

An act to add Division 1.27 (commencing with Section 3901) to the Financial Code, relating to financial institutions.

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THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Division 1.27 (commencing with Section 3901) is added to the Financial Code, to read:

DIVISION 1.27. DIGITAL FINANCIAL ASSET TRANSACTION KIOSKS

3901. For purposes of this division:

(a) "Department" means the Department of Financial Protection and Innovation.

(b) (1) "Digital financial asset" means a digital representation of value that is used as a medium of exchange, unit of account, or store of value and that is not legal tender, whether or not denominated in legal tender.

(2) "Digital financial asset" does not include either of the following:

(A) A transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from, or exchanged with, the merchant for legal tender, bank or credit union credit, or a digital financial asset.

(B) A digital representation of value issued by, or on behalf of, a publisher and used solely within an online game, game platform, or family of games sold by the same publisher or offered on the same game platform.

(c) "Digital financial asset transaction kiosk" means an electronic information processing device that accepts or dispenses cash in exchange for a digital financial asset.

(d) "Major digital financial asset platform" means a digital financial asset platform that holds at least ten billion dollars (\$10,000,000,000) in assets on the platform.

(e) "Operator" means a person who owns, operates, or manages a digital financial asset transaction kiosk located in this state.

(f) "Resident" means any of the following:

(1) A person who is domiciled in this state.

(2) A person who was physically located in this state for more than 183 days of the previous 365 days.

(3) A person who has a place of business in this state.

(4) A legal representative of a person that is domiciled in this state.

3902. An operator shall not accept or dispense more than one thousand dollars (\$1,000) in a day from or to a resident via a digital financial asset transaction kiosk.

3903. (a) An operator shall provide an option for a resident to exchange any amount of a digital financial asset for fiat currency.

(b) If the resident has a balance of fiat currency with an operator that exceeds one thousand dollars (\$1,000), the operator shall not dispense more than one thousand dollars (\$1,000) in a day at the resident's request.

3904. An operator shall not collect charges, whether direct or indirect, related to a single digital financial asset transaction that exceed the greater of the following:

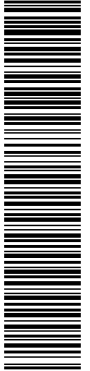
(a) Five dollars (\$5).

(b) Two percent of the United States dollar equivalent of digital financial assets involved in the transaction.

3905. An operator shall provide a resident with a receipt for any transaction made at the operator's digital financial asset transaction kiosk. The receipt shall include all of the following information:



- (a) The name of the resident.
  - (b) The date and time of the transaction.
  - (c) The name of the operator.
  - (d) The amount of a digital financial asset involved in the transaction.
  - (e) The amount of United States dollars involved in the transaction.
  - (f) The amount, in United States dollars, of any fees collected by the operator in relation to the transaction.
  - (g) The amount, in United States dollars, of any spread between the United States dollar price of the digital financial asset that is charged to the resident and the United States dollar price of the digital financial asset as listed by a major digital financial asset platform.
  - (h) The name of the major digital financial asset platform the operator used to calculate the spread described in subdivision (g).
3906. (a) An operator shall provide to the department a list of all locations of digital financial asset transaction kiosks that the operator owns, operates, or manages in this state.
- (b) An operator shall provide the department with updates to the list required by this section within 30 days of any changes.
- (c) The department shall make the list required by this section for each operator available to the public on the department's internet website.



## LEGISLATIVE COUNSEL'S DIGEST

Bill No.  
as introduced, Limón.  
General Subject: Digital financial asset transaction kiosks.

Existing law requires a bank, savings association, credit union, industrial loan company, savings bank, or other business entity, or a person who operates an automated teller machine to adopt procedures for evaluating the safety of an automated teller machine, including, the incidence of crimes of violence in the immediate neighborhood of the automated teller machine as reflected in the records of the local law enforcement agency and of which the operator has actual knowledge.

This bill would provide for the regulation of digital financial asset transaction kiosks, as defined, by the Department of Financial Protection and Innovation. The bill would, among other things, prohibit an operator, as defined, from accepting or dispensing more than \$1,000 in a day from or to a resident via a digital financial asset transaction kiosk. The bill would require an operator to provide a resident with a receipt for any transaction made at the operator's digital financial asset transaction kiosk that includes certain information, including the name of the resident and the date and time of the transaction. The bill would require an operator to provide to the department a list of all locations of digital financial asset transaction kiosks that the operator owns, operates, or manages in this state and would require the department to make that list for each operator available to the public on the department's internet website.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

