (1) connecting directly to a separate virtual currency exchanger that performs the actual virtual currency transmission, or (2) drawing upon the virtual currency in the possession of the electronic terminal's operator.

Sec. 6. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 11. **Virtual currency wallet.** "Virtual currency wallet" means a software application or other mechanism providing a means for holding, storing, and transferring virtual currency.

Sec. 7. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 12. **Virtual currency kiosk operator.** "Virtual currency kiosk operator" means a corporation, limited liability company, limited liability partnership, foreign entity, or any other person or entity qualified to do business in the state of Minnesota which operates a virtual currency kiosk within the state of Minnesota.

Sec. 8. Minnesota Statutes 2023 Supplement, section 53B.69, is amended by adding a subdivision to read:

Subd. 13. **Virtual currency kiosk transaction.** "Virtual currency kiosk transaction" means a transaction conducted or performed, in whole or in part, by electronic means via a virtual currency kiosk. Virtual currency kiosk transaction also means a transaction made at a virtual currency kiosk to purchase currency with fiat currency or to sell virtual currency for fiat currency.

Sec. 9. **[53B.75] VIRTUAL CURRENCY KIOSKS.**

Subdivision 1. **Disclosures on material risks.** (a) Before entering into an initial virtual currency transaction for, on behalf of, or with a person, the virtual currency kiosk operator must disclose in clear, conspicuous, and legibly written English all material risks generally associated with virtual currency. The disclosures should be displayed on the screen of the virtual currency kiosk with the ability for a person to acknowledge the receipt of such disclosures. This includes at least the following information:

(1) virtual currency is not legal tender, is not backed or insured by the government, and accounts and value balances are not subject to Federal Deposit Insurance Corporation,

3.1 National Credit Union Administration, or Securities Investor Protection Corporation  
3.2 protections;

3.3 (2) some virtual currency transactions are deemed to be made when recorded on a public  
3.4 ledger, which may not be the date or time when the person initiates the transaction;

3.5 (3) virtual currency's value may be derived from market participants' continued  
3.6 willingness to exchange fiat currency for virtual currency, which may result in the permanent  
3.7 and total loss of a particular virtual currency's value if the market for it disappears;

3.8 (4) there is no assurance that a person who accepts a virtual currency as payment today  
3.9 will do so in the future;

3.10 (5) the volatility and unpredictability of the price of virtual currency relative to fiat  
3.11 currency may result in a significant loss over a short period;

3.12 (6) virtual currency transactions are irreversible and are used by scammers, including  
3.13 those impersonating loved ones, threatening jail time, stating your identity is stolen, and  
3.14 insisting you withdraw money from your bank account and purchase cryptocurrency;

3.15 (7) the nature of virtual currency means that any technological difficulties experienced  
3.16 by the operator may prevent access to or use of a person's virtual currency; and

3.17 (8) any bond maintained by the licensee for the benefit of a person may not cover all  
3.18 losses the persons incur.

3.19 (b) The virtual currency kiosk operator must provide an additional disclosure, which  
3.20 must be acknowledged by the person, written prominently and in bold type, and provided  
3.21 separately from the disclosures above, stating: "WARNING: LOSSES DUE TO  
3.22 FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE  
3.23 AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE."

3.24 Subd. 2. **Disclosures.** (a) A virtual currency kiosk operator must disclose all relevant  
3.25 terms and conditions generally associated with the products, services, and activities of the  
3.26 operator and virtual currency. A virtual currency operator must make the disclosures in  
3.27 clear, conspicuous, and legibly written English, displayed on a separate screen from other  
3.28 disclosures and information, in bold-face sans serif font in a size in line with other texts  
3.29 displayed. These disclosures must address at least the following:

3.30 (1) the person's liability for unauthorized virtual currency transactions;

3.31 (2) the person's right to:

3.32 (i) stop payment of a virtual currency transfer and the procedure to stop the payment;

4.1 (ii) receive a receipt, trade ticket, or other evidence of a transaction at the time of  
4.2 transaction; and

4.3 (iii) prior notice of a change in the rules or policies of the operator;

4.4 (3) under what circumstances the operator will, without a court or government order,  
4.5 disclose a person's account information to third parties; and

4.6 (4) other disclosures that are customarily provided in connection with the opening of a  
4.7 person's account.

4.8 (b) Before each virtual currency transaction for, on behalf of, or with a person, the virtual  
4.9 currency kiosk operator must disclose the transaction's terms and conditions in clear,  
4.10 conspicuous, and legibly written English, using at least 48-point sans serif type font. These  
4.11 disclosures must address at least the following:

4.12 (1) the amount of the transaction;

4.13 (2) any fees, expenses, and charges, including applicable exchange rates;

4.14 (3) the type and nature of the transaction;

4.15 (4) a warning that, once completed, the transaction may not be undone;

4.16 (5) a daily virtual currency transaction limit of no more than \$2,000 for new customers;

4.17 (6) the difference in the virtual currency's sale price versus the current market price; and

4.18 (7) other disclosures that are customarily given in connection with a virtual currency  
4.19 transaction.

4.20 Subd. 3. **Acknowledgment of disclosures.** Before completing a transaction, a virtual  
4.21 currency kiosk operator must ensure that each person who engages in a virtual currency  
4.22 transaction using the virtual currency operator's kiosk acknowledges receipt of all disclosures  
4.23 required under this section via confirmation of consent. Additionally, upon a transaction's  
4.24 completion, the virtual currency operator must provide a person with a physical receipt, or  
4.25 a virtual receipt sent to their email address or SMS number, containing the following  
4.26 information:

4.27 (1) the operator's name and contact information, including a telephone number to answer  
4.28 questions and register complaints;

4.29 (2) the type, value, date, and precise time of the transaction, transactional hash, and each  
4.30 virtual currency address;

4.31 (3) the fees charged;

5.1 (4) the exchange rate;

5.2 (5) a statement of the operator's liability for non-delivery or delayed delivery;

5.3 (6) a statement of the operator's refund policy; and

5.4 (7) any additional information the commissioner of banking may require.

5.5 Subd. 4. **New customer hold.** The first transaction of a new customer must be subject  
5.6 to a 48-hour holding period in which the customer may reverse and cancel their transaction  
5.7 for a full refund.

5.8 Subd. 5. **Transaction limits.** (a) There is an established maximum daily transaction  
5.9 limit of \$2,000 for each new customer of a virtual currency kiosk.

5.10 (b) The maximum daily transaction limit of an existing customer shall be decided by  
5.11 each virtual currency kiosk operator in compliance with federal law."