

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

Bill No: H1089

Title: AN ACT PROVIDING FOR REGULATION AND REPORTING REQUIREMENTS FOR QUALIFYING VIRTUAL CURRENCY KIOSK OPERATORS

Sponsor: Representative Bruce J. Ayers

Committee: Financial Services

Hearing Date: 10/7/25

Reporting Date: 12/3/25

Similar Matters: S804

Prior History: New file

Current Law:

Inserts new section after Chapter 169A

Summary:

This bill proposes the creation of Chapter 169C in the Massachusetts General Laws to regulate virtual currency kiosk operators—businesses that run electronic terminals allowing users to exchange cryptocurrency for fiat currency and vice versa. The legislation provides detailed definitions, regulatory standards, and consumer protection requirements for these businesses and establishes oversight by the Massachusetts Division of Banks.

All virtual currency kiosk operators must be licensed as money transmitters. Operators already doing business in Massachusetts will have 60 days from the effective date of the Act to apply for a license and may continue operations while their application is under review. Quarterly reports listing the location of each kiosk must be submitted to the Division.

To protect consumers, the bill mandates clear written disclosures before any transaction, including risks related to volatility, fraud, lack of government backing and irreversibility of cryptocurrency transactions. Operators must also disclose terms and conditions related to liability, privacy, refund policies and right to account statements. Each kiosk must display a standardized warning to help prevent scams. Customers must be given detailed receipts after transactions, and operators must offer live customer service on weekdays with a toll free number clearly posted.

The bill also includes strong anti-fraud and compliance requirements. Operators must use blockchain analytics software to detect and block known fraudulent wallet addresses. They must implement anti-fraud policies, enhanced due diligence procedures (especially for vulnerable

individuals) and comprehensive compliance systems approved by company leadership. Full-time compliance and consumer protection officers must be appointed and cannot hold more than a 20% ownership stake in the business.

Importantly, the bill contains **several references to the state of Illinois**, including naming the “Secretary of the Illinois Department of Financial and Professional Responsibility” and defining kiosk operators as businesses operating “within the State of Illinois.”

Finally, the legislation clarifies that federal laws such as the Bank Secrecy Act and the USA PATRIOT Act take precedence in the event of a conflict. Public disclosure of operator contact information and final enforcement actions will be allowed, while other materials remain confidential.

Overall, this bill seeks to establish clear standards for operating cryptocurrency kiosks in Massachusetts, ensuring transparency, consumer protection, and compliance with both state and federal laws.