



House of Representatives

File No. 933

General Assembly

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Substitute House Bill No. 7082
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
May 16, 2025

**AN ACT CONCERNING VARIOUS REVISIONS TO THE MONEY
TRANSMISSION STATUTES, STATE PAYMENTS AND INVESTMENTS
IN VIRTUAL CURRENCY AND MINORS' MONEY SHARING
APPLICATION ACCOUNTS.**

Be it enacted by the Senate and House of Representatives in General
Assembly convened:

1 Section 1. Section 36a-596 of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 As used in sections 36a-595 to 36a-614, inclusive, unless the context
4 otherwise requires:

5 (1) "Advertise" or "advertising" has the same meaning as provided in
6 section 36a-485.

7 (2) "Authorized delegate" means a person designated by a person
8 licensed pursuant to sections 36a-595 to 36a-612, inclusive, to provide
9 money transmission services on behalf of such licensed person.

10 (3) "Control" means (A) the power to vote, directly or indirectly, at
11 least twenty-five per cent of the outstanding voting shares or voting
12 interests of a licensee or person in control of a licensee, (B) the power to
13 elect or appoint a majority of key individuals or executive officers,
14 managers, directors, trustees or other persons exercising managerial
15 authority of a person in control of a licensee, or (C) the power to exercise,
16 directly or indirectly, a controlling influence over the management or
17 policies of a licensee or person in control of a licensee. For purposes of
18 this subdivision, (i) a person is presumed to exercise a controlling
19 influence when the person holds the power to vote, directly or
20 indirectly, at least ten per cent of the outstanding voting shares or voting
21 interests of a licensee or person in control of a licensee, (ii) a person
22 presumed to exercise a controlling influence can rebut such
23 presumption if the person is a passive investor, and (iii) to determine
24 the percentage of control, a person's interest shall be aggregated with
25 the interest of any other immediate family member, including the
26 person's spouse, parent, child, sibling, mother-in-law, father-in-law,
27 son-in-law, daughter-in-law, brother-in-law, sister-in-law and any other
28 person who shares the person's home.

29 (4) "Control person" means any individual in control of a licensee or
30 applicant, any individual who seeks to acquire control of a licensee or a
31 key individual.

32 (5) "Digital wallet" means any electronic or digital functionality that
33 (A) stores stored value or virtual currency for a consumer, including,
34 but not limited to, in encrypted or tokenized form, and (B) transmits,
35 routes or otherwise processes such stored value or virtual currency to
36 facilitate a consumer payment transaction.

37 [(5)] (6) "Electronic payment instrument" (A) means a card or other
38 tangible object (i) for the transmission of money or monetary value or
39 payment of money, (ii) which contains a microprocessor chip, magnetic
40 stripe or other means for the storage of information, (iii) that is
41 prefunded, and (iv) for which the value is decremented upon each use,
42 and (B) does not include a card or other tangible object that is

43 redeemable by the issuer in the issuer's goods or services.

44 [(6)] (7) "Existing customer" means a consumer who (A) is engaging
45 in a virtual currency transaction [at a virtual currency kiosk in the state]
46 with a licensee, (B) has performed not fewer than three virtual currency
47 transactions with the [owner or operator of such virtual currency kiosk]
48 licensee, and (C) has been registered as a customer of such [owner or
49 operator] licensee for more than seventy-two hours.

50 [(7)] (8) "Holder" means a person, other than a purchaser, who is
51 either in possession of a payment instrument and is the named payee
52 thereon or in possession of a payment instrument issued or endorsed to
53 such person or bearer or in blank. "Holder" does not include any person
54 who is in possession of a lost, stolen or forged payment instrument.

55 [(8)] (9) "Key individual" means any individual ultimately
56 responsible for establishing or directing policies and procedures of the
57 licensee, including, but not limited to, an executive officer, manager,
58 director or trustee.

59 [(9)] (10) "Licensee" means any person licensed or required to be
60 licensed pursuant to sections 36a-595 to 36a-612, inclusive.

61 [(10)] (11) "Main office" has the same meaning as provided in section
62 36a-485.

63 [(11)] (12) "Monetary value" means a medium of exchange, whether
64 or not redeemable in money.

65 [(12)] (13) "Money transmission" means engaging, directly or through
66 an authorized delegate, in the business of issuing or selling payment
67 instruments or stored value, receiving money or monetary value for
68 current or future transmission or the business of transmitting money or
69 monetary value within the United States or to locations outside the
70 United States by any and all means including, but not limited to,
71 payment instrument, wire, facsimile, electronic transfer, [or] virtual
72 currency kiosk or digital wallet, including, but not limited to, a digital

73 wallet utilized in connection with a consumer payment mobile
74 application.

75 [(13)] (14) "New customer" means a consumer who (A) is engaging in
76 a virtual currency transaction [at a virtual currency kiosk in the state]
77 with a licensee, (B) has performed fewer than three virtual currency
78 transactions with the [owner or operator of such virtual currency kiosk]
79 licensee, and (C) has been registered as a customer of such [owner or
80 operator] licensee for less than seventy-two hours.

81 [(14)] (15) "Outstanding" means (A) in the case of a payment
82 instrument or stored value, that (i) such instrument or value is sold or
83 issued in the United States, (ii) a report of such instrument or value has
84 been received by a licensee from its authorized delegates, and (iii) such
85 instrument or value has not yet been paid by the issuer, and (B) for all
86 other money transmissions, the value reported to the licensee for which
87 the licensee or any authorized delegate has received money or its
88 equivalent value from the customer for transmission, but has not yet
89 completed the money transmission by delivering the money or
90 monetary value to the person designated by the customer.

91 [(15)] (16) "Passive investor" means a person that (A) does not have
92 the power to elect a majority of key individuals or executive officers,
93 managers, directors, trustees or other persons exercising managerial
94 authority of a person in control of a licensee, (B) is not employed by and
95 does not have any managerial duties of the licensee or person in control
96 of a licensee, (C) does not have the power to exercise, directly or
97 indirectly, a controlling influence over the management or policies of a
98 licensee or person in control of a licensee, and (D) attests to
99 subparagraphs (A), (B) and (C) of this subdivision in the form and
100 manner prescribed by the commissioner.

101 [(16)] (17) "Payment instrument" means a check, draft, money order,
102 travelers check or electronic payment instrument that evidences either
103 an obligation for the transmission of money or monetary value or
104 payment of money, or the purchase or the deposit of funds for the

105 purchase of such check, draft, money order, travelers check or electronic
106 payment instrument.

107 [(17)] (18) "Permissible investment" means (A) (i) cash in United
108 States currency, including, but not limited to, demand deposits, savings
109 deposits and funds in demand deposit and savings deposit accounts
110 held for the benefit of a licensee's customers in an insured depository
111 institution, and (ii) cash equivalents, including, but not limited to, (I)
112 automated clearing house items in transit to a licensee or payee, (II)
113 international wires in transit to a payee, (III) cash in transit via armored
114 car, (IV) cash in smart safes, (V) cash in locations owned by licensees,
115 (VI) transmission receivables that are funded by debit cards or credit
116 cards and owed by any bank, and (VII) money market mutual funds
117 rated "AAA" or the equivalent by S & P Global, Incorporated, in the "S
118 & P Global Ratings" or by any other rating service recognized by the
119 commissioner, (B) time deposits, as defined in section 36a-2, or other
120 debt instruments of a bank, (C) bills of exchange or bankers acceptances
121 which are eligible for purchase by member banks of the Federal Reserve
122 System, (D) commercial paper of prime quality, (E) interest-bearing
123 bills, notes, bonds, debentures or other obligations issued or guaranteed
124 by (i) the United States or any of its agencies or instrumentalities, or (ii)
125 any state, or any agency, instrumentality, political subdivision, school
126 district or legally constituted authority of any state if such investment is
127 of prime quality, (F) interest-bearing bills or notes, or bonds, debentures
128 or preferred stocks, traded on any national securities exchange or on a
129 national over-the-counter market, if such debt or equity investments are
130 of prime quality, (G) receivables due from authorized delegates
131 consisting of the proceeds of the sale of payment instruments which are
132 not past due or doubtful of collection, (H) gold, and (I) any other
133 investments approved by the commissioner. Notwithstanding the
134 provisions of this subdivision, if the commissioner at any time finds that
135 an investment of a licensee is unsatisfactory for investment purposes,
136 the investment shall not qualify as a permissible investment.

137 [(18)] (19) "Prime quality" of an investment means that it is within the
138 top four rating categories in any rating service recognized by the

139 commissioner unless the commissioner determines for any licensee that
140 only those investments in the top three rating categories qualify as
141 prime quality.

142 [(19)] (20) "Purchaser" means a person who buys or has bought a
143 payment instrument or who has given money or monetary value for
144 current or future transmission.

145 [(20)] (21) "Receipt" means a paper record, electronic record or other
146 written confirmation of a money transmission transaction.

147 [(21)] (22) "Stored value" means monetary value that represents a
148 claim against the issuer of such monetary value and is evidenced by an
149 electronic or digital record. For the purposes of this subdivision,
150 ["electronic record"] "electronic or digital record" means information
151 that is stored in an electronic medium and is retrievable in perceivable
152 form.

153 [(22)] (23) "Travelers check" means a payment instrument for the
154 payment of money that contains a provision for a specimen signature of
155 the purchaser to be completed at the time of a purchase of the
156 instrument and a provision for a countersignature of the purchaser to
157 be completed at the time of negotiation.

158 [(23)] (24) "Unique identifier" has the same meaning as provided in
159 section 36a-485.

160 [(24)] (25) "Virtual currency" means any type of digital unit that is
161 used as a medium of exchange or a form of digitally stored value or that
162 is incorporated into payment system technology. Virtual currency shall
163 be construed to include digital units of exchange that (A) have a
164 centralized repository or administrator, (B) are decentralized and have
165 no centralized repository or administrator, or (C) may be created or
166 obtained by computing or manufacturing effort. Virtual currency shall
167 not be construed to include digital units that are used (i) solely within
168 online gaming platforms with no market or application outside such
169 gaming platforms, or (ii) exclusively as part of a consumer affinity or

170 rewards program, and can be applied solely as payment for purchases
171 with the issuer or other designated merchants, but cannot be converted
172 into or redeemed for fiat currency.

173 [(25)] (26) "Virtual currency address" means an alphanumeric
174 identifier representing a destination for a virtual currency transfer that
175 is associated with a virtual currency wallet.

176 (27) "Virtual currency control services vendor" means a person who
177 controls virtual currency under an agreement with another person who,
178 on behalf of a third person, assumes control of virtual currency.

179 [(26)] (28) "Virtual currency kiosk" means an electronic terminal
180 acting as a mechanical agent of the owner or operator to enable the
181 owner or operator to facilitate the exchange of virtual currency for fiat
182 currency or other virtual currency, including, but not limited to, by (A)
183 connecting directly to a separate virtual currency exchanger that
184 performs the actual virtual currency transmission, or (B) drawing upon
185 the virtual currency in the possession of the owner or operator of the
186 electronic terminal.

187 [(27)] (29) "Virtual currency wallet" means a software application or
188 other mechanism providing a means for holding, storing and
189 transferring virtual currency.

190 Sec. 2. Section 36a-603 of the general statutes is repealed and the
191 following is substituted in lieu thereof (*Effective October 1, 2025*):

192 (a) Each licensee shall at all times maintain permissible investments
193 having a value, computed in accordance with generally accepted
194 accounting principles, at least equal to the aggregate amount of its
195 outstanding money transmissions in this state, provided the value of
196 receivables due from authorized delegates consisting of the proceeds of
197 the sale of payment instruments that are not past due or doubtful of
198 collection shall not exceed thirty per cent of the permissible investments
199 held by the licensee and receivables due from any one person shall not
200 exceed ten per cent of the value of permissible investments held by the

201 licensee.

202 (b) Each licensee that engages in the business of money transmission
203 in this state by receiving, transmitting, storing or maintaining custody
204 or control of virtual currency on behalf of another person shall at all
205 times hold virtual currency of the same type and amount owed or
206 obligated to such other person. As used in subsection (a) of this section,
207 outstanding money transmissions does not include any virtual currency
208 held pursuant to this subsection, and "value" means the lower of book
209 or market value, except that with regard to debt obligations which the
210 licensee as a matter of policy retains until maturity, "value" means the
211 greater of book or market value unless the commissioner orders that for
212 some or all investments of a particular licensee, "value" means the lower
213 of book or market value.

214 (c) Permissible investments and virtual currency held pursuant to
215 subsection (b) of this section, even if commingled with other assets of
216 the licensee, shall be deemed by operation of law to be (1) property
217 interests of any claimants against the licensee, on a pro rata basis and in
218 the type and amount of virtual currency to which such claimants are
219 entitled, without regard to the time when (A) such claimants became
220 entitled to such virtual currency, or (B) the licensee obtained control of
221 such virtual currency, (2) held in trust for the benefit of any claimants
222 against the licensee to serve the faithful performance of the obligations
223 of the licensee and the licensee's authorized delegates with respect to
224 the licensee's money transmission business in this state in the event of
225 the bankruptcy of the licensee, and [shall be] (3) immune from
226 attachment by creditors or judgment creditors.

227 Sec. 3. Subsection (a) of section 36a-607 of the general statutes is
228 repealed and the following is substituted in lieu thereof (*Effective October*
229 *1, 2025*):

230 (a) [A] Except as provided in subdivision (2) of subsection (f) of
231 section 36a-613, as amended by this act, a licensee may conduct its
232 business at one or more locations within this state as follows:

233 (1) The business may be conducted by the licensee or through or by
234 means of such authorized delegates as the licensee may periodically
235 designate or appoint on the system in such form and manner as required
236 by the commissioner. The licensee shall pay any associated processing
237 fees imposed by the system. The licensee shall notify the commissioner
238 on the system of all authorized delegates that act on its behalf. An
239 authorized delegate may not engage in the business of money
240 transmission in this state on behalf of a licensee through or by means of
241 any person who is not identified on the system as an authorized
242 delegate of the licensee.

243 (2) No license under sections 36a-595 to 36a-612, inclusive, shall be
244 required of any authorized delegate.

245 (3) Each authorized delegate shall, from the moment of receipt, hold
246 the proceeds of a sale or delivery of a licensee's money transmissions in
247 this state in trust for the benefit of such licensee.

248 (4) A licensee shall be liable for the loss caused to any purchaser or
249 holder of the licensee's payment instruments or stored value sold in this
250 state by the failure of an authorized delegate to forward to the licensee
251 the amount due from the proceeds of a sale or delivery of the licensee's
252 payment instruments or stored value, or money or monetary value
253 received for transmission.

254 (5) The licensee shall enter into a contract with each of its authorized
255 delegates that requires the authorized delegate to operate in full
256 compliance with sections 36a-595 to 36a-612, inclusive, and provides
257 that appointment of the authorized delegate is not effective during any
258 period when the license of the licensee has been suspended. The licensee
259 shall provide each authorized delegate with policies and procedures
260 sufficient to ensure compliance with sections 36a-595 to 36a-612,
261 inclusive.

262 (6) An authorized delegate shall remit all money owing to the licensee
263 in accordance with the terms of the contract between the licensee and
264 the authorized delegate.

265 (7) An authorized delegate shall not provide money transmission
266 services in this state outside the scope of activity permissible under the
267 contract between the authorized delegate and the licensee.

268 Sec. 4. Section 36a-613 of the general statutes is repealed and the
269 following is substituted in lieu thereof (*Effective October 1, 2025*):

270 (a) [The owner or operator of a virtual currency kiosk] Each licensee
271 that engages in the business of money transmission in this state by
272 receiving, transmitting, storing or maintaining custody or control of
273 virtual currency shall, in establishing a relationship with a customer and
274 prior to entering into an initial virtual currency transaction for, on behalf
275 of or with the customer, disclose in clear, conspicuous and legible
276 writing in the English language all material risks associated with virtual
277 currency generally, including, but not limited to, the following:

278 (1) A disclosure, which shall be acknowledged by the customer,
279 provided separately from the disclosures provided pursuant to
280 subdivisions (2) to (9), inclusive, of this subsection and written
281 prominently and in bold type, stating the following: "WARNING:
282 LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS
283 MAY NOT BE RECOVERABLE AND TRANSACTIONS IN VIRTUAL
284 CURRENCY ARE IRREVERSIBLE.";

285 (2) Virtual currency is not backed or insured by the government and
286 accounts and value balances are not subject to Federal Deposit
287 Insurance Corporation, National Credit Union Administration or
288 Securities Investor Protection Corporation protections;

289 (3) Some virtual currency transactions shall be deemed to be made
290 when recorded on a public ledger, which may not be the date or time
291 when the customer initiates the virtual currency transaction;

292 (4) The value of virtual currency may be derived from the continued
293 willingness of market participants to exchange fiat currency for virtual
294 currency, which may result in the permanent and total loss of the value
295 of a particular virtual currency, if the market for that virtual currency

296 disappears;

297 (5) The volatility and unpredictability of the price of virtual currency
298 relative to fiat currency may result in a significant loss over a short
299 period of time;

300 (6) Any bond maintained by the [owner or operator] licensee for the
301 benefit of the customers of such [owner or operator] licensee may not be
302 sufficient to cover all losses incurred by such customers; and

303 (7) Virtual currency transactions are irreversible and are used by
304 persons seeking to defraud customers, including, but not limited to, a
305 person impersonating a customer's loved one, threatening jail time,
306 stating that a customer's identity has been stolen, insisting that a
307 customer withdraw money from the customer's bank account and
308 purchase cryptocurrency or alleging a customer's personal computer
309 has been hacked.

310 (b) [The owner or operator of a virtual currency kiosk] Each licensee
311 that engages in the business of money transmission in this state by
312 receiving, transmitting, storing or maintaining custody or control of
313 virtual currency shall, when opening an account for a new customer and
314 prior to entering into an initial virtual currency transaction for, on behalf
315 of or with such customer, disclose in clear, conspicuous and legible
316 writing in the English language, using not less than twenty-four point
317 sans-serif-type font, all relevant terms and conditions associated with
318 the products, services and activities of the [owner or operator] licensee
319 and virtual currency generally, including, but not limited to, the
320 following:

321 (1) The customer's liability for unauthorized virtual currency
322 transactions;

323 (2) The customer's right to stop payment of a preauthorized virtual
324 currency transfer and the procedure used to initiate a stop-payment
325 order;

326 (3) Under what circumstances the [owner or operator] licensee will,
327 absent a court or government order, disclose information concerning the
328 customer's account to third parties;

329 (4) The requirement that the [owner or operator] licensee
330 communicate to the customer what customer information may be
331 disclosed to third parties;

332 (5) [The] For any transaction that utilizes a virtual currency kiosk, the
333 customer's right to receive a physical, printed receipt for a virtual
334 currency transaction at the time of the transaction; and

335 (6) Upon any change in the rules or policies of the [owner or operator]
336 licensee, the customer's right to consent to such changed rules or policies
337 prior to performing any transaction after such change.

338 (c) [The owner or operator of a virtual currency kiosk] Each licensee
339 that engages in the business of money transmission in this state by
340 receiving, transmitting, storing or maintaining custody or control of
341 virtual currency shall, prior to each [transaction in] virtual currency
342 transaction for, on behalf of or with a customer, disclose to such
343 customer in clear, conspicuous and legible writing in the English
344 language, using not less than twenty-four point sans-serif-type font, the
345 terms and conditions of the virtual currency transaction, including, but
346 not limited to, the following:

347 (1) The amount of the transaction;

348 (2) Any fees, expenses and charges borne by the customer, including,
349 but not limited to, applicable exchange rates;

350 (3) The type and nature of the virtual currency transaction;

351 (4) A warning that, once executed, the virtual currency transaction
352 may not be undone, if applicable;

353 (5) [A] For any transaction that utilizes a virtual currency kiosk, the
354 applicable daily virtual currency transaction limit [in accordance with]

355 established pursuant to subsection [(g)] (h) of this section; and

356 (6) The difference in the sale price of the virtual currency versus the
357 current market price.

358 (d) [The owner or operator of a virtual currency kiosk] Each licensee
359 that engages in the business of money transmission in this state by
360 receiving, transmitting, storing or maintaining custody or control of
361 virtual currency shall ensure that each customer acknowledges receipt
362 of all disclosures required under this section.

363 (e) (1) [The owner or operator of a virtual currency kiosk] Each
364 licensee that engages in the business of money transmission in this state
365 by receiving, transmitting, storing or maintaining custody or control of
366 virtual currency shall, upon the completion of any virtual currency
367 transaction, provide to the customer a receipt containing the following
368 information:

369 (A) The name of, and contact information for, the [owner or operator]
370 licensee, including, but not limited to, the [owner or operator's]
371 licensee's business address and a customer service telephone number
372 established by the [owner or operator] licensee to answer questions and
373 register complaints;

374 (B) The name of the customer;

375 (C) The type, value, date and precise time of such virtual currency
376 transaction, and each virtual currency address;

377 (D) The amount of such virtual currency transaction expressed in
378 United States currency;

379 (E) The full unique transaction hash or identification number;

380 (F) The public virtual currency address of the customer;

381 (G) The unique identifier;

382 (H) Any fee charged, including, but not limited to, any fee charged
383 directly or indirectly by the [owner or operator] licensee or a third party
384 involved in such virtual currency transaction;

385 (I) The exchange rate, if applicable;

386 (J) Any tax collected by the [owner or operator] licensee for such
387 virtual currency transaction;

388 (K) A statement of the liability of the [owner or operator] licensee for
389 nondelivery or delayed delivery;

390 (L) A statement of the refund policy of the [owner or operator]
391 licensee;

392 (M) The name and telephone number of the Department of Banking
393 and a statement disclosing that the [owner or operator's] licensee's
394 customers may contact the department with questions or complaints
395 about the [owner or operator's] licensee's virtual currency [kiosk]
396 services; and

397 (N) Any additional information the Banking Commissioner may
398 require.

399 (2) The receipt required under subdivision (1) of this subsection:

400 (A) Shall be provided in (i) a retainable form, (ii) the English
401 language, and (iii) the language principally used by the [owner or
402 operator of the virtual currency kiosk] licensee to advertise, solicit or
403 negotiate, either orally or in writing; and

404 (B) May be provided electronically, [if] provided, if the transaction
405 utilizes a virtual currency kiosk, the customer requests or agrees to
406 receive an electronic receipt.

407 (f) A licensee that engages in the business of money transmission in
408 this state by receiving, transmitting, storing or maintaining custody or
409 control of virtual currency shall not:

410 (1) Sell, transfer, assign, lend, hypothecate, pledge or otherwise use
411 or encumber virtual currency stored, held, controlled, maintained by, or
412 under the custody or control of, such licensee on behalf of a person,
413 except for the sale, transfer of ownership or assignment of such virtual
414 currency at the direction of such person; or

415 (2) Directly or indirectly use or engage any other person, including,
416 but not limited to, a virtual currency control services vendor, to store or
417 hold custody or control of virtual currency for or on behalf of a
418 customer, unless such other person is (A) licensed pursuant to sections
419 36a-595 to 36a-612, inclusive, (B) a federally insured federal bank, out-
420 of-state bank, Connecticut bank, Connecticut credit union, federal credit
421 union or out-of-state credit union that is exempt from licensure under
422 section 36a-609, or (C) approved by the Banking Commissioner to store
423 or hold custody or control of virtual currency for or on behalf of a
424 customer.

425 ~~[(f)]~~ (g) The total amount of any fee and commission charged by an
426 owner or operator of a virtual currency kiosk for a virtual currency
427 transaction shall not exceed fifteen per cent of the amount of the virtual
428 currency transaction.

429 ~~[(g)]~~ (h) There are established the following maximum daily virtual
430 currency kiosk transaction limits:

431 (1) Two thousand dollars for each new customer of a virtual currency
432 kiosk; and

433 (2) Five thousand dollars for each existing customer of a virtual
434 currency kiosk.

435 ~~[(h)]~~ (i) The owner or operator of a virtual currency kiosk shall allow
436 a new customer, upon the request of the new customer, to cancel and
437 receive a full refund for any fraudulent virtual currency transactions
438 that occurred not later than seventy-two hours after the new customer
439 registered as a customer of such owner or operator if, not later than
440 thirty days after the last virtual currency transaction that occurred

441 during such seventy-two hour period, the new customer:

442 (1) Contacts such owner or operator and a government or law
443 enforcement agency to inform such owner or operator and government
444 or law enforcement agency of the fraudulent nature of such virtual
445 currency transaction; and

446 (2) Files a report with a government or law enforcement agency
447 memorializing the fraudulent nature of such virtual currency
448 transaction.

449 [(i)] (j) Each owner or operator of a virtual currency kiosk shall:

450 (1) Obtain a copy of a government-issued identification card that
451 identifies each customer of such owner or operator;

452 (2) Maintain restrictions that prevent more than one customer of such
453 owner or operator from using the same virtual currency wallet;

454 (3) Be able to prevent designated virtual currency wallets from being
455 used at any virtual currency kiosk owned or operated by such owner or
456 operator;

457 (4) Use an established third party that specializes in performing
458 blockchain analyses to preemptively perform such analyses to identify
459 and prevent high risk or sanctioned virtual currency wallets from being
460 used by customers at virtual currency kiosks owned or operated by such
461 owner or operator;

462 (5) Define, in such owner or operator's policies and procedures, a
463 risk-based method of monitoring customers of such owner or operator
464 on a post-transaction basis;

465 (6) Offer, during the hours of operation of the virtual currency kiosks
466 owned or operated by such owner or operator, live customer support
467 by telephone from a telephone number prominently displayed at or on
468 such virtual currency kiosks;

469 (7) Identify and speak by telephone with any new customer over sixty
470 years of age prior to such new customer completing such new
471 customer's first virtual currency transaction with such owner or
472 operator. During such communication, which shall be recorded and
473 retained by such owner or operator, the owner or operator shall (A)
474 reconfirm any attestations made by such new customer at a virtual
475 currency kiosk owned or operated by such owner or operator, (B)
476 discuss the transaction, and (C) discuss types of fraudulent schemes
477 relating to virtual currency. Such owner or operator's approval of the
478 transaction shall be dependent upon such owner or operator's
479 assessment of such communication;

480 (8) Identify and speak by telephone with any new customer
481 attempting to perform a virtual currency transaction that exceeds an
482 amount that has been predesignated by such owner or operator as a
483 large transaction amount before such transaction may be completed.
484 During such communication, which shall be recorded and retained by
485 such owner or operator, the owner or operator shall (A) positively
486 identify such new customer, (B) review such new customer's stated
487 purpose of the transaction, and (C) discuss types of fraudulent schemes
488 relating to virtual currency. Such owner or operator's approval of the
489 transaction shall be dependent upon such owner or operator's
490 assessment of such communication;

491 (9) Designate and employ a chief compliance officer who shall:

492 (A) Be qualified to coordinate and monitor a compliance program to
493 ensure compliance with this section and all other applicable federal and
494 state laws, rules and regulations;

495 (B) Be employed on a full-time basis by such owner or operator; and

496 (C) Not own more than twenty per cent of the virtual currency kiosk
497 owner or operator that employs such officer; and

498 (10) Use full-time employees to fulfill such owner or operator's
499 compliance responsibilities under federal and state laws, rules and

500 regulations.

501 Sec. 5. (NEW) (*Effective October 1, 2025*) Neither the state nor any
502 political subdivision of the state shall (1) accept or require payment in
503 the form of virtual currency for an amount due to the state or the
504 political subdivision, or (2) purchase, hold, invest in or establish a
505 reserve of virtual currency. For purposes of this section, "virtual
506 currency" has the same meaning as provided in section 36a-596 of the
507 general statutes, as amended by this act.

508 Sec. 6. Subsection (c) of section 36a-611 of the general statutes is
509 repealed and the following is substituted in lieu thereof (*Effective October*
510 *1, 2025*):

511 (c) (1) The unique identifier of any person licensed under section 36a-
512 600 shall be clearly shown on all solicitations and advertisements,
513 including any business card used to solicit money transmission business
514 and Internet web site, and any other documents as established by rule,
515 regulation or order of the commissioner, and shall be clearly stated in
516 all audio solicitations and advertisements. The solicitations or
517 advertisements of any person licensed under section 36a-600 (A) shall
518 not include any statement that such person is endorsed in any way by
519 this state, except that such solicitations and advertisements may include
520 a statement that such person is licensed in this state; (B) shall not include
521 any statement or claim that is deceptive, false or misleading; (C) except
522 as provided in subdivision (3) of this subsection, shall not include any
523 statement or claim that funds deposited with such person are eligible
524 for Federal Deposit Insurance Corporation protections; (D) shall
525 otherwise conform to the requirements of sections 36a-595 to 36a-612,
526 inclusive, any regulations issued thereunder and any other applicable
527 law; and [(D)] (E) shall be retained for two years from the date of use of
528 such solicitation or advertising.

529 (2) Notwithstanding the provisions of subdivision (1) of this
530 subsection, an advertisement or solicitation on a third-party Internet
531 web site need not include the unique identifier of a person licensed

532 under section 36a-600, provided such advertisement or solicitation
533 contains a link to a solicitation, advertisement or Internet web site that
534 clearly shows the unique identifier of such person.

535 (3) The solicitations or advertisements of a person licensed under
536 section 36a-600 may include a statement or claim that funds deposited
537 with such person are eligible for Federal Deposit Insurance Corporation
538 protections if (A) such funds are placed in a deposit account at a
539 depository institution insured by the Federal Deposit Insurance
540 Corporation in a manner that qualifies such funds for deposit insurance
541 coverage under applicable federal law; and (B) such statement or claim
542 (i) clearly identifies such insured depository institution; (ii) accurately
543 describes the extent and conditions of such coverage; and (iii) does not
544 suggest or imply that such person or any nondeposit product, virtual
545 currency or digital asset is insured by the Federal Deposit Insurance
546 Corporation.

547 Sec. 7. (NEW) (*Effective October 1, 2025*) (a) For the purposes of this
548 section:

549 (1) "Authenticate" means to use reasonable means and make a
550 commercially reasonable effort to determine whether a request to
551 exercise any right afforded under subsection (c) of this section has been
552 submitted by, or on behalf of, the minor who is entitled to exercise such
553 right;

554 (2) "Consumer" has the same meaning as provided in section 42-515
555 of the general statutes;

556 (3) "Licensee" has the same meaning as provided in section 36a-596 of
557 the general statutes, as amended by this act;

558 (4) "Minor" means any consumer who is younger than eighteen years
559 of age;

560 (5) "Money sharing application" means an Internet-based service or
561 application that is (A) owned or operated by a licensee, (B) used by a

562 consumer in this state, and (C) primarily intended to allow users to send
563 and receive money. "Money sharing application" does not include any
564 Internet-based service or application that is owned or operated by a
565 person that is exempt from the provisions of sections 36a-597 to 36a-607,
566 inclusive, of the general statutes, as amended by this act, and sections
567 36a-611, as amended by this act, and 36a-612 of the general statutes
568 pursuant to section 36a-609 of the general statutes; and

569 (6) "Personal data" has the same meaning as provided in section 42-
570 515 of the general statutes.

571 (b) On and after October 1, 2025, no licensee shall allow an individual
572 to sponsor, open or establish a money sharing application account for or
573 on behalf of a minor unless such licensee has received a notarized
574 statement from such individual attesting that such individual is such
575 minor's parent or legal guardian.

576 (c) (1) Not later than fifteen business days after a licensee receives a
577 request from a minor or such minor's parent or legal guardian to delete
578 such minor's money sharing application account with such licensee, the
579 licensee shall delete such minor's money sharing application account
580 and cease processing such minor's personal data except where the
581 preservation of such minor's money sharing application account or
582 personal data is otherwise permitted or required by applicable law,
583 including, but not limited to, sections 42-515 to 42-525, inclusive, of the
584 general statutes. A licensee may extend such fifteen-business-day
585 period by an additional fifteen business days if such extension is
586 reasonably necessary considering the complexity and number of the
587 minor's, parent's or legal guardian's requests, provided the licensee
588 informs the minor or such minor's parent or legal guardian, as
589 applicable, within the initial fifteen-business-day response period of
590 such extension and the reason for such extension.

591 (2) Any request made pursuant to subdivision (1) of this subsection
592 may include a request by the minor or such minor's parent or legal
593 guardian to provide to the minor or such minor's parent or legal

594 guardian, as applicable, all data associated with the money sharing
 595 application account that is the subject of such request. Such data shall
 596 include, but need not be limited to, an itemization of each transaction
 597 associated with such account and the identity of the person who opened
 598 such account. A licensee shall provide such data to the minor or such
 599 minor's parent or legal guardian, as applicable, within the timeframe
 600 established by the provisions of subdivision (1) of this subsection.

601 (3) A licensee shall establish, and shall describe in a notice provided
 602 to consumers that have a money sharing application account with such
 603 licensee, one or more secure and reliable means for submitting a request
 604 pursuant to this subsection. A licensee that provides a mechanism for a
 605 minor or the minor's parent or legal guardian to initiate a process to
 606 delete such minor's money sharing application account shall be deemed
 607 to be in compliance with the provisions of this subdivision.

608 (d) If a licensee is unable to authenticate a request submitted
 609 pursuant to subsection (c) of this section, the licensee shall (1) not be
 610 required to comply with such request, and (2) provide a notice to the
 611 minor, parent or legal guardian who submitted such request disclosing
 612 that such licensee (A) is unable to authenticate such request, and (B) will
 613 not be able to authenticate such request until such minor, parent or legal
 614 guardian provides the additional information that is reasonably
 615 necessary to authenticate such request.

This act shall take effect as follows and shall amend the following sections:

Section 1	October 1, 2025	36a-596
Sec. 2	October 1, 2025	36a-603
Sec. 3	October 1, 2025	36a-607(a)
Sec. 4	October 1, 2025	36a-613
Sec. 5	October 1, 2025	New section
Sec. 6	October 1, 2025	36a-611(c)
Sec. 7	October 1, 2025	New section

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact: None

Municipal Impact: None

Explanation

The bill, which makes several virtual currency-related changes to the state's money transmission license, is not anticipated to result in a fiscal impact to the state because the Department of Banking can implement these changes with existing resources.

House "A" strikes the underlying bill and makes various clarifying changes that result in the fiscal impact above.

The Out Years

State Impact: None

Municipal Impact: None

OLR Bill Analysis**sHB 7082 (as amended by House “A”)******AN ACT CONCERNING CERTAIN REQUIREMENTS APPLICABLE TO VIRTUAL CURRENCY MONEY TRANSMISSION LICENSEES AND PROPERTY INTERESTS IN VIRTUAL CURRENCY AND PROHIBITING STATE PAYMENTS AND INVESTMENTS IN VIRTUAL CURRENCY.*****SUMMARY**

This bill imposes several virtual currency-related requirements and restrictions on people who are or must be licensed as money transmitters (“licensees”) under the state’s Money Transmission Act, which regulates businesses, other than banks or credit unions, that receive and transmit money.

The bill prohibits licensees who control other people’s virtual currency from, generally, selling or transferring it without the person’s authorization, or using a virtual currency control services vendor or other person to store or hold custody of the virtual currency unless they are qualified to do so. The bill also specifies that virtual currency held by licensees is a property interest of any claimants against it on a proportional basis. Additionally, the bill takes several existing disclosure and receipt requirements that apply to virtual currency kiosk owners and operators and extends most of them to licensees that engage in the business of money transmission in Connecticut by receiving, transmitting, storing, or maintaining custody or control of virtual currency (collectively “virtual currency transmitters” for the purposes of this bill analysis).

The bill also regulates minors’ access to certain money sharing applications by imposing restrictions and duties on licensees. Generally, the bill prohibits any licensee, beginning on October 1, 2025, from

allowing anyone to sponsor, open, or establish a money sharing application account for a minor unless the licensee receives a notarized statement from the person attesting that he or she is the minor's parent or legal guardian. The bill also requires, with exceptions, licensees to delete a minor's money sharing application account within 15 business days after receiving a request to do so from the minor or the minor's parent or legal guardian.

Separate from money transmission, the bill also prohibits Connecticut and its political subdivisions from accepting or requiring payment in the form of virtual currency, or purchasing, holding, investing in, or establishing a virtual currency reserve (§ 5).

The bill also makes minor changes to the definitions and advertising restrictions in the Money Transmission Act as well as technical and conforming changes.

EFFECTIVE DATE: October 1, 2025

*House Amendment "A" (1) extends most existing virtual currency transaction disclosure and receipt requirements to apply to virtual currency transmitters instead of subjecting them to separate requirements from virtual currency kiosk owners and operators, (2) regulates minors' access to certain money sharing applications by imposing restrictions and duties on licensees, (3) allows licensed money transmitters to include a statement or claim that funds deposited with them are eligible for Federal Deposit Insurance Corporation (FDIC) protections, and (4) makes definition changes that specify the scope of "money transmission" under the Money Transmission Act.

§ 1 — MONEY TRANSMISSION ACT DEFINITIONS

Under current law, "money transmission" includes, among other things, engaging in the business of issuing or selling payment instruments or stored value. The bill specifies that this includes direct engagement or engagement through an "authorized delegate" (i.e. someone designated by a licensee to provide money transmission

services on the licensee's behalf). It also relatedly changes the "stored value" definition, which is currently monetary value that is evidenced by an "electronic record" (i.e. information stored in an electronic medium and retrievable in perceivable form). The bill renames the record as "electronic or digital record" and specifies that "stored value" is monetary value that represents a claim against the issuer of the monetary value.

Additionally, the bill specifies that the methods of "money transmission" include using a digital wallet, such as in connection with a consumer payment mobile application. Under the bill, a "digital wallet" is any electronic or digital functionality that (1) stores stored value or virtual currency for a consumer, including in encrypted or tokenized form, and (2) transmits, routes, or otherwise processes the stored value or virtual currency to facilitate a consumer payment transaction.

§§ 1, 3 & 4 — VIRTUAL CURRENCY CUSTODY AND CONTROL RESTRICTIONS

The bill imposes two restrictions on the handling of virtual currency by virtual currency transmitters. First, it prohibits them from selling, transferring, assigning, lending, hypothecating, pledging, or otherwise using or encumbering virtual currency stored, held, controlled, maintained by, or under the custody or control of the licensee on a person's behalf, except for the sale, transfer of ownership, or assignment at the person's direction.

Second, it limits current law's provisions authorizing virtual currency transmitters to use designated agents to provide money transmission services on their behalf. Regardless of those current authorizations, the bill prohibits these transmitters from directly or indirectly using or engaging any other person, including a virtual currency control services vendor, to store or hold virtual currency for or on behalf of a customer, unless the other person is a licensed money transmitter, a qualified bank or credit union, or approved by the banking commissioner to do so.

Under the bill, a “virtual currency control services vendor” is a person who controls virtual currency under an agreement with another person who assumes control of this currency on a third person’s behalf.

§§ 1 & 4 — VIRTUAL CURRENCY TRANSACTION DISCLOSURES AND RECEIPTS

The bill extends many existing disclosure requirements so that they apply to virtual currency transmitters. Specifically, it extends those that currently apply to virtual currency kiosk owners and operators when establishing a relationship with a customer before entering into an initial virtual currency transaction.

The bill also extends most of the existing disclosures required (1) when opening an account for a new customer before entering into an initial virtual currency transaction and (2) before each virtual currency transaction. (The bill continues to only apply to transactions using virtual currency kiosks the requirement to disclose (1) in the former context, the customer’s right to receive a physical, printed receipt for a virtual currency transaction at the time of the transaction and (2) in the latter context, the applicable daily virtual currency transaction limit.)

As under existing law for virtual currency kiosk owners and operators, the bill requires virtual currency transmitters to ensure that each customer acknowledges receipt of all applicable disclosures. The bill also extends to virtual currency transmitters the existing receipt requirements that apply once a virtual currency transaction is completed. (The bill continues to only apply to transactions using virtual currency kiosks a restriction that receipts may only be given electronically if the customer requests or agrees to it.)

§ 2 — PROPERTY INTERESTS OF CLAIMANTS AGAINST LICENSEES

Under existing law, licensees that engage in the business of money transmission in Connecticut by receiving, transmitting, storing, or maintaining custody or control of virtual currency on behalf of another person must at all times hold virtual currency of the same type and

amount owed or obligated to the other person. The bill specifies that this virtual currency is a property interest of any claimants against the licensee on a proportional basis and in the type and amount to which the claimants are entitled, without regard to when the claimants became entitled or the licensee obtained control.

§ 6 — MONEY TRANSMISSION ACT ADVERTISING RESTRICTIONS

The bill adds a restriction on advertising by money transmission licensees. It specifically prohibits them from including any statement or claim in their solicitations or advertisements that funds deposited with them are eligible for FDIC protections. Existing law already prohibits licensees from including any statement or claim that is deceptive, false, or misleading. (The FDIC generally only supervises and insures certain banks and savings associations, which are exempt from the Money Transmission Act.)

However, the bill allows solicitations and advertisements by licensed money transmitters to include a statement or claim that funds deposited with them are eligible for FDIC protections if the (1) funds are placed in a deposit account at an FDIC-insured depository institution in a way that qualifies the fund for deposit insurance coverage under applicable federal law and (2) statement or claim clearly identifies the institution, accurately describes the extent and conditions of the coverage, and does not suggest or imply that the transmitter or any nondeposit product, virtual currency, or digital asset is FDIC-insured.

§ 7 — MINORS' ACCESS TO MONEY SHARING APPLICATIONS

The bill defines “money sharing application” as an Internet-based service or application that is (1) owned or operated by a licensee, (2) used by a consumer in Connecticut, and (3) primarily intended to allow users to send and receive money. Under the bill, a “minor” is a consumer younger than age 18, and a “consumer” is a state resident and generally excludes anyone acting in a commercial or employment context.

General Procedures and Exceptions

When responding to requests to delete a minor's account, the bill generally requires licensees to stop processing the minor's personal data within the 15-business-day response period after receiving the request.

By law and under the bill, "personal data" is any information that is linked, or reasonably linkable, to an identified or identifiable individual, excluding de-identified data or publicly available information. ("De-identified data" is generally data that cannot reasonably be used to infer information about, or otherwise be linked to, a specific individual or his or her device and "publicly available information" is generally information that is lawfully available through federal, state, or municipal government records, or widely distributed media (CGS § 42-515).)

Under the bill, licensees do not have to follow its account deletion and personal data processing requirements if other applicable law, such as Connecticut's laws on consumer data privacy and online monitoring, allow or require them to preserve a minor's account or personal data.

Additionally, the bill allows licensees to extend the time to delete an account and stop processing personal data by an additional 15 business days if (1) it is reasonably necessary to do so based on the complexity and number of, presumably, additional requests from the requestor, and (2) the licensee informs the requestor about the extension and reason for it within the initial 15-business-day response period.

As part of deletion requests, the bill allows requestors to also request licensees provide all data associated with the minor's account. Under the bill, this means, at a minimum, an itemization of each account transaction and the identity of who opened the account. Licensees must provide the data within the deletion timeframe above.

Relatedly, the bill requires licensees to (1) establish one or more secure and reliable ways for minors and their parents and legal guardians to submit requests to delete minors' accounts and (2) describe them in a notice given to consumers who have a money sharing application account with the licensee. Licensees that provide a

mechanism to initiate a process to delete an account are deemed to be in compliance with this provision.

Inability to Authenticate Requests

In addition to the exceptions above, the bill allows licensees to ignore requests they cannot authenticate if they notify the requestor that they cannot authenticate the request and will not be able to do so until the requestor provides additional reasonably necessary information. Under the bill, to “authenticate” is to use reasonable means and make a commercially reasonable effort to determine if the requestor is the minor for the account or the minor’s parents or legal guardians.

BACKGROUND

Virtual Currency Definition

By law and under the bill, “virtual currency” is a digital unit (1) used as a medium of exchange or form of digitally stored value or (2) incorporated into payment system technology. It includes digital units of exchange that have a centralized repository or administrator, are decentralized without a centralized repository or administrator, or may be created or obtained by computing or manufacturing effort. Virtual currency does not include digital units used:

1. solely in online gaming platforms with no other market or application, or
2. exclusively in a consumer affinity or rewards program that (a) can be used only as payment for purchases with the issuer or another designated merchant and (b) cannot be converted into, or redeemed for, fiat currency.

Related Bills

sHB 6991 (File 194), favorably reported by the Banking Committee, makes similar definition changes that specify the scope of “money transmission” under the Money Transmission Act.

sSB 1338 (File 182), favorably reported by the Banking Committee,

contains substantially similar provisions regulating minors' access to money sharing applications.

COMMITTEE ACTION

Banking Committee

Joint Favorable

Yea 13 Nay 0 (03/11/2025)