



LAWS OF ALASKA

2026

Source

HCS CSSB 249(L&C)

Chapter No.

AN ACT

Relating to virtual currency kiosks; relating to transactions involving virtual currency; relating to unfair trade or deceptive acts or practices; and providing for an effective date.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

THE ACT FOLLOWS ON PAGE 1

AN ACT

1 Relating to virtual currency kiosks; relating to transactions involving virtual currency; relating
2 to unfair trade or deceptive acts or practices; and providing for an effective date.

3
4 * **Section 1.** AS 06.55 is amended by adding new sections to read:

5 **Article 1A. Virtual Currency Kiosks.**

6 **Sec. 06.55.120. Virtual currency kiosk operator licensing and reporting. (a)**

7 A virtual currency kiosk operator may not engage in a virtual currency kiosk transaction
8 or hold itself out as being able to engage in virtual currency kiosk transactions with or
9 on behalf of another person unless the virtual currency kiosk operator holds a money
10 transmission license.

11 (b) A virtual currency kiosk operator may not locate a virtual currency kiosk in
12 the state unless the virtual currency kiosk operator registers with and obtains the prior
13 approval of the department.

1 **Sec. 06.55.125. Reporting.** (a) Within 45 days after the end of each calendar
2 quarter, a virtual currency kiosk operator shall submit a quarterly report to the
3 department for each location in the state at which the person operates a virtual currency
4 kiosk. The report must include the following:

- 5 (1) the legal name of the virtual currency kiosk operator;
6 (2) any fictitious or trade name used by the virtual currency kiosk
7 operator;
8 (3) the virtual currency kiosk operator's physical address;
9 (4) the date that operation of a virtual currency kiosk began at the
10 location;
11 (5) if applicable, the date the virtual currency kiosk operator ceased
12 operating a virtual currency kiosk at the location;
13 (6) virtual currency addresses used by the virtual currency kiosk
14 operator to service users at every location in the state; and
15 (7) the number of transactions declined because of suspicion of illicit
16 activity.

17 (b) On or before March 31 of each year, a virtual currency kiosk operator shall
18 submit an annual report to the department relating to the virtual currency kiosk
19 operator's business conducted in the state during the previous calendar year. The report
20 shall be on a form prescribed by the department and must include

- 21 (1) the gross revenue attributable to virtual currency transactions
22 conducted through virtual currency kiosks in the state;
23 (2) copies of each complaint filed by a user against the virtual currency
24 kiosk operator with the Better Business Bureau or a state or federal agency other than
25 the department and a description of the resolution, if any, of each complaint;
26 (3) the total number and value of virtual currency transactions the virtual
27 currency kiosk operator conducted through virtual currency kiosks in the state;
28 (4) the total number of refunds requested by users, including the number
29 of requests granted and the number denied by the virtual currency kiosk operator;
30 (5) the total dollar amount of refunds the virtual currency kiosk operator
31 provided to users;

1 (6) contact details for the virtual currency kiosk operator's compliance
2 officer;

3 (7) the total number of virtual currency kiosk locations; and

4 (8) the total number and dollar amount of suspicious transaction reports
5 the virtual currency kiosk operator was required to file under 31 U.S.C. 5311 - 5336.

6 (c) Upon request, a virtual currency kiosk operator shall make available to the
7 department information on any transaction processed by the virtual currency kiosk or
8 any user of the virtual currency kiosk, including information related to transactions that
9 were attempted but denied.

10 (d) Data collected by the department under this section is confidential and is not
11 a public record for purposes of AS 40.25.110 - 40.25.140 but may be released in
12 composite form. The department shall prepare and make available to the public an
13 annual report summarizing the data reported to the department under this section.

14 **Sec. 06.55.130. Disclosures.** (a) A virtual currency kiosk operator shall disclose
15 in a clear, conspicuous, and easily readable manner in the chosen language of the user
16 all relevant terms and conditions generally associated with the products, services, and
17 activities of the virtual currency kiosk operator and virtual currency, including
18 transaction charges collected and exchange rates used by the virtual currency kiosk
19 operator.

20 (b) When a user engages with a virtual currency kiosk, the virtual currency kiosk
21 operator shall obtain acknowledgment of receipt of all disclosures required under this
22 section.

23 (c) The disclosures required under this section must address the following:

24 (1) a warning, written prominently and in bold type stating

25 WARNING: this technology can be used to defraud you. If
26 someone asked you to deposit money in this machine or is on the
27 telephone with you and claims to be a friend or family member,
28 government agent, computer software representative, bill collector, law
29 enforcement officer, or anyone you do not know personally
30 IMMEDIATELY STOP THIS TRANSACTION and contact your local
31 law enforcement and the kiosk operator. This may be a scam. NEVER

1 SEND MONEY to someone you don't know;

2 (2) a warning of the material risks associated with virtual currency,
3 including a warning that virtual currency is not issued or backed by the United States
4 government; is not legal tender in the United States; is not subject to protections by the
5 Federal Deposit Insurance Corporation, National Credit Union Administration, or
6 Securities Investor Protection Corporation; and that its value relative to the United
7 States dollar may fluctuate significantly;

8 (3) the name, address, and telephone number of the owner of the kiosk
9 and the days, time, and means by which a user can contact the owner for assistance;

10 (4) the address and telephone number of the Alaska state troopers, local
11 law enforcement, and the department, along with a message that a user may report fraud
12 to any of those entities, shall be displayed on or at the location of a virtual currency
13 kiosk or on the first screen of a kiosk; and

14 (5) other disclosures that the department requires by regulation.

15 (d) The disclosures required under this section do not affect the obligation of a
16 virtual currency kiosk operator to issue a refund under AS 06.55.160 to a user who is a
17 victim of fraud.

18 (e) After the completion of each transaction, the virtual currency kiosk operator
19 shall provide users with paper and electronic receipts. In addition to the information
20 required under AS 06.55.830, the receipt must include the following information:

21 (1) the virtual currency kiosk operator's name and toll-free customer
22 service telephone number;

23 (2) relevant contact information to report fraud to the Alaska state
24 troopers, local law enforcement, and the department;

25 (3) the type, value, date, and time of the transaction;

26 (4) each applicable virtual currency address and transaction hash, if
27 applicable;

28 (5) all charges incurred in the transaction;

29 (6) the exchange rate used between the virtual currency and United
30 States dollar;

31 (7) a statement of the virtual currency kiosk operator's refund policy;

1 (8) any additional information the department requires by regulation.

2 **Sec. 06.55.135. Fraud and anti-money laundering policy.** A virtual currency
3 kiosk operator shall take reasonable steps to detect and prevent fraud and money
4 laundering, including establishing and maintaining a written anti-fraud policy and
5 abiding by 31 U.S.C. 5311 - 5336 (Bank Secrecy Act). The anti-fraud and money
6 laundering policy must, at a minimum,

7 (1) identify and assess fraud-related and money laundering-related risk
8 areas;

9 (2) establish procedures and controls to protect against identified risks
10 of fraud and money laundering;

11 (3) allocate responsibility for monitoring risks of fraud and money
12 laundering; and

13 (4) require periodic evaluation and revision of the anti-fraud and money
14 laundering procedures, controls, and monitoring mechanisms.

15 **Sec. 06.55.140. Blockchain analytics.** A virtual currency kiosk operator shall
16 use blockchain analytics and tracing software to assist in the prevention of sending
17 virtual currency to a virtual currency wallet known or likely to be affiliated with
18 fraudulent activity at the time of a transaction and to detect transaction patterns
19 indicative of fraud or other illicit activities. Virtual currency kiosk operators shall block
20 transactions to virtual currency wallets associated with overseas exchanges that are
21 inaccessible to users in the United States. A virtual currency kiosk operator shall make
22 available to the department, upon request, evidence of their current use of blockchain
23 analytics.

24 **Sec. 06.55.145. Posted warnings.** A virtual currency kiosk operator shall post
25 a conspicuous written warning in plain view of the virtual currency kiosk providing
26 notice to users that criminals may direct victims of fraud or scams to send money by
27 way of virtual currency kiosks. This warning must include the virtual currency kiosk
28 operator's toll-free customer service telephone number.

29 **Sec. 06.55.150. User identification.** (a) A virtual currency kiosk operator or
30 their authorized delegate shall verify the identity of a user before accepting payment
31 from the user for a virtual currency transaction. A virtual currency kiosk operator or

1 their authorized delegate shall obtain a copy of a government-issued identification card
2 that identifies the user and shall collect additional user information, including the user's
3 name, date of birth, telephone number, address, and electronic mail address, before
4 accepting a payment from the user at a virtual currency kiosk.

5 (b) A virtual currency kiosk operator may not allow a user to engage in a
6 transaction at a virtual currency kiosk under any name, account, or identity other than
7 the user's own true name and identity.

8 (c) A virtual currency kiosk operator is strictly liable for a violation of this
9 section.

10 **Sec. 06.55.155. Training.** On an annual basis, a virtual currency kiosk operator
11 shall provide the store or location where the kiosk is located with staff training materials
12 approved by the department. The training materials must outline how criminals may
13 exploit virtual currency kiosks in illicit activity, including red flag indicators that a
14 virtual currency kiosk user may be the victim of fraud or scams as well as signs of
15 financial abuse and exploitation. The virtual currency kiosk operator may not prohibit
16 or prevent staff at the location of the virtual currency kiosk from educating virtual
17 currency kiosk users on fraud and scams.

18 **Sec. 06.55.160. Refunds.** For cases related to fraud, a virtual currency kiosk
19 operator shall issue a refund to a user in the full amount of all transactions paid by the
20 user at the time of the transaction, including transaction charges, regardless of any
21 acknowledgment the user may have made before finalizing the transactions. This refund
22 must be paid in the originating currency. A user is entitled to a full refund if the user

23 (1) engaged in a transaction involving the virtual currency kiosk that
24 was affected by fraud;

25 (2) informed the virtual currency kiosk operator of the fraudulent nature
26 of the transaction or transactions at issue within 90 days after the last transaction or
27 within 90 days after the user became aware of the fraud, whichever is later; and

28 (3) within 120 days after contacting the virtual currency kiosk operator,
29 submitted to the virtual currency kiosk operator a police report, report by the
30 department, or a sworn statement detailing the fraudulent nature of the transaction.

31 **Sec. 06.55.165. Communication.** For all communication between the virtual

1 currency kiosk operator and the user, the virtual currency kiosk operator shall provide
2 written notices in both English and Spanish and communicate with the user in their
3 preferred language through staff, oral interpretation services, or auxiliary aids and
4 services.

5 **Sec. 06.55.170. Transaction limit.** (a) A virtual currency kiosk operator may
6 not accept transactions totaling more than \$1,000, or the equivalent in virtual currency,
7 from a user in one calendar day.

8 (b) A virtual currency kiosk operator may not accept transactions totaling more
9 than \$10,000, or the equivalent in virtual currency, from a user in a 30-day period.

10 (c) The limits in this section apply to all products offered by a virtual currency
11 kiosk operator. The use of alternative products, including online purchasing or over-the-
12 counter platforms, may not be employed to circumvent or exceed the limits in this
13 section.

14 **Sec. 06.55.172. Transaction fees.** A virtual currency kiosk operator may not
15 collect fees from a user for a transaction that total more than 10 percent of the transaction
16 value in United States dollars or the equivalent in virtual currency.

17 **Sec. 06.55.175. Customer service.** A virtual currency kiosk operator shall
18 provide live customer service during operating hours, including the hours between 8:00
19 a.m. and 10:00 p.m. Alaska time. A customer service toll-free number must be displayed
20 on the virtual currency kiosk or the virtual currency kiosk screen.

21 **Sec. 06.55.180. Law enforcement access to investigative information.** A
22 virtual currency kiosk operator shall provide a dedicated communications line for
23 government agencies to contact the virtual currency kiosk operator. The dedicated line
24 must be an electronic mail address or telephone number based in the United States. A
25 law enforcement agency or a regulatory agency, including the department, may use the
26 dedicated line to communicate with the virtual currency kiosk operator in the event of a
27 fraud report from a user. The dedicated line must be regularly monitored. Upon request
28 from a law enforcement agency or regulatory agency, a virtual currency kiosk operator
29 must provide the agency with trace findings and grant the agency assistance with
30 blockchain analytics to assist in an investigative matter related to potential fraud.

31 **Sec. 06.55.185. Penalties.** (a) A virtual currency kiosk operator that violates

AS 06.55.120 - 06.55.195 commits an unfair trade or deceptive act or practice in violation of AS 45.50.471.

(b) A virtual currency kiosk operator operating in this state without a money transmission license or that otherwise violates AS 06.55.120 - 06.55.195 is subject to administrative action, including civil penalties, that may, notwithstanding AS 06.55.605, include the seizure of any virtual currency kiosk and the forfeiture of all fees received from customers in the state during the period of unlicensed activity or noncompliance.

Sec. 06.55.190. Municipal regulations. Nothing in AS 06.55.120 - 06.55.195 may be interpreted to preempt or nullify a municipal ordinance that provides greater protections, requirements, or restrictions if the municipal ordinance does not directly conflict with AS 06.55.120 - 06.55.195.

Sec. 06.55.195. Definitions. In AS 06.55.120 - 06.55.195,

(1) "blockchain analytics" means the analysis of data from blockchains or public distributed ledgers, including associated transaction information;

(2) "blockchain analytics and tracing software" includes a software service that uses blockchain analytics to provide risk-specific information and tracing of virtual currency wallet addresses;

(3) "charges" include

(A) fees or expenses paid by a user; and

(B) the difference between the market price of the virtual currency and the price of the virtual currency charged to the user;

(4) "user" means a person that initiates, authorizes, or completes a transaction involving virtual currency through a virtual currency kiosk for the purpose of purchasing, selling, transferring, or otherwise exchanging virtual currency;

(5) "virtual currency address" means an alphanumeric identifier associated with a virtual currency wallet that identifies the location to which a virtual currency transaction can be sent;

(6) "virtual currency kiosk" means an electronic terminal that enables the virtual currency kiosk operator to facilitate a virtual currency exchange by connecting directly with another person that exchanges virtual currency, drawing upon

1 virtual currency in the possession of the electronic terminal's operator, or by another
2 method;

3 (7) "virtual currency kiosk operator" means a person that engages in
4 virtual currency business activity by way of a virtual currency kiosk located in the state
5 or a person that owns, operates, manages, or provides custodial or noncustodial services
6 for a virtual currency kiosk located in the state through which virtual currency business
7 activity is offered;

8 (8) "virtual currency kiosk transaction" means a transaction conducted
9 or performed, in whole or in part, through a virtual currency kiosk or a transaction made
10 at a virtual currency kiosk to purchase virtual currency with United States dollars or to
11 sell virtual currency for United States dollars;

12 (9) "virtual currency wallet" means a software application or other
13 mechanism providing a means to hold the keys necessary to access and transfer virtual
14 currency.

15 * **Sec. 2.** AS 06.55.840 is amended by adding a new subsection to read:

16 (b) This section does not apply to a refund requested for a virtual currency kiosk
17 transaction under AS 06.55.120 - 06.55.195.

18 * **Sec. 3.** AS 06.55.990(15) is amended to read:

19 (15) "money transmission"

20 **(A)** means

21 **(i)** selling or issuing payment instruments or stored value
22 **to a person located in this state;**

23 **(ii)** [, OR] receiving money or monetary value for
24 transmission **to the state, from the state, or within the state; or**

25 **(iii) operating a virtual currency kiosk;**

26 **(B)** [, BUT] does not **mean** [INCLUDE] the provision solely of
27 [DELIVERY,] online services, telecommunications services, or network access;

28 * **Sec. 4.** AS 06.55.990 is amended by adding new paragraphs to read:

29 (25) "control of virtual currency," when used in reference to a
30 transaction or relationship involving virtual currency, means the power to execute
31 unilaterally or prevent indefinitely a virtual currency transaction;

1 (26) "in this state" means at a physical location within this state for a
2 transaction requested in person;

3 (27) "virtual currency"

4 (A) means a digital representation of value that

5 (i) is used as a medium of exchange, unit of account, or
6 store of value; and

7 (ii) is not money, whether or not denominated in money;

8 (B) does not mean

9 (i) a transaction in which a merchant grants, as part of an
10 affinity or rewards program, value that cannot be taken from or
11 exchanged with the merchant for money, bank credit, or virtual currency;
12 or

13 (ii) a digital representation of value issued by or on behalf
14 of a publisher and used solely within an online game, game platform, or
15 family of games sold by the same publisher or offered on the same game
16 platform;

17 (28) "virtual currency administration" means issuing virtual currency
18 with the authority to redeem the currency for money, bank credit, or other virtual
19 currency;

20 (29) "virtual currency business activity" means

21 (A) exchanging, transferring, or storing virtual currency or
22 engaging in virtual currency administration, whether directly or through an
23 agreement with a virtual currency control services vendor;

24 (B) holding electronic precious metals or electronic certificates
25 representing interests in precious metals on behalf of another person or issuing
26 shares or electronic certificates representing interests in precious metals; or

27 (C) exchanging one or more digital representations of value used
28 within one or more online games, game platforms, or family of games for

29 (i) virtual currency offered by or on behalf of the same
30 publisher from which the original digital representation of value was
31 received; or

1 (ii) money or bank credit outside the online game, game
2 platform, or family of games offered by or on behalf of the same
3 publisher from which the original digital representation of value was
4 received;

5 (30) "virtual currency control services vendor" means a person that has
6 control of virtual currency solely under an agreement with a person that, on behalf of
7 another person, assumes control of virtual currency;

8 (31) "virtual currency exchange" means to

9 (A) assume control of virtual currency from or on behalf of a
10 person, at least momentarily;

11 (B) sell, trade, or convert

12 (i) virtual currency for money, bank credit, or one or
13 more forms of virtual currency or money; or

14 (ii) bank credit for one or more forms of virtual currency;

15 (32) "virtual currency transfer" means to assume control of virtual
16 currency from or on behalf of a person and to

17 (A) credit the virtual currency to the account of another person;

18 (B) move the virtual currency from one account of a person to
19 another account of the same person; or

20 (C) relinquish control of virtual currency to another person.

21 * **Sec. 5.** AS 45.50.471(b) is amended by adding a new paragraph to read:

22 (58) violating AS 06.55.120 - 06.55.195 (virtual currency kiosks).

23 * **Sec. 6.** This Act takes effect October 1, 2026.