

**First Regular Session
Seventy-fifth General Assembly
STATE OF COLORADO**

INTRODUCED

LLS NO. 25-0363.01 Clare Haffner x6137

SENATE BILL 25-079

SENATE SPONSORSHIP

Rich and Roberts,

HOUSE SPONSORSHIP

Taggart,

Senate Committees
Judiciary

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE "COLORADO VENDING OF DIGITAL ASSETS ACT".**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)

The bill enacts the "Colorado Vending of Digital Assets Act", which requires an owner or operator of a virtual currency kiosk to:

- Provide certain disclosures to customers of the virtual currency kiosk;
- Provide each customer with a printed and an electronic receipt detailing the customer's virtual currency transaction; and
- Fully refund a customer's first virtual currency transaction

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters or bold & italic numbers indicate new material to be added to existing law.
Dashes through the words or numbers indicate deletions from existing law.

if the virtual currency transaction is to a virtual currency wallet or exchange located outside of the United States and is determined by law enforcement to be fraudulent.

The bill establishes a daily transaction limit of \$1,000 for a customer of a virtual currency kiosk.

The bill defines "virtual currency" as a type of digital unit that is used as a medium of exchange or a form of digitally stored value or that is incorporated into payment system technology. "Virtual currency kiosk" is defined as an electronic terminal acting as a mechanical agent of the owner or operator to enable the owner or operator to facilitate the exchange of virtual currency for other virtual currency or fiat currency.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** article 112 to
3 title 11 as follows:

4 **ARTICLE 112**

5 **Colorado Vending of Digital Assets**

6 **11-112-101. Short title.** THE SHORT TITLE OF THIS ARTICLE 112 IS
7 THE "COLORADO VENDING OF DIGITAL ASSETS ACT".

8 **11-112-102. Definitions.** AS USED IN THIS ARTICLE 112, UNLESS
9 THE CONTEXT OTHERWISE REQUIRES:

10 (1) "BLOCKCHAIN TECHNOLOGY" HAS THE MEANING SET FORTH IN
11 SECTION 24-36-121.5 (2)(a).

12 (2) "TRANSACTION HASH" MEANS A UNIQUE IDENTIFIER MADE UP
13 OF A STRING OF CHARACTERS THAT ACTS AS A RECORD AND PROVIDES
14 PROOF THAT A TRANSACTION WAS VERIFIED AND ADDED TO BLOCKCHAIN
15 TECHNOLOGY.

16 (3) (a) "VIRTUAL CURRENCY" MEANS A TYPE OF DIGITAL UNIT
17 THAT IS USED AS A MEDIUM OF EXCHANGE OR A FORM OF DIGITALLY
18 STORED VALUE OR THAT IS INCORPORATED INTO PAYMENT SYSTEM
19 TECHNOLOGY.

1 (b) "VIRTUAL CURRENCY" INCLUDES DIGITAL UNITS THAT:
2 (I) HAVE A CENTRALIZED REPOSITORY OR ADMINISTRATOR;
3 (II) ARE DECENTRALIZED AND HAVE NO CENTRALIZED REPOSITORY
4 OR ADMINISTRATOR; OR
5 (III) MAY BE CREATED OR OBTAINED BY COMPUTING OR
6 MANUFACTURING EFFORT.

7 (c) "VIRTUAL CURRENCY" DOES NOT INCLUDE DIGITAL UNITS THAT:
8 (I) ARE USED SOLELY WITHIN ONLINE GAMING PLATFORMS, WITH
9 NO MARKET OR APPLICATION OUTSIDE THE GAMING PLATFORMS; OR
10 (II) ARE USED EXCLUSIVELY AS PART OF A CONSUMER AFFINITY OR
11 REWARDS PROGRAM AND CAN BE APPLIED AS PAYMENT FOR PURCHASES
12 WITH THE ISSUER OR OTHER DESIGNATED MERCHANTS BUT CANNOT BE
13 CONVERTED INTO OR REDEEMED FOR FIAT CURRENCY.

14 (4) "VIRTUAL CURRENCY ADDRESS" MEANS AN ALPHANUMERIC
15 IDENTIFIER REPRESENTING A DESTINATION FOR A VIRTUAL CURRENCY
16 TRANSFER THAT IS ASSOCIATED WITH A VIRTUAL CURRENCY WALLET.

17 (5) "VIRTUAL CURRENCY KIOSK" MEANS AN ELECTRONIC
18 TERMINAL ACTING AS A MECHANICAL AGENT OF THE OWNER OR OPERATOR
19 TO ENABLE THE OWNER OR OPERATOR TO FACILITATE THE EXCHANGE OF
20 VIRTUAL CURRENCY FOR OTHER VIRTUAL CURRENCY OR FIAT CURRENCY,
21 INCLUDING BY:

22 (a) CONNECTING TO A SEPARATE VIRTUAL CURRENCY EXCHANGER
23 THAT PERFORMS THE ACTUAL VIRTUAL CURRENCY TRANSMISSION; OR

24 (b) DRAWING UPON THE VIRTUAL CURRENCY IN THE POSSESSION
25 OF THE OWNER OR OPERATOR OF THE ELECTRONIC TERMINAL.

26 (6) "VIRTUAL CURRENCY WALLET" MEANS A SOFTWARE
27 APPLICATION OR OTHER MECHANISM PROVIDING A MEANS FOR HOLDING,

1 STORING, AND TRANSFERRING VIRTUAL CURRENCY.

2 **11-112-103. Virtual currency kiosks - disclosures - receipts -**
3 **daily limit - cancellation and refund.** (1) BEFORE ENTERING INTO A
4 VIRTUAL CURRENCY TRANSACTION FOR, ON BEHALF OF, OR WITH A
5 CUSTOMER, THE OWNER OR OPERATOR OF A VIRTUAL CURRENCY KIOSK
6 SHALL DISCLOSE TO THE CUSTOMER IN CLEAR AND CONSPICUOUS WRITING
7 IN THE ENGLISH LANGUAGE ALL MATERIAL RISKS ASSOCIATED WITH
8 VIRTUAL CURRENCY. THE DISCLOSURES MUST BE DISPLAYED ON THE
9 SCREEN OF THE VIRTUAL CURRENCY KIOSK WITH THE ABILITY FOR A
10 CUSTOMER TO ACKNOWLEDGE RECEIPT OF THE DISCLOSURES. THE
11 DISCLOSURES MUST INCLUDE AT LEAST THE FOLLOWING INFORMATION:

12 (a) A DISCLOSURE PROVIDED SEPARATELY FROM THE DISCLOSURES
13 PROVIDED PURSUANT TO SUBSECTIONS (1)(b) TO (1)(i) OF THIS SECTION
14 AND FEATURED PROMINENTLY AND IN BOLD-FACED TYPE STATING THE
15 FOLLOWING: "**WARNING: LOSSES DUE TO FRAUDULENT OR**
16 **ACCIDENTAL TRANSACTIONS MAY NOT BE RECOVERABLE**
17 **AND TRANSACTIONS IN VIRTUAL CURRENCY ARE**
18 **IRREVERSIBLE.**";

19 (b) VIRTUAL CURRENCY IS NOT BACKED OR INSURED BY THE
20 GOVERNMENT, AND ACCOUNTS AND VALUE BALANCES ARE NOT SUBJECT
21 TO FEDERAL DEPOSIT INSURANCE CORPORATION, NATIONAL CREDIT UNION
22 ADMINISTRATION, OR SECURITIES INVESTOR PROTECTION CORPORATION
23 PROTECTIONS;

24 (c) FOR SOME VIRTUAL CURRENCY TRANSACTIONS, THE
25 TRANSACTION WILL BE DEEMED RECORDED WHEN RECORDED ON A PUBLIC
26 LEDGER, WHICH MAY NOT BE THE DATE OR TIME WHEN THE CUSTOMER
27 INITIATES THE VIRTUAL CURRENCY TRANSACTION;

1 (d) THE VALUE OF VIRTUAL CURRENCY MAY BE DERIVED FROM THE
2 CONTINUED WILLINGNESS OF MARKET PARTICIPANTS TO EXCHANGE FIAT
3 CURRENCY FOR VIRTUAL CURRENCY, WHICH MAY RESULT IN THE
4 PERMANENT AND TOTAL LOSS OF THE VALUE OF A PARTICULAR VIRTUAL
5 CURRENCY IF THE MARKET FOR THAT VIRTUAL CURRENCY DISAPPEARS;

6 (e) THERE IS NO ASSURANCE THAT A PERSON THAT ACCEPTS
7 VIRTUAL CURRENCY AS PAYMENT TODAY WILL CONTINUE TO DO SO IN THE
8 FUTURE;

9 (f) THE VOLATILITY AND UNPREDICTABILITY OF THE VALUE OF
10 VIRTUAL CURRENCY RELATIVE TO FIAT CURRENCY MAY RESULT IN A
11 SIGNIFICANT LOSS OVER A SHORT PERIOD OF TIME;

12 (g) THE NATURE OF VIRTUAL CURRENCY MAY LEAD TO AN
13 INCREASED RISK OF FRAUD OR CYBERATTACK;

14 (h) THE NATURE OF VIRTUAL CURRENCY MEANS THAT
15 TECHNOLOGICAL DIFFICULTIES EXPERIENCED BY THE OWNER OR OPERATOR
16 MAY PREVENT ACCESS TO OR USE OF A CUSTOMER'S VIRTUAL CURRENCY;
17 AND

18 (i) ANY BOND MAINTAINED BY THE OWNER OR OPERATOR FOR THE
19 BENEFIT OF THE CUSTOMERS OF THE OWNER OR OPERATOR MAY NOT BE
20 SUFFICIENT TO COVER ALL LOSSES INCURRED BY CUSTOMERS.

21 (2) WHEN OPENING AN ACCOUNT FOR A CUSTOMER, THE OWNER OR
22 OPERATOR OF A VIRTUAL CURRENCY KIOSK SHALL DISCLOSE TO THE
23 CUSTOMER IN CLEAR AND CONSPICUOUS WRITING IN THE ENGLISH
24 LANGUAGE ALL RELEVANT TERMS AND CONDITIONS ASSOCIATED WITH THE
25 PRODUCTS, SERVICES, AND ACTIVITIES OF THE OWNER OR OPERATOR AND
26 VIRTUAL CURRENCY GENERALLY, INCLUDING THE FOLLOWING:

27 (a) THE CUSTOMER'S LIABILITY FOR UNAUTHORIZED VIRTUAL

1 CURRENCY TRANSACTIONS;

2 (b) THE CUSTOMER'S RIGHT TO STOP PAYMENT OF A
3 PREAUTHORIZED VIRTUAL CURRENCY TRANSFER AND THE PROCEDURE
4 USED TO INITIATE A STOP-PAYMENT ORDER;

5 (c) UNDER WHICH CIRCUMSTANCES THE OWNER OR OPERATOR
6 WILL, ABSENT A COURT OR GOVERNMENT ORDER, DISCLOSE INFORMATION
7 CONCERNING THE CUSTOMER'S ACCOUNT TO THIRD PARTIES;

8 (d) THE CUSTOMER'S RIGHT TO RECEIVE PERIODIC ACCOUNT
9 STATEMENTS AND VALUATIONS FROM THE OWNER OR OPERATOR;

10 (e) THE CUSTOMER'S RIGHT TO RECEIVE A RECEIPT, A TRADE
11 TICKET, OR OTHER EVIDENCE OF A VIRTUAL CURRENCY TRANSACTION; AND

12 (f) THE CUSTOMER'S RIGHT TO PRIOR NOTICE OF A CHANGE IN THE
13 RULES OR POLICIES OF THE OWNER OR OPERATOR.

14 (3) PRIOR TO A TRANSACTION IN VIRTUAL CURRENCY FOR, ON
15 BEHALF OF, OR WITH A CUSTOMER, THE OWNER OR OPERATOR OF A
16 VIRTUAL CURRENCY KIOSK SHALL DISCLOSE TO THE CUSTOMER IN CLEAR
17 AND CONSPICUOUS WRITING IN THE ENGLISH LANGUAGE THE TERMS AND
18 CONDITIONS OF THE VIRTUAL CURRENCY TRANSACTION, INCLUDING THE
19 FOLLOWING:

20 (a) THE AMOUNT OF THE TRANSACTION;

21 (b) THE FEES, EXPENSES, AND CHARGES BORNE BY THE CUSTOMER,
22 INCLUDING APPLICABLE EXCHANGE RATES;

23 (c) THE TYPE AND NATURE OF THE TRANSACTION;

24 (d) A WARNING THAT, ONCE COMPLETED, THE TRANSACTION IS
25 IRREVERSIBLE, IF APPLICABLE;

26 (e) THE DIFFERENCE IN THE VIRTUAL CURRENCY'S SALE PRICE
27 VERSUS THE CURRENT MARKET PRICE; AND

1 (f) OTHER DISCLOSURES THAT ARE CUSTOMARILY GIVEN IN
2 CONNECTION WITH A VIRTUAL CURRENCY TRANSACTION.

3 (4) THE OWNER OR OPERATOR OF A VIRTUAL CURRENCY KIOSK
4 SHALL ENSURE THAT EACH CUSTOMER ACKNOWLEDGES RECEIPT OF ALL
5 DISCLOSURES REQUIRED UNDER THIS SECTION.

6 (5) UPON THE COMPLETION OF A VIRTUAL CURRENCY
7 TRANSACTION, THE OWNER OR OPERATOR OF A VIRTUAL CURRENCY KIOSK
8 SHALL PROVIDE TO THE CUSTOMER A PRINTED AND AN ELECTRONIC
9 RECEIPT CONTAINING THE FOLLOWING INFORMATION:

10 (a) THE NAME OF AND CONTACT INFORMATION FOR THE OWNER OR
11 OPERATOR, INCLUDING A TELEPHONE NUMBER ESTABLISHED BY THE
12 OWNER OR OPERATOR TO ANSWER QUESTIONS AND REGISTER COMPLAINTS;

13 (b) THE TYPE, VALUE, DATE, AND PRECISE TIME OF THE VIRTUAL
14 CURRENCY TRANSACTION, THE TRANSACTION HASH, AND EACH VIRTUAL
15 CURRENCY ADDRESS;

16 (c) THE FEE CHARGED;

17 (d) THE EXCHANGE RATE, IF APPLICABLE;

18 (e) A STATEMENT OF THE LIABILITY OF THE OWNER OR OPERATOR
19 FOR NONDELIVERY OR DELAYED DELIVERY OF THE CURRENCY FOR WHICH
20 THE CUSTOMER EXCHANGED VIRTUAL CURRENCY; AND

21 (f) A STATEMENT OF THE REFUND POLICY OF THE OWNER OR
22 OPERATOR.

23 (6) THE MAXIMUM DAILY TRANSACTION LIMIT OF A VIRTUAL
24 CURRENCY KIOSK IS ONE THOUSAND DOLLARS PER CUSTOMER.

25 (7) (a) THE OWNER OR OPERATOR OF A VIRTUAL CURRENCY KIOSK
26 SHALL, AT THE EXPENSE OF THE OWNER OR OPERATOR, ALLOW A
27 CUSTOMER TO CANCEL AND RECEIVE A FULL REFUND FOR A VIRTUAL

1 CURRENCY TRANSACTION IF:

2 (I) THE VIRTUAL CURRENCY TRANSACTION WAS THE CUSTOMER'S
3 FIRST VIRTUAL CURRENCY TRANSACTION;

4 (II) THE VIRTUAL CURRENCY TRANSACTION WAS TO A VIRTUAL
5 CURRENCY WALLET OR EXCHANGE LOCATED OUTSIDE OF THE UNITED
6 STATES; AND

7 (III) LAW ENFORCEMENT DETERMINES THAT THE VIRTUAL
8 CURRENCY TRANSACTION WAS FRAUDULENT.

9 (b) IF THE CONDITIONS OF SUBSECTION (7)(a) OF THIS SECTION ARE
10 MET, THE OWNER OR OPERATOR SHALL ISSUE A FULL REFUND WITHIN
11 SEVENTY-TWO HOURS AFTER BEING NOTIFIED THAT THE VIRTUAL
12 CURRENCY TRANSACTION WAS FRAUDULENT.

13 **SECTION 2. Act subject to petition - effective date.** This act
14 takes effect January 1, 2026; except that, if a referendum petition is filed
15 pursuant to section 1 (3) of article V of the state constitution against this
16 act or an item, section, or part of this act within the ninety-day period
17 after final adjournment of the general assembly, then the act, item,
18 section, or part will not take effect unless approved by the people at the
19 general election to be held in November 2026 and, in such case, will take
20 effect on the date of the official declaration of the vote thereon by the
21 governor.