

1 H.659

2 An act relating to captive insurance

3 The House concurs in the Senate proposal of amendment with further  
4 amendment thereto by striking out, in Sec. 48, 8 V.S.A. chapter 79, subchapter  
5 10, section 2577 in its entirety and inserting in lieu thereof a new section 2577  
6 to read as follows:

7 § 2577. VIRTUAL-CURRENCY KIOSK OPERATORS

8 (a) Daily transaction limit. A virtual-currency kiosk operator shall not  
9 accept or dispense more than \$1,000.00 of cash in a day in connection with  
10 virtual-currency transactions with a single customer in this State via one or  
11 more money transmission kiosks.

12 (b) Fee cap. The aggregate fees and charges, directly or indirectly, charged  
13 to a customer related to a single transaction or series of related transactions  
14 involving virtual currency effected through a money transmission kiosk in this  
15 State, including any difference between the price charged to a customer to buy,  
16 sell, exchange, swap, or convert virtual currency and the prevailing market  
17 value of such virtual currency at the time of such transaction, shall not exceed  
18 the greater of the following:

19 (1) \$5.00; or

1           (2) three percent of the U.S. dollar equivalent of virtual currency  
2 involved in the transaction or transactions.

3           (c) Single transaction. The purchase, sale, exchange, swap, or conversion  
4 of virtual currency, or the subsequent transfer of virtual currency, in a series of  
5 transactions shall be deemed to be a single transaction for purposes of  
6 subsection (b) of this section.

7           (d) Licensing requirement. A virtual-currency kiosk operator shall comply  
8 with the licensing requirements of this subchapter to the extent that the virtual-  
9 currency kiosk operator engages in virtual-currency business activity.

10          (e) Operator accountability. If a virtual-currency kiosk operator allows or  
11 facilitates another person to engage in virtual-currency business activity via a  
12 money transmission kiosk in this State that is owned, operated, or managed by  
13 the virtual-currency kiosk operator, the virtual-currency kiosk operator shall do  
14 all of the following:

15           (1) ensure that the person engaging in virtual-currency business activity  
16 is licensed under subchapter 2 of this chapter to engage in virtual-currency  
17 business activity and complies with all other applicable provisions of this  
18 chapter;

1           (2) ensure that any charges collected from a customer via the money  
2 transmission kiosk comply with the limits provided by subsection (b) of this  
3 section; and

4           (3) comply with all other applicable provisions of this chapter.

5           (f) Moratorium. To protect the public safety and welfare and safeguard the  
6 rights of consumers, virtual-currency kiosks shall not be permitted to operate  
7 in Vermont prior to July 1, 2026.

8           (g) Report. On or before January 15, 2026, the Commissioner of Financial  
9 Regulation shall report to the House Committee on Commerce and Economic  
10 Development and the Senate Committee on Finance on whether the  
11 requirements of this section coupled with relevant federal requirements are  
12 sufficient to protect customers in Vermont from fraudulent and predatory  
13 activity. If deemed necessary and appropriate by the Commissioner, the  
14 Commissioner may make recommendations for additional statutory or  
15 regulatory safeguards. In addition, the Commissioner shall make  
16 recommendations for enhanced oversight and monitoring of virtual-currency  
17 kiosks for the purpose of minimizing their use for illicit activities as described  
18 in the U.S. Government Accountability Office report on virtual currencies,  
19 GAO-22-105462, dated December 2021.