The 194th General Court of the Commonwealth of Massachusetts
2025-2026
Bill Summary

Bill No: H1247

Title: AN ACT RELATIVE TO PREVENT FRAUD AND ESTABLISHING REGULATIONS ON CERTAIN VIRTUAL CURRENCIES

Sponsor: Representative Kate Lipper-Garabedian, Thomas M Stanley

Committee: Financial Services

Hearing Date: 10.7.25

Reporting Date: 12.3.25

Similar Matters: S707

Prior History: New File

Current Law:
Creates new chapter

Summary:
This bill creates Chapter 167K: Regulation of Virtual Currency Kiosks in Massachusetts law. It establishes strict licensing, reporting, and consumer protection requirements for virtual currency kiosk operators (machines that allow people to buy or sell cryptocurrency for cash). Operators must be licensed as money transmitters, register each kiosk with the Commissioner of Banks, and file quarterly location reports.

The bill requires operators to provide clear disclosures and receipts, including bold fraud warnings, fee transparency, exchange rates, and liability terms. Daily transaction limits are capped at $1,000 per customer, and total fees are capped at the greater of $5 or 3% of the transaction value. Operators must also provide live customer service, maintain written anti-fraud policies, use blockchain analytics to block fraudulent wallets, and employ a full-time compliance officer. Refunds are mandated in cases of fraud: new customers may receive full refunds within 30 days, while existing customers may recover fees.

Beyond kiosks, the bill directs the State Treasurer to create financial literacy modules on digital assets, with a focus on protecting seniors from fraud. It also establishes a 25-member blockchain commission to study blockchain technology's applications, risks, consumer protections, and potential taxation impacts in Massachusetts, and to submit recommendations and draft legislation within one year.

The act takes effect upon passage.