

Amendment to SB 482-FN

1 Amend the bill by replacing all after the enacting clause with the following:

2

3 1 Statement of Findings. The general court finds that digital asset transaction kiosks are a  
4 legitimate financial service used by consumers to buy and sell digital assets; that the state of New  
5 Hampshire has positioned itself as a leader in the digital asset economy; and that these kiosks have  
6 been exploited by criminals to defraud consumers, particularly adults over age 60, who, according to  
7 the Federal Trade Commission, are more than 3 times as likely as younger adults to report losing  
8 money through such kiosks. It is the intent of the general court to protect vulnerable consumers  
9 from fraud while preserving a regulatory environment that supports lawful digital asset commerce  
10 in New Hampshire.

11 2 New Chapter; Digital Asset Transaction Kiosks. Amend RSA by inserting after chapter 358-T  
12 the following new chapter:

13

CHAPTER 358-U

14

DIGITAL ASSET TRANSACTION KIOSKS

15 358-U:1 Statement of Purpose. It is the intent of the general court that this chapter establish  
16 reasonable and uniform consumer protections while permitting lawful and responsible digital asset  
17 transaction kiosk operations. Nothing in this chapter shall be construed to prohibit an operator from  
18 adopting policies or practices that provide greater protections to consumers than the minimum  
19 standards established in this chapter.

20 358-U:2 Definitions. In this chapter:

21 I. "Authorized delegate" means a person or entity contractually authorized by an operator to  
22 perform identity verification or other services on behalf of the operator in connection with kiosk  
23 transactions, including a third-party identity verification service.

24 II. "Customer" means a natural person who initiates or completes a transaction at a kiosk.

25 III. "Digital asset" means a digital representation of value recorded on a cryptographically  
26 secured distributed ledger or blockchain, including cryptocurrency.

27 IV. "Digital asset transaction kiosk" or "kiosk" means a self-service electronic terminal  
28 located in a public or retail setting that enables a person to buy, sell, or transfer a digital asset using  
29 cash or another payment method. The term does not include a general-purpose computer, mobile  
30 application, or web-based platform.

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1 V. "Hold period" means the period of not less than 72 hours during which an operator delays  
2 the transmission or release of digital assets for a transaction initiated by a new customer, as  
3 described in RSA 358-U:4, I(a).

4 VI. "New customer" means a person who is using a kiosk operated by a particular operator  
5 for the first time, or whose identity was first verified by that operator fewer than 72 hours before the  
6 transaction in question, measured from the time the operator completed its initial identity-  
7 verification procedures for that customer.

8 VII. "New customer period" means the 72-hour period during which a customer is a new  
9 customer as defined in paragraph VI of this section.

10 VIII. "Operator" means a person or entity that owns, manages, or controls one or more  
11 kiosks in this state, whether directly or through a third-party host location.

12 IX. "Reference price" means a contemporaneous price for the digital asset derived from a  
13 publicly accessible exchange or composite index that is verifiable by the customer.

14 358-U:3 Identity Verification and Operator Obligations.

15 I. Prior to accepting payment from a customer at a digital asset transaction kiosk, the kiosk  
16 operator, or its authorized delegate, shall verify the identity of the customer in a manner consistent  
17 with applicable state and federal laws, including the Bank Secrecy Act, 31 U.S.C. section 5311 et  
18 seq., and regulations promulgated thereunder. Notwithstanding RSA 263:12, X, an operator or its  
19 authorized delegate may scan, record, store, or retain personal information from a driver's license or  
20 other government-issued identification for the sole purpose of verifying the customer's identity and  
21 preventing fraud, provided that the operator complies with the data privacy requirements of RSA  
22 358-U:4, VI and with applicable federal law.

23 II. An operator shall not permit a transaction to be conducted under any false, fictitious, or  
24 assumed identity.

25 III. Each operator performing business in this state shall maintain a dedicated  
26 communications line for government agencies, accessible via a toll-free United States telephone  
27 number or monitored electronic mail address posted at each kiosk. The operator shall respond to  
28 inquiries received through said communications line within one business day.

29 IV. An operator that has a reasonable basis to believe a customer is a victim of fraud or is  
30 being directed by a third party to conduct a transaction may report such activity to local law  
31 enforcement or the department of justice, consumer protection and antitrust bureau. No operator  
32 shall be subject to civil liability for making or declining to make such a report in good faith.

33 V. Within 90 days of commencing kiosk operations in this state, and annually thereafter,  
34 each operator shall file a written notice with the department of justice, consumer protection and  
35 antitrust bureau, stating the operator's legal name, principal business address, a contact telephone  
36 number and electronic mail address, and the number and general locations of kiosks operated in this  
37 state. No fee shall be required. Failure to file shall not, by itself, constitute a violation of this

1 chapter but may be considered by the attorney general in determining remedies for any other  
2 violation.

3 358-U:4 Core Consumer Protections.

4 I.(a) An operator shall delay the transmission or release of digital assets for each transaction  
5 initiated by a new customer for a period of not less than 72 hours from the time the customer  
6 confirms the transaction at the kiosk, after which time the operator may complete the transaction.

7 (b) The total dollar value of all digital asset transactions initiated by a new customer  
8 during the new customer period shall not exceed \$3,000 in United States dollar value.

9 (c) During the hold period under subparagraph (a), a new customer may request  
10 cancellation of any held transaction. The operator shall refund the entire amount, including all fees,  
11 within 5 business days of receiving the request.

12 II. The requirements of this paragraph shall apply to all transactions, whether initiated by a  
13 new customer or an existing customer.

14 (a) Before accepting funds, each kiosk shall display warnings in a manner reasonably  
15 calculated to be noticed and understood by the customer, including that no government agency, law  
16 enforcement body, court, utility, bank, technology support service, employer, or retailer will ever  
17 demand payment by a kiosk or crypto ATM and that digital asset transactions are irreversible and  
18 that losses due to fraudulent or accidental transactions may not be recoverable.

19 (b) The kiosk shall require the customer to respond to fraud-screening prompts before  
20 the transaction may proceed, including whether the customer is being directed or coached by another  
21 person and whether the customer is the owner or intended beneficiary of the destination wallet  
22 address. Operators shall have the flexibility to update warning content and screening prompts as  
23 fraud tactics evolve, provided that any updated prompts remain consistent with the purposes of this  
24 chapter.

25 (c) If the customer indicates that another person is directing or coaching the transaction,  
26 or that the customer is not the owner or intended beneficiary of the destination wallet address, the  
27 kiosk shall block the transaction and display contact information for local law enforcement and the  
28 department of justice, consumer protection and antitrust bureau.

29 (d) Each kiosk shall display a clearly visible and legible warning on its physical exterior,  
30 readable before a customer begins a transaction, stating in substance: "WARNING: No government  
31 agency, bank, or business will ever ask you to pay by crypto ATM. If someone is telling you to use  
32 this machine, it may be a scam." The warning shall be printed in a font size of no less than 28  
33 points. The operator shall be responsible for ensuring the warning remains displayed and legible at  
34 all times the kiosk is available for use.

35 III.(a) Operators shall use commercially available blockchain analytics software, of a type  
36 generally accepted in the digital asset industry, to screen and block transfers to or from wallet  
37 addresses flagged for association with scams, theft, sanctions violations, or other illicit activity.

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1           (b) Operators shall maintain written anti-fraud and consumer protection policies and  
2 shall make such policies available for inspection by the department of justice, consumer protection  
3 and antitrust bureau, or by any member of the general public, upon request. The operator shall  
4 respond within 10 business days and may provide the policies in electronic form. An operator may  
5 redact proprietary security measures whose disclosure would undermine the anti-fraud program but  
6 shall inform the requestor that redactions have been made.

7           IV.(a) Before accepting funds, the kiosk shall disclose on-screen the reference price for the  
8 digital asset, all applicable fees, and the spread between the operator's price and the reference price  
9 expressed as a percentage of the reference price.

10          V. Upon completion of a transaction, the kiosk shall provide a printed or electronic receipt,  
11 including by text message, electronic mail, or online customer portal. The receipt shall include, at a  
12 minimum:

- 13           (a) The operator's legal name.
- 14           (b) A toll-free live customer service telephone number.
- 15           (c) The kiosk's physical location.
- 16           (d) The date and time of the transaction.
- 17           (e) The name and quantity of the digital asset.
- 18           (f) The reference price at the time of the transaction.
- 19           (g) The spread expressed as both a percentage and a dollar amount.
- 20           (h) All fees charged.
- 21           (i) The total amount paid by the customer.
- 22           (j) The destination wallet address or voucher identification number.
- 23           (k) Any applicable cancellation code.
- 24           (l) The operator's refund or cancellation policy.

25          VI.(a) Operators shall limit data collection to information reasonably necessary to verify the  
26 customer's identity and to comply with applicable state and federal laws. Data collected pursuant to  
27 this chapter shall not be used for any purpose other than verifying the identity of customers and  
28 complying with applicable law.

29           (b) An operator shall not condition a customer's access to a kiosk on the customer's  
30 agreement to receive marketing or promotional materials.

31           (c) A customer shall have the right to opt out of receiving marketing or promotional  
32 materials from the operator at any time, and the operator shall honor such request within 10  
33 business days.

34           (d) An operator and any authorized delegate or third party that receives or processes  
35 photographs, facial images, biometric data, or copies of government-issued identification documents  
36 on behalf of the operator shall securely destroy or delete such data within 30 days after the date of

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1 collection, unless retention for a longer period is required by applicable federal law. The operator  
2 shall ensure by contract that any authorized delegate or third party complies with this requirement.

3 358-U:5 Preemption. No municipality or political subdivision of this state shall enact, adopt, or  
4 enforce any ordinance, resolution, or regulation governing the operation of digital asset transaction  
5 kiosks that is more restrictive than the provisions of this chapter. Any such ordinance, resolution, or  
6 regulation in effect on the effective date of this chapter shall be unenforceable to the extent that it  
7 conflicts with this chapter.

8 358-U:6 Remedies.

9 I. Any violation of this chapter shall constitute an unfair or deceptive act or practice within  
10 the meaning of RSA 358-A:2. Any right, remedy, or power set forth in RSA 358-A, including the  
11 investigative and enforcement authority of the attorney general, may be used to enforce the  
12 provisions of this chapter.

13 II. The rights, obligations, and remedies provided in this chapter shall be in addition to any  
14 other rights, obligations, or remedies provided for by law or in equity.

15 III. Notwithstanding RSA 358-A:10 or any other provision of law, no private right of action  
16 shall arise under this chapter, and no person shall have standing to bring a private civil action to  
17 enforce any provision of this chapter or to recover damages for an alleged violation of this chapter,  
18 whether such action is brought under this chapter, under RSA 358-A, or under any common-law or  
19 equitable theory arising from or relating to the subject matter of this chapter. Enforcement of the  
20 provisions of this chapter shall be exclusively by the attorney general pursuant to RSA 358-A.

21 IV. An operator that demonstrates compliance with all applicable provisions of this chapter  
22 at the time of a transaction shall not be subject to enforcement under this chapter solely because a  
23 third party defrauded the customer. The operator bears the burden of demonstrating compliance by  
24 a preponderance of the evidence.

25 358-U:7 Severability. If any provision of this chapter, or the application thereof to any person or  
26 circumstance, is held invalid, the invalidity shall not affect other provisions or applications of this  
27 chapter, which can be given effect without the invalid provision or application. To this end, the  
28 provisions of this chapter are severable.

29 3 Effective Date. This act shall take effect 180 days after its passage.