

**Senate Study Bill 1142 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
TECHNOLOGY BILL BY  
CHAIRPERSON McCLINTOCK)

**A BILL FOR**

1 An Act relating to digital financial asset transaction kiosks.  
2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **533C.1004 Digital financial asset**  
2 **transaction kiosks.**

3 1. *Definitions.* As used in this section, unless the context  
4 otherwise requires:

5 a. "*Charges*" means any of the following:

6 (1) A fee or expense paid by a consumer.

7 (2) The difference between the current market price of a  
8 digital financial asset on a licensed digital financial asset  
9 exchange and the price of the digital financial asset charged to  
10 a consumer.

11 b. "*Digital financial asset*" means a virtual representation  
12 of value or rights that can be transferred, stored, or traded  
13 electronically and used for payment or investment purposes.

14 c. "*Digital financial asset transaction kiosk*" means an  
15 electronic information processing device that is capable of  
16 accepting or dispensing United States coin and paper currency in  
17 exchange for a digital financial asset.

18 d. "*Licensed digital financial asset exchange*" means a  
19 digital financial asset exchange that is not an operator and that  
20 has a license under section 533C.301 to engage in the business of  
21 money transmission in this state.

22 e. "*Operator*" means a person who owns, operates, or manages a  
23 digital financial asset transaction kiosk in this state.

24 2. *Daily transactions.* An operator shall not, via a digital  
25 financial asset transaction kiosk, accept from a consumer or  
26 dispense to a consumer more than one thousand dollars per  
27 calendar day.

28 3. *Maximum charges.* An operator shall not directly or  
29 indirectly collect charges related to a digital financial asset  
30 transaction from a consumer that exceed the greater of the  
31 following:

32 a. Five dollars.

33 b. Fifteen percent of the United States currency equivalent  
34 of the digital financial assets involved in the digital financial  
35 asset transaction according to the public quoted market price of

1 the digital financial asset on a licensed digital financial asset  
2 exchange at the date and time the consumer initiates the digital  
3 financial asset transaction.

4 4. *Required disclosure.*

5 a. Prior to a digital financial asset transaction, the  
6 operator shall provide a written disclosure to the consumer in  
7 English, and in the primary language used by the operator to  
8 advertise, solicit, or negotiate with the consumer, containing  
9 the terms and conditions of the digital financial asset  
10 transaction, including, at a minimum, all of the following:

11 (1) The dollar amount, in United States currency equivalent,  
12 of the digital financial asset involved in the transaction.

13 (2) Any charges to be collected by the operator.

14 (3) If an operator fails to provide a process to reverse or  
15 refund a digital financial asset transaction, a warning that all  
16 digital financial asset transactions are final.

17 b. A disclosure required under paragraph "a" shall be  
18 clear and conspicuous and provided separately from any other  
19 disclosures or information provided by the operator.

20 5. *Required receipt.* For any digital financial asset  
21 transaction made at an operator's digital financial asset  
22 transaction kiosk, the operator shall provide the consumer with  
23 a receipt that includes all of the following information:

24 a. The name of the consumer.

25 b. The date and time of the digital financial asset  
26 transaction.

27 c. The legal name of the operator.

28 d. The dollar amount of the digital financial asset involved  
29 in the transaction.

30 e. (1) The dollar amount of all charges collected by the  
31 operator in relation to the digital financial asset transaction.

32 (2) The legal name of the licensed digital financial asset  
33 exchange the operator used to calculate the charges described in  
34 subsection 1, paragraph "a", subparagraph (2).

35 6. *Required report.* An operator shall provide a list to

1 the division of banking of the street address locations of all  
2 digital financial asset transaction kiosks that the operator  
3 owns, operates, or manages in this state. An operator shall  
4 provide the division with updates to the list within thirty  
5 calendar days of any change to the list. The division shall make  
6 each operator's list available to the public via the division's  
7 internet site.

8 7. *Operator duties.* If an operator does not engage in  
9 digital financial asset transactions, but facilitates or permits  
10 another person to engage in digital financial asset transactions  
11 via the operator's digital financial asset transaction kiosk, the  
12 operator shall do all of the following:

13 a. Ensure that the person engaging in digital financial asset  
14 transactions has a license to engage in the business of money  
15 transmission under section 533C.301.

16 b. Ensure that charges collected from a consumer via the  
17 digital financial asset transaction kiosk comply with this  
18 section.

19 c. Ensure that the person complies with this section.

20 EXPLANATION

21 The inclusion of this explanation does not constitute agreement with  
22 the explanation's substance by the members of the general assembly.

23 This bill relates to digital financial asset transaction  
24 kiosks. "Digital financial asset transaction kiosk" (kiosk) is  
25 defined in the bill.

26 Under the bill, an operator shall not, via a kiosk, accept  
27 from, or dispense to, a consumer more than \$1,000 per day.  
28 "Operator" is defined in the bill. An operator shall not collect  
29 charges from a consumer related to a digital financial asset  
30 transaction that exceed the greater of \$5 or 15 percent of the  
31 United States currency equivalent of digital financial assets  
32 involved in the transaction.

33 Prior to a transaction, the operator shall provide a written  
34 disclosure to the consumer including the dollar amount of the  
35 digital financial asset involved in the transaction, any charges

1 collected by the operator, and, if an operator does not provide  
2 a method to reverse or refund a transaction, a warning that  
3 all transactions are final. The disclosure shall be clear and  
4 conspicuous and provided separately from any other disclosure  
5 provided by the operator.

6 For any transaction made at an operator's kiosk, the operator  
7 shall provide the consumer with a receipt that includes the  
8 information detailed in the bill. An operator shall provide a  
9 list to the division of banking (division) of all locations of  
10 the operator's kiosks in the state. An operator shall provide  
11 the division with updates to the list within 30 days of a change.  
12 The division shall make each operator's list available to the  
13 public via the division's internet site.

14 If an operator does not engage in digital financial asset  
15 transactions, but facilitates or permits another person to engage  
16 in digital financial asset transactions via the operator's kiosk,  
17 the operator shall ensure that the person has a license under  
18 Code section 533C.301, and that charges collected from a consumer  
19 via the kiosk comply with the bill.