THE CITY OF COLUMBIA HEIGHTS
REDISCOVER THE HEIGHTS

CITY COUNCIL WORK SESSION MEETING

AGENDA SECTION	WORK SESSION
MEETING DATE	MARCH 2, 2026

ITEM:	**Crypto / Virtual Currency Kiosk Regulation. (10 Minutes)**
Presenting Item: *Aaron Chirpich, City Manager*	
DEPARTMENT: Administration	**BY/DATE:** Sara Ion / February 12, 2026

CORE CITY STRATEGIES: *(please indicate areas that apply by adding an "**X**" in front of the selected text below)*

_Community that Grows with Purpose and Equity
_Engaged, Effective and Forward-Thinking
_High Quality Public Spaces
_Resilient and Prosperous Economy
X Safe, Accessible and Built for Everyone
_Inclusive and Connected Community

BACKGROUND

At the February 2, 2026, City Council Work Session there was a request to have information brought forward to the council about regulations for crypto / virtual currency kiosks. These kiosks serve as a location to insert cash to purchase digital money like Bitcoin. Currently the closest kiosks to purchase cryptocurrency are located at the Hilltop Tobacco Shop and the Cub Foods on Silver Lake Road in St. Anthony.

Crypto / virtual currency kiosk are a concern for the police department as there can be a substantial risk for loss of money because of fraud or accident. There are multiple brands of kiosks that sell different types of cryptocurrency. While some legitimate transactions may take place through these Kiosks, the machines have quickly become a preferred payment method for scammers as the transactions cannot be undone.

SUMMARY OF CURRENT STATUS

Kiosk operators are regulated on both a federal and state level. Federally by the U.S. Treasury Department Financial Crimes Enforcement Network ("FinCEN"). Kiosk operators must register with FinCEN as a "money service business" and meet the recordkeeping requirements from the Bank Secrecy Act and anti-money laundering statutes, but the kiosks themselves are not regulated by this Act.

In Minnesota, there are licensing requirements for virtual currency operators. Currently the State of Minnesota regulates businesses that run cryptocurrency machines (kiosks). Minnesota Statute § 53B.75 outlines the following regulations for currency kiosk operators:

- **Disclosure of material risks.**
  "WARNING: LOSSES DUE TO FRAUDULENT OR ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE AND TRANSACTIONS IN VIRTUAL CURRENCY ARE IRREVERSIBLE. VIRTUAL CURRENCY TRANSACTIONS MAY BE USED BY SCAMMERS IMPERSONATING LOVED ONES, THREATENING JAIL TIME, AND INSISTING YOU WITHDRAW MONEY FROM YOUR BANK ACCOUNT TO PURCHASE VIRTUAL CURRENCY."

- **Terms and Conditions must be clearly disclosed on the kiosk prior to transaction.**

Before each virtual currency transaction for, on behalf of, or with a person, a virtual currency kiosk operator must disclose the transaction's terms and conditions in a clear, conspicuous, and easily readable manner. The disclosures under this subdivision must address at least the following:

(1) the amount of the transaction;

(2) any fees, expenses, and charges, including applicable exchange rates;

(3) the type and nature of the transaction;

(4) a warning that once completed, the transaction may not be reversed;

(5) a daily virtual currency transaction limit of no more than $2,000;

(6) the difference in the virtual currency's sale price compared to the current market price; and

(7) other disclosures that are customarily given in connection with a virtual currency transaction.

- **Kiosk user must acknowledge the disclosures.**
Before completing a transaction, a virtual currency kiosk operator must ensure that each person who engages in a virtual currency transaction using the virtual currency operator's kiosk acknowledges receipt of all disclosures required under this section via confirmation of consent. Additionally, upon a transaction's completion, the virtual currency kiosk operator must provide a person with a physical receipt, or a virtual receipt sent to the person's email address or SMS number, containing the following information:
(1) the virtual currency kiosk operator's name and contact information, including a telephone number to answer questions and register complaints;

(2) the type, value, date, and precise time of the transaction, transaction hash, and each virtual currency address;

(3) the fees charged;

(4) the exchange rate;

(5) a statement of the virtual currency kiosk operator's liability for nondelivery or delayed delivery;

(6) a statement of the virtual currency kiosk operator's refund policy; and

(7) any additional information the commissioner of commerce may require.

- **Refunds for new customers.**
A virtual currency kiosk operator must issue a refund to a new customer for the full amount of all transactions made within the 72-hour new customer time period, as described in section 53B.69, subdivision 3b, upon request of the customer. In order to receive a refund under this subdivision, a customer must:
(1) have been fraudulently induced to engage in the virtual currency transactions; and

(2) within 14 days of the last transaction to occur during the 72-hour new customer time period, contact the virtual currency kiosk operator and a government or law enforcement agency to inform them of the fraudulent nature of the transaction.

- **Transaction limits.**
  (a) There is an established maximum daily transaction limit of $2,000 for each new customer of a virtual currency kiosk.
  (b) The maximum daily transaction limit of an existing customer shall be decided by each virtual currency kiosk operator in compliance with federal law.

It is important to remember that consumers who wish to purchase cryptocurrency are not prevented from doing so using a computer or an app, where the fees are lower (often a flat rate of $.10 to $1.00 per transaction) and cash is not required.

CYRPTO CURRENCY AND LOCAL ACTION

Local governments across Minnesota are taking steps to **regulate or prohibit** the operation of cryptocurrency Kiosks within city limits, citing a lack of public safety resources to effectively monitor the Kiosks or address the financial crimes associated with them. Staff have included examples of recent action from the City of Stillwater, City of Forrest Lake as well as the City of St. Paul for Council's review.

Requested Council Action/ Discussion Topics / Key Questions
Staff requests council feedback related to their desire for municipal regulation of crypto / virtual currency kiosks.

ATTACHMENT(S)

MN State Statute 53B.75 VIRTUAL CURRENCY KIOSKS.
FBI Operation Level Up Information
City of Stillwater Presentation and Council Memo
City of Forrest Lake Presentation and Council Memo
City of St. Paul Council Memo