

CO-SPONSORSHIP MEMORANDUM

TO: All Legislators

FROM: Sen. Kelda Roys and Rep. Ryan Spaude

DATE: July 16, 2025

RE: Co-Sponsorship of LRB-3603/LRB-4118, relating to: virtual currency kiosks.

DEADLINE: Wednesday, July 23, 2025

Over the past few years, cryptocurrency kiosks—self-service machines where users can buy or sell digital currencies—have proliferated across Wisconsin and the nation. While they provide convenient access to cryptocurrency, they have also created a bonanza for fraudsters and scammers, due to their lack of regulation. Unfortunately, consumers are often left vulnerable to fraudulent practices, including misleading fees and pricing and the potential for significant financial loss through scams.

Law enforcement and consumer protection advocates are urging legislators to act now to stop these schemes, protect Wisconsinites, and promote transparency in the rapidly growing cryptocurrency market. With the emergence of cryptocurrency, and the proliferation of self-service kiosks, there has been a staggering increase in fraud schemes, especially those targeting seniors and other vulnerable people. [According to one estimate](#), there are nearly 30,000 crypto kiosks nationwide today, up from just over 4,000 at the start of 2020. These unregulated kiosks have facilitated a shocking amount of fraud, with victims losing thousands of dollars in a very short period of time.

The proposed legislation seeks to ensure that cryptocurrency kiosks are licensed and regulated as money transmitters under state law, like other entities that facilitate the transfer of money – banks, ATMs, and electronic services like PayPal and Venmo. In addition, in line with requests from law enforcement, this bill has important consumer protection and transparency measures:

1. Requires a printed and onscreen warning about the potential for fraud.
2. Limits transactions to \$1,000 per customer per day
3. Limits the fees that can be charged to the greater of \$5 or 3% of the transaction amount
4. Requires the operator to issue a refund if the customer was fraudulently induced to engage in the transaction and reports the fraud to a law enforcement or government agency and the kiosk operator within 30 days

5. Requires the operator to follow “know your customer” requirements to prevent fraud and better enable law enforcement to track down criminals attempting to use crypto kiosks to facilitate their crimes

Republican and Democratic legislators around the country are acting quickly to stop the victimization of their residents. Wisconsinites deserve the freedom to benefit from emerging technologies like cryptocurrencies and crypto kiosks, without the rampant risk of being defrauded or scammed.

To be added as a co-sponsor to LRB-3603/LRB-4118, please respond to this email or contact Sen. Roys’ or Rep. Spaude’s office.

Deadline for Co-Sponsorship: Wednesday, July 23, 2025.

Analysis by the Legislative Reference Bureau

This bill requires a virtual currency kiosk operator to be licensed as a money transmitter and imposes certain regulatory requirements on virtual currency kiosk operators in addition to those that apply to money transmitters.

Under current law, the Division of Banking (division) in the Department of Financial Institutions regulates money transmitters. With exceptions, a person may not engage in the business of money transmission unless the person is licensed by the division. “Money transmission” means selling or issuing payment instruments or stored value, such as checks, money orders, or prepaid cards, to a person located in this state or receiving money for transmission from a person located in this state. “Money” is not defined to include virtual currency such as cryptocurrency.

Under the bill, a person may not engage in the business of operating virtual currency kiosks in this state unless the person is licensed by the division as a money transmitter. A “virtual currency kiosk” is defined as an electronic terminal that allows users to exchange fiat currency (money) for virtual currency or virtual currency for money or other virtual currency. The bill requires a virtual currency kiosk operator to affix a specified printed warning to the front of each virtual currency kiosk and to electronically display this warning on the kiosk’s screen, which the customer must acknowledge to proceed with the transaction.

The bill limits virtual currency kiosk transactions to \$1,000 per customer per day. The bill also limits the fees a virtual currency kiosk operator may charge a customer per transaction to the greater of \$5 or 3 percent of the transaction amount. A virtual currency kiosk operator must issue a refund to a customer, upon the customer’s request, for the full amount of a transaction if 1) the transaction was the customer’s first transaction or occurred within 72 hours after the customer’s first transaction; 2) the customer was fraudulently induced to

engage in the transaction; and 3) within 30 days after the transaction, the customer contacted the virtual currency kiosk operator and a government or law enforcement agency to inform them of the fraudulent nature of the transaction.