

January 27, 2026

The Honorable Nick Hoheisel, Chairperson
House Committee on Financial Institutions and Pensions
300 SW 10th Avenue, Room 582-N
Topeka, Kansas 66612

Dear Representative Hoheisel:

SUBJECT: Fiscal Note for HB 2515 by House Committee on Financial Institutions and Pensions

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2515 is respectfully submitted to your committee.

HB 2515 would enact the Virtual Currency Kiosk Consumer Protection Act (VCKCPA) and make it a part of the Kansas Money Transmission Act (KMTA). The VCKCPA would regulate virtual currency kiosk operators in Kansas. A virtual currency kiosk would be defined as an electronic terminal owned or leased by a virtual currency kiosk operator that enables the operator to facilitate virtual currency transactions including the exchange of money for virtual currency or virtual currency for money with a person in Kansas. Virtual currency would be defined as a digital representation of value that is used as a medium of exchange, unit of account, or store of value and is not money. A virtual currency kiosk operator who owns, operates, solicits or facilitates virtual currency kiosks in the state would be considered to be engaged in money transmission and require licensure under the KMTA and be regulated by the Office of the State Bank Commissioner. All unlicensed kiosk operators would be required to apply for a money transmitter license within 60 days after July 1, 2026.

The kiosk operator would be required to verify a user's identity as set forth in the bill. Failure to verify a user's identity would be a violation of the Act. The bill would limit the amount of charges the kiosk operator could collect on transactions as well as set transaction and day limitations on transactions.

The bill would require the kiosk operator to make various consumer disclosures of all material risks and all relevant terms and conditions associated with the operator's products and

services. The bill would also require the kiosk operator to take fraud prevention measures including:

- Disclosing on the screen of the kiosk specific language listed in the bill about consumer fraud and contacting local law enforcement if an individual is being scammed;
- Using blockchain analytics software to prevent sending virtual currency to a digital wallet known to be affiliated with fraudulent activity;
- Enhancing due diligence policies identifying at-risk individuals; and
- Designating and employing a consumer protection officer.

The definition of money transmission would be amended to include virtual currency transactions and three-party exchanges which would be a transaction in which a party acts as an intermediary and facilitates the exchange of virtual currency between a buyer and seller for a fee. Two-party exchanges and exchanges of virtual currency would be excluded from the definition of money transmission.

HB 2515 would authorize the Office of the Attorney General and any law enforcement agency to investigate any fraudulent money transmission and report to the Bank Commissioner any fraud or activity that violates the VCKCPA. The Commissioner would take into account such activity when deciding to revoke or refuse to renew a license.

Estimated State Fiscal Effect			
	FY 2026	FY 2027	FY 2028
Expenditures			
State General Fund	--	\$212,359	\$218,730
Fee Fund(s)	--	\$76,800	\$76,800
Federal Fund	--	--	--
Total Expenditures	--	\$289,159	\$295,530
Revenues			
State General Fund	--	--	--
Fee Fund(s)	--	--	--
Federal Fund	--	--	--
Total Revenues	--	--	--
FTE Positions	--	3.0	3.0

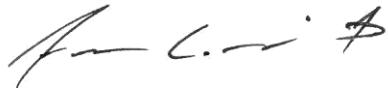
The Office of the State Bank Commissioner indicates that it would require 1.0 Examiner position within its Consumer and Mortgage Lending Program at a cost of \$76,800 from the Bank Commissioner Fee Fund beginning in FY 2026.

The Office of the Attorney General would require \$212,359 from the State General Fund in FY 2027 and \$218,730 in FY 2028. For FY 2027, the Office would hire 1.00 Assistant Attorney General positions at a cost of \$133,905 and 1.0 Investigator position at a cost of \$60,839. The Office would also require \$17,615 for training, office equipment, and other operating expenditures to support the new positions. FY 2028 expenditures amount of \$218,730 represent a 3.0 percent increase from FY 2027.

The Kansas Bureau of Investigation indicates that any case referred to the agency under HB 2515 would be reviewed and prioritized based on current workloads and would be handled within its existing resources. The Office of Judicial Administration indicates that the bill would have a negligible effect on expenditures and would be absorbed within the agency's existing resources. Any fiscal effect associated with HB 2515 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties indicates HB 2515 would increase county costs for investigation and prosecutions for violations of the Virtual Currency Kiosk Consumer Protection Act; however, the Association is unable to estimate a precise fiscal effect. The League of Kansas Municipalities indicates the bill would not have a fiscal effect on cities.

Sincerely,



Adam C. Proffitt
Director of the Budget

cc: Jesse Becker, Office of the State Bank Commissioner
Matt Bingesser, Office of the Attorney General
Paul Weisgerber, Kansas Bureau of Investigation