



General Assembly

Amendment

January Session, 2025

LCO No. 8192



Offered by:

REP. DOUCETTE, 13th Dist.

REP. DELNICKI, 14th Dist.

REP. LINEHAN, 103rd Dist.

To: Subst. House Bill No. **7082**

File No. 318

Cal. No. 220

***"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."***

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

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 Section 36a-596 of the general statutes is repealed and the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

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

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

9 (2) "Authorized delegate" means a person designated by a person

10 licensed pursuant to sections 36a-595 to 36a-612, inclusive, to provide
11 money transmission services on behalf of such licensed person.

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

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

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

39 [(5)] (6) "Electronic payment instrument" (A) means a card or other
40 tangible object (i) for the transmission of money or monetary value or
41 payment of money, (ii) which contains a microprocessor chip, magnetic

42 stripe or other means for the storage of information, (iii) that is
43 prefunded, and (iv) for which the value is decremented upon each use,
44 and (B) does not include a card or other tangible object that is
45 redeemable by the issuer in the issuer's goods or services.

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

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

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

61 [(9)] (10) "Licensee" means any person licensed or required to be
62 licensed pursuant to sections 36a-595 to 36a-612, inclusive.

63 [(10)] (11) "Main office" has the same meaning as provided in section
64 36a-485.

65 [(11)] (12) "Monetary value" means a medium of exchange, whether
66 or not redeemable in money.

67 [(12)] (13) "Money transmission" means engaging, directly or through
68 an authorized delegate, in the business of issuing or selling payment
69 instruments or stored value, receiving money or monetary value for
70 current or future transmission or the business of transmitting money or
71 monetary value within the United States or to locations outside the

72 United States by any and all means including, but not limited to,
73 payment instrument, wire, facsimile, electronic transfer, [or] virtual
74 currency kiosk or digital wallet, including, but not limited to, a digital
75 wallet utilized in connection with a consumer payment mobile
76 application.

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

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

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

103 [(16)] (17) "Payment instrument" means a check, draft, money order,

104 travelers check or electronic payment instrument that evidences either
105 an obligation for the transmission of money or monetary value or
106 payment of money, or the purchase or the deposit of funds for the
107 purchase of such check, draft, money order, travelers check or electronic
108 payment instrument.

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

138 the investment shall not qualify as a permissible investment.

139 [(18)] (19) "Prime quality" of an investment means that it is within the
140 top four rating categories in any rating service recognized by the
141 commissioner unless the commissioner determines for any licensee that
142 only those investments in the top three rating categories qualify as
143 prime quality.

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

147 [(20)] (21) "Receipt" means a paper record, electronic record or other
148 written confirmation of a money transmission transaction.

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

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

160 [(23)] (24) "Unique identifier" has the same meaning as provided in
161 section 36a-485.

162 [(24)] (25) "Virtual currency" means any type of digital unit that is
163 used as a medium of exchange or a form of digitally stored value or that
164 is incorporated into payment system technology. Virtual currency shall
165 be construed to include digital units of exchange that (A) have a
166 centralized repository or administrator, (B) are decentralized and have
167 no centralized repository or administrator, or (C) may be created or

168 obtained by computing or manufacturing effort. Virtual currency shall
169 not be construed to include digital units that are used (i) solely within
170 online gaming platforms with no market or application outside such
171 gaming platforms, or (ii) exclusively as part of a consumer affinity or
172 rewards program, and can be applied solely as payment for purchases
173 with the issuer or other designated merchants, but cannot be converted
174 into or redeemed for fiat currency.

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

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

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

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

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

194 (a) Each licensee shall at all times maintain permissible investments
195 having a value, computed in accordance with generally accepted
196 accounting principles, at least equal to the aggregate amount of its
197 outstanding money transmissions in this state, provided the value of
198 receivables due from authorized delegates consisting of the proceeds of

199 the sale of payment instruments that are not past due or doubtful of
200 collection shall not exceed thirty per cent of the permissible investments
201 held by the licensee and receivables due from any one person shall not
202 exceed ten per cent of the value of permissible investments held by the
203 licensee.

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

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

229 Sec. 3. Subsection (a) of section 36a-607 of the general statutes is
230 repealed and the following is substituted in lieu thereof (*Effective October*
231 *1, 2025*):

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

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

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

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

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

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

263 inclusive.

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

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

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

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

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

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

291 (3) Some virtual currency transactions shall be deemed to be made
292 when recorded on a public ledger, which may not be the date or time

293 when the customer initiates the virtual currency transaction;

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

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

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

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

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

323 (1) The customer's liability for unauthorized virtual currency

324 transactions;

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

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

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

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

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

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

349 (1) The amount of the transaction;

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

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

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

355 (5) [A] For any transaction that utilizes a virtual currency kiosk, the
356 applicable daily virtual currency transaction limit [in accordance with]
357 established pursuant to subsection [(g)] (h) of this section; and

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

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

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

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

376 (B) The name of the customer;

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

379 (D) The amount of such virtual currency transaction expressed in
380 United States currency;

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

- 382 (F) The public virtual currency address of the customer;
- 383 (G) The unique identifier;
- 384 (H) Any fee charged, including, but not limited to, any fee charged
385 directly or indirectly by the [owner or operator] licensee or a third party
386 involved in such virtual currency transaction;
- 387 (I) The exchange rate, if applicable;
- 388 (J) Any tax collected by the [owner or operator] licensee for such
389 virtual currency transaction;
- 390 (K) A statement of the liability of the [owner or operator] licensee for
391 nondelivery or delayed delivery;
- 392 (L) A statement of the refund policy of the [owner or operator]
393 licensee;
- 394 (M) The name and telephone number of the Department of Banking
395 and a statement disclosing that the [owner or operator's] licensee's
396 customers may contact the department with questions or complaints
397 about the [owner or operator's] licensee's virtual currency [kiosk]
398 services; and
- 399 (N) Any additional information the Banking Commissioner may
400 require.
- 401 (2) The receipt required under subdivision (1) of this subsection:
- 402 (A) Shall be provided in (i) a retainable form, (ii) the English
403 language, and (iii) the language principally used by the [owner or
404 operator of the virtual currency kiosk] licensee to advertise, solicit or
405 negotiate, either orally or in writing; and
- 406 (B) May be provided electronically, [if] provided, if the transaction
407 utilizes a virtual currency kiosk, the customer requests or agrees to
408 receive an electronic receipt.

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

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

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

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

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

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

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

437 ~~[(h)]~~ (i) The owner or operator of a virtual currency kiosk shall allow
438 a new customer, upon the request of the new customer, to cancel and

439 receive a full refund for any fraudulent virtual currency transactions
440 that occurred not later than seventy-two hours after the new customer
441 registered as a customer of such owner or operator if, not later than
442 thirty days after the last virtual currency transaction that occurred
443 during such seventy-two hour period, the new customer:

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

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

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

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

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

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

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

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

467 (6) Offer, during the hours of operation of the virtual currency kiosks

468 owned or operated by such owner or operator, live customer support
469 by telephone from a telephone number prominently displayed at or on
470 such virtual currency kiosks;

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

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

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

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

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

498 (C) Not own more than twenty per cent of the virtual currency kiosk

499 owner or operator that employs such officer; and

500 (10) Use full-time employees to fulfill such owner or operator's
501 compliance responsibilities under federal and state laws, rules and
502 regulations.

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

510 Sec. 6. Subsection (c) of section 36a-611 of the general statutes is
511 repealed and the following is substituted in lieu thereof (*Effective October*
512 *1, 2025*):

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

531 (2) Notwithstanding the provisions of subdivision (1) of this
532 subsection, an advertisement or solicitation on a third-party Internet
533 web site need not include the unique identifier of a person licensed
534 under section 36a-600, provided such advertisement or solicitation
535 contains a link to a solicitation, advertisement or Internet web site that
536 clearly shows the unique identifier of such person.

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

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

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

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

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

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

562 (5) "Money sharing application" means an Internet-based service or
563 application that is (A) owned or operated by a licensee, (B) used by a
564 consumer in this state, and (C) primarily intended to allow users to send
565 and receive money. "Money sharing application" does not include any
566 Internet-based service or application that is owned or operated by a
567 person that is exempt from the provisions of sections 36a-597 to 36a-607,
568 inclusive, of the general statutes, as amended by this act, and sections
569 36a-611, as amended by this act, and 36a-612 of the general statutes
570 pursuant to section 36a-609 of the general statutes; and

571 (6) "Personal data" has the same meaning as provided in section 42-
572 515 of the general statutes.

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

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

593 (2) Any request made pursuant to subdivision (1) of this subsection

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

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

610 (d) If a licensee is unable to authenticate a request submitted
 611 pursuant to subsection (c) of this section, the licensee shall (1) not be
 612 required to comply with such request, and (2) provide a notice to the
 613 minor, parent or legal guardian who submitted such request disclosing
 614 that such licensee (A) is unable to authenticate such request, and (B) will
 615 not be able to authenticate such request until such minor, parent or legal
 616 guardian provides the additional information that is reasonably
 617 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