



City of Lathrup Village
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Lathrup Village, MI 48076
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TO: Mayor & City Council
FROM: Tom Kennedy – CED/DDA Project Coordinator
DATE: November 24, 2025
RE: Zoning Ordinance – Cryptocurrency ATMs

Background Brief: The purpose of this memo is to transmit the Planning Commission’s recommended ordinance establishing limitations on Cryptocurrency ATMs within the City of Lathrup Village. This ordinance is intended to protect residents- particularly vulnerable populations- from scammers who frequently exploit cryptocurrency ATMs to facilitate fraudulent schemes.

In July, the City Council directed the Planning Commission to study the issue of cryptocurrency ATMs after growing regional concerns regarding fraud. This request was reinforced by a resident who urged the Commission to take action after an individual in a neighboring community lost over \$60,000 to cryptocurrency scammers.

Over the following months, the Planning Commission conducted research, discussed best practices, and reviewed law enforcement data. A public hearing was held at the regular Planning Commission meeting on November 18th, after which the Commission unanimously voted to recommend adoption of the ordinance as written.

Summary of Ordinance Provisions:

The proposed Cryptocurrency ATM Limitations Ordinance includes the following key components:

- **Weekly Transaction Limits:** A maximum of \$1,000 per account per week may be deposited into any cryptocurrency ATM system.
- **Zoning Restrictions:** Cryptocurrency ATMs are permitted only within the Commercial-Vehicular (CV) zoning district.
- **Spacing Requirements:** No cryptocurrency ATM may be located within one mile of another such device within city limits.
- **Mandatory Warnings:**
 - All cryptocurrency ATMs must display physical warning labels.
 - All machines must feature a warning screen describing common scam methods and instructions for identifying potential fraud.
- **Zoning Text Amendments:**
 - Amend **Section 2.2** to add definitions for Cryptocurrency and Cryptocurrency ATM.
 - Amend **Section 3.1.6** (Zoning Districts) to add Cryptocurrency ATM as an accessory use in the CV district.
 - Amend **Section 4** (Use Standards) to include new standards for cryptocurrency ATMs consistent with the above requirements.

Previous Action: Study Session Discussions

Economic Impact: N/A

Recommendation: City staff recommends the adoption of this ordinance. Lathrup Village recently experienced a case where a resident fell victim to cryptocurrency fraud involving these types of ATMs. While there are currently no known cryptocurrency ATMs operating within our city, implementing a regulatory framework now positions Lathrup Village as a proactive leader in resident protection. We would be the second municipality in Michigan to adopt protections of this nature, and staff anticipates that such action may encourage neighboring communities to follow suit. By establishing limitations before machines are installed, the City can significantly reduce the likelihood of fraud and safeguard the financial well-being of our community members

Recommended Motion:

Moved by _____ seconded by _____ to adopt Ordinance #2025-11, a zoning ordinance amendment establishing limitations on Cryptocurrency ATMs within the City of Lathrup Village.

Kelly Garrett
Mayor

Bruce Kantor
Mayor Pro-Tem

Jalen Jennings
Council Member

Jason Hammond
Council Member

John Sousanis
Council Member