2025-2026 General Assembly

HOUSE BILL 920: Virtual Currency Kiosk Consumer Protection Act.

Analysis of: S.L. 2026-45

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S.L. 2026-45 (House Bill 920) creates the Virtual Currency Kiosk Consumer Protection Act, which requires any virtual currency kiosk operator in North Carolina to be licensed under the Money Transmitters Act and be subject to the supervision of the Office of the Commissioner of Banks.

This act creates a regulatory framework for the virtual currency kiosk industry and does the following:

- Creates definitions, including the following:
  - Existing virtual currency customer. – A person whose first transaction with a licensee to transmit virtual currency occurred more than 30 days ago.
  - New virtual currency customer. – A person that has no previous transactions with a licensee to transmit virtual currency or a person whose first transaction with a licensee to transmit virtual currency occurs within the past 30 days.
  - Virtual currency. – Any type of digital unit that is used as a medium of exchange or a form of digitally stored value or that is incorporated into payment system technology.
  - Virtual currency kiosk. – Any fully automated electronic machine owned, operated, or used by a virtual currency kiosk operator that enables the owner or operator to facilitate the transfer of fiat currency to a public key that is recorded on the blockchain, as directed by the customer.
- Makes all information or records obtained by the Commissioner of Banks (Commissioner) during an examination, investigation, or report of a virtual currency kiosk operator confidential and subject to confidential treatment under certain conditions.
- Requires a virtual currency kiosk operator to provide the Commissioner with all records reasonably required to ensure compliance with this act.
- Requires virtual currency kiosk operators to make a risk disclosure, prior to entering into an initial transaction for a customer, of all material risks associated with its products, services and activities and with virtual currency generally.
- Requires virtual currency kiosk operators to make a terms and conditions disclosure of all relevant terms and conditions associated with its products, services and activities and virtual currency generally when opening an account and prior to an initial transaction,
- Requires virtual currency kiosk operators to make a warning disclosure, prior to entering into a transaction with a customer, about scams and fraud.
- Requires virtual currency kiosks to display an interactive fraud-screen requirement that restates the warning disclosure and asks the customer whether the warning applies to their situation. If the

customer selects that the warning does apply, the kiosk must immediately terminate the transaction. This fraud screening cannot be bypassed by the customer.

- Requires virtual currency kiosk operators to make certain disclosures before each transaction in a clear and conspicuous manner that include all fees and expenses associated with the transaction, the exchange rates, the spread, and any customer liability.
- Prohibits kiosk operators from implementing any QR-code, barcode, or other scan-based login mechanism.
- Provides permitted authentication customer authentication methods at virtual currency kiosks.
- Requires receipts from transactions at a virtual currency kiosk to include specific details, such as the name and contact information for the owner of the virtual currency kiosk or kiosk operator, the customer's name, the unique identifier of the virtual currency kiosk operator, and any tax collected. The receipt must be in physical written form, unless the customer requests to receive it electronically.
- Requires virtual currency kiosk operators to provide, at a minimum, live customer service at all times that the operator's virtual currency kiosks are available for public use via a toll-free number, which must be displayed on the kiosk or its screen.
- Mandates each virtual currency kiosk operator establishes and maintains written anti-fraud policies and compliance policies and procedures.
- Makes the virtual currency kiosk operator designate and employ a qualified, full-time compliance officer and a qualified, full-time consumer protection officer, neither of whom can own more than 20% of the virtual currency kiosk operator business.
- Mandates that virtual currency kiosk operations submit detailed quarterly reports to the Commissioner detailing the location of each virtual currency kiosk located within the State.
- Requires any virtual currency kiosk operator who owns, operates, solicits, markets, advertises, or facilitates virtual currency kiosks in the State to have a money transmitter license under the Money Transmitters Act.
- Sets daily transaction limits:
  - $2,000 for a new virtual currency customer.
  - $5,000 for an existing virtual currency customer.
- Allows full refunds for a customer if the following conditions are met:
  - The customer reported the fraudulent nature of the transaction to the Commissioner within 30 days.
  - The Commissioner determined that the transaction was fraudulent.
  - The person was a new virtual currency customer at the time of the transaction.
- Allows refunds of fees imposed by the operator if the following conditions are met:
  - The customer reported the fraudulent nature of the transaction to the Commissioner within 30 days.
  - The Commissioner determined that the transaction was fraudulent.
  - The person was an existing virtual currency customer at the time of the transaction.

- Allows the cancellation of a transaction, with a full and immediate refund, if cancelled before the transaction is complete. A receipt of the cancelled transaction must be provided.
- Prohibits the aggregate fees and charges to a customer from exceeding 12% of the dollar equivalent of the virtual currency involved in the transaction or series of transactions.
- Requires a virtual kiosk operator to impose a 48-hour hold on all transactions initiated by a customer whose first transaction occurred within the past seven days. During the hold period, the virtual kiosk operator must do the following:
    - Accept the transaction request and record all required information.
    - Not allow any virtual currency to be transmitted, transferred, or made available to the customer.
    - Display a notice informing the customer that the transaction will not be completed until the expiration of the 48-hour hold.
- Makes any violation of this act an unfair trade practice.
- Allows the Commissioner to impose a civil penalty on a virtual currency kiosk operator that violates that violates the provisions of this act.
- Makes it a Class 1 misdemeanor to facilitate or induce a fraudulent virtual currency kiosk transaction.
- Allows local governments the ability to regulate virtual currency kiosks in their jurisdictions through zoning, land-use controls, development regulations, or other ordinances as long as they do not conflict with the provisions of this act.
- Allows the administrative authority and enforcement provisions of the Money Transmitters Act to apply to virtual currency kiosks.

This act contains a severability clause that provides that if any provision of the act or is application to any person or circumstance is held invalid, then the invalidity does not affect other provisions or applications of the act that can given effect without the invalid provision or application.

Finally, this act directs the Commissioner must adopt procedures for determining when a virtual currency transaction is fraudulent and rules to implement the provisions of this act by January 1, 2027.

The portion of the act that directs the Commissioner to adopt procedures for fraud determination and rules to implement the provisions of this act became effective July 7, 2026. The remainder of this act becomes effective January 1, 2027 and applies to offenses committed on or after that date.