

Criminal Use of Cryptocurrency Amendments

2026 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Ryan D. Wilcox

Senate Sponsor:

LONG TITLE**Committee Note:**

The Law Enforcement and Criminal Justice Interim Committee recommended this bill.

Legislative Vote: 10 voting for 2 voting against 4 absent

General Description:

This bill creates cryptocurrency training requirements for law enforcement and consumer protections for digital asset kiosks.

Highlighted Provisions:

This bill:

- requires specialized cryptocurrency investigation training for designated officers;
- requires prosecuting agencies to certify at least one employee as a digital asset specialist;
- requires local law enforcement agencies to report cryptocurrency investigation data to the Commission on Criminal and Juvenile Justice (commission);
- requires the commission to provide annual summary reports to the Legislature;
- requires licensing and registration for virtual currency kiosk operators;
- establishes consumer protection requirements for virtual currency kiosks, including transaction limits, fee restrictions, disclosure requirements, and fraud prevention warnings;
- provides enforcement authority to the commissioner and the attorney general, including administrative penalties, license sanctions, and civil actions for violations of virtual currency kiosk regulations;
- provides for legislative sunset review of cryptocurrency investigation reporting requirements; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

53-6-102, as last amended by Laws of Utah 2010, Chapter 313

53-6-202, as last amended by Laws of Utah 2024, Chapter 112

63I-1-253, as last amended by Laws of Utah 2025, First Special Session, Chapter 9

77-11b-105, as renumbered and amended by Laws of Utah 2023, Chapter 448

ENACTS:

7-29-201, Utah Code Annotated 1953

7-29-202, Utah Code Annotated 1953

7-29-203, Utah Code Annotated 1953

7-29-204, Utah Code Annotated 1953

7-29-205, Utah Code Annotated 1953

53-32-101, Utah Code Annotated 1953

53-32-102, Utah Code Annotated 1953

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **7-29-201** is enacted to read:

Part 2. Virtual Currency Kiosks

7-29-201 . Definitions.

As used in this part:

- (1) "Blockchain analytics" means the analysis of data from blockchains or publicly distributed ledgers, including associated transaction information to provide risk-specific information about virtual currency transactions and virtual currency addresses.
- (2) "Transaction hash" means a unique identifier made up of a string of characters that act as a record and provide proof the transaction was verified and added to the blockchain.
- (3) "Virtual currency" means a digital representation of value that is used as a medium of exchange, unit of account, or store of value and is not money, whether or not denominated in money.
- (4) "Virtual currency address" means an alphanumeric identifier associated with a virtual currency wallet identifying the location to which a virtual currency transaction may be sent.
- (5) "Virtual currency kiosk" means an electronic terminal acting as a mechanical agent of the virtual currency kiosk operator to enable the virtual currency kiosk operator to facilitate the exchange of virtual currency for money, bank credit, or other virtual

65 currency.

66 (6) "Virtual currency kiosk operator" means a person that operates a virtual currency kiosk
67 in this state.

68 (7) "Virtual currency kiosk transaction" means a transaction conducted or performed, in
69 whole or in part, by electronic means via a virtual currency kiosk to purchase virtual
70 currency with fiat currency or to sell virtual currency for fiat currency.

71 (8) "Virtual currency wallet" means a software application or other mechanism providing a
72 means to hold, store, or transfer virtual currency.

73 Section 2. Section **7-29-202** is enacted to read:

74 **7-29-202 . Virtual currency kiosk operators -- Licensing requirement --**

75 **Registration.**

76 (1) Notwithstanding Subsection 7-25-102(9)(b), an individual or entity that operates a
77 virtual currency kiosk in this state shall:

78 (a) obtain a license under Title 7, Chapter 25, Money Transmitter Act;

79 (b) register each virtual currency kiosk with the department;

80 (c) pay the license fee required by Section 7-1-401; and

81 (d) comply with the requirements of this part.

82 (2) For purposes of Title 7, Chapter 25, Money Transmitter Act, the operation of a virtual
83 currency kiosk constitutes money transmission, regardless of whether the transactions
84 involve blockchain tokens.

85 Section 3. Section **7-29-203** is enacted to read:

86 **7-29-203 . Transaction limits -- Fee restrictions -- Blockchain analytics.**

87 (1) A virtual currency kiosk operator may not:

88 (a) accept virtual currency kiosk transactions from a single customer that exceed a
89 cumulative total of \$1,000 of cash or the equivalent in virtual currency per calendar
90 day in this state via one or more virtual currency kiosks operated by the same virtual
91 currency kiosk operator;

92 (b) accept virtual currency kiosk transactions that exceed a cumulative total of \$2,000 of
93 cash or the equivalent in virtual currency from a customer who has completed fewer
94 than five virtual currency kiosk transactions with the virtual currency kiosk operator;
95 and

96 (c) charge a fee that exceeds 3% of the transaction amount for any virtual currency kiosk
97 transaction.

98 (2) A virtual currency kiosk operator shall implement blockchain analytics to identify and

block transactions to known fraudulent virtual currency addresses.

Section 4. Section 7-29-204 is enacted to read:

7-29-204 . Disclosures and warnings -- Receipt requirements.

- (1) A virtual currency kiosk operator shall disclose in a clear, conspicuous, and easily readable manner in the chosen language of the customer, all relevant terms and conditions generally associated with the products, services, and activities of the virtual currency kiosk operator and virtual currency.
- (2) The virtual currency kiosk operator shall receive acknowledgment of receipt of all disclosures required under this section via confirmation of consent.
- (3) Each virtual currency kiosk shall include a fraud prevention warning in English and Spanish, written prominently and in bold type.
- (4) The fraud prevention warning described in Subsection (3) shall state in substantially the following form: "WARNING: CONSUMER FRAUD OFTEN STARTS WITH CONTACT FROM A STRANGER WHO IS INITIATING A DISHONEST SCHEME THAT FREQUENTLY TARGETS VULNERABLE POPULATIONS, INCLUDING THE ELDERLY. IF YOU BELIEVE YOU ARE BEING SCAMMED, CALL A LOCAL LAW ENFORCEMENT OFFICER BEFORE ANY TRANSACTION. TRANSACTIONS CONDUCTED ON THIS VIRTUAL CURRENCY KIOSK ARE IRREVERSIBLE. PROTECT YOURSELF FROM FRAUD. NEVER SEND MONEY TO SOMEONE YOU DO NOT KNOW."
- (5) After the completion of each transaction, the virtual currency kiosk operator shall provide an individual with a choice of a physical or digital receipt in the language chosen by the customer.
- (6) The receipt described in Subsection (5) shall contain:
 - (a) the virtual currency kiosk operator's name and contact information, including a telephone number to answer questions and register complaints;
 - (b) the relevant state and local law enforcement or government agency for reporting fraud;
 - (c) the type, value, date, and precise time of the transaction;
 - (d) the transaction hash;
 - (e) each applicable virtual currency address;
 - (f) the transaction amount in both virtual currency and United States dollars;
 - (g) all fees charged;
 - (h) the exchange rate of the virtual currency to United States dollars;

- (i) customer service contact information;
 - (j) the virtual currency kiosk operator's license information; and
 - (k) a statement of the virtual currency kiosk operator's refund policy.
- (7) A virtual currency kiosk operator performing business in this state shall provide a toll-free customer service line, available 24 hours per day, seven days per week, and display the number for the toll-free customer service line on the virtual currency kiosk or the virtual currency kiosk screens.

Section 5. Section **7-29-205** is enacted to read:

7-29-205 . Enforcement.

- (1) Subject to Title 63G, Chapter 4, Administrative Procedures Act, if the commissioner determines that a person is violating this part, the commissioner may:
- (a) suspend, revoke, or refuse to renew the person's license under Title 7, Chapter 25, Money Transmitter Act;
 - (b) issue a cease and desist order;
 - (c) prohibit the person from operating a virtual currency kiosk in this state;
 - (d) impose an administrative fine not to exceed \$1,000 per violation, except that the aggregate total of fines imposed under this part against a person in a calendar year may not exceed \$30,000 for that calendar year; or
 - (e) take any combination of actions listed in this Subsection (1).
- (2) A violation of this part constitutes a deceptive act or practice under Title 13, Chapter 11, Utah Consumer Sales Practices Act.
- (3) The attorney general may bring a civil action for injunctive relief to enforce this part.

Section 6. Section **53-6-102** is amended to read:

53-6-102 . Definitions.

As used in this chapter:

- (1) "Addiction" means the unlawful or habitual use of alcohol or a controlled substance which endangers public health and safety.
- (2) "Certified academy" means a peace officer training institution certified in accordance with the standards developed under Section 53-6-105.
- (3) [~~"Council" means the Peace Officer Standards and Training Council created in Section 53-6-106.~~] "Commission" means the State Commission on Criminal and Juvenile Justice created in Section 63M-7-201.
- (4) "Conviction" means an adjudication of guilt regarding criminal conduct, including:
 - (a) a finding of guilt by a court or a jury;

- (b) a guilty plea;
- (c) a plea of nolo contendere;
- (d) a plea which is held in abeyance pending the successful completion of:
 - (i) a probationary period; or
 - (ii) a diversion agreement; or
- (e) a conviction which has been expunged or dismissed.

(5) "Council" means the Peace Officer Standards and Training Council created in Section 53-6-106.

(6) "Cryptocurrency" means a digital asset that functions as a medium of exchange, a unit of account, or a store of value, and is secured by cryptography.

(7) "Cryptocurrency investigation" means a law enforcement investigation involving the tracing, analysis, or recovery of cryptocurrency or digital assets.

(8) "Digital asset" means the same as that term is defined in Section 13-62-101.

~~[(5)]~~ (9) "Director" means the director of the Peace Officer Standards and Training Division appointed under Section 53-6-104.

~~[(6)]~~ (10) "Dispatcher" means an employee of a public safety agency of the state or any of its political subdivisions and whose primary duties are to:

- (a)(i) receive calls for one or a combination of, emergency police, fire, and medical services, and to dispatch the appropriate personnel and equipment in response to the calls; and
- (ii) in response to emergency calls, make urgent decisions affecting the life, health, and welfare of the public and public safety employees; or
- (b) supervise dispatchers or direct a dispatch communication center.

~~[(7)]~~ (11) "Division" means the Peace Officer Standards and Training Division created in Section 53-6-103.

~~[(8)]~~ (12) "POST" means the division.

Section 7. Section **53-6-202** is amended to read:

53-6-202 . Basic training course -- Completion required -- Annual training -- Prohibition from exercising powers -- Reinstatement.

(1)(a) The director shall:

- (i)(A) suggest and prepare subject material; and
- (B) schedule instructors for basic training courses; or
- (ii) review the material and instructor choices submitted by a certified academy.
- (b) The subject material, instructors, and schedules shall be approved or disapproved by

a majority vote of the council.

(2) The materials shall be reviewed and approved by the council on or before July 1st of each year and may from time to time be changed or amended by majority vote of the council.

(3) The basic training in a certified academy:

(a) shall be appropriate for the basic training of peace officers in the techniques of law enforcement in the discretion of the director;

(b) may not include the use of chokeholds, carotid restraints, or any act that impedes the breathing or circulation of blood likely to produce a loss of consciousness, as a valid method of restraint; and

(c) shall include instruction on identifying, responding to, and reporting a criminal offense that is motivated by a personal attribute as that term is defined in Section 76-3-203.14.

(4)(a) All peace officers shall satisfactorily complete the basic training course or the waiver process provided for in this chapter as well as annual certified training of not less than 40 hours as the director, with the advice and consent of the council, directs.

(b) A peace officer who fails to satisfactorily complete the annual training described in Subsection (4)(a) shall automatically be prohibited from exercising peace officer powers until any deficiency is made up.

(c) The annual training described in Subsection (4)(a) shall include training focused on arrest control and de-escalation training.

(5)(a) Beginning July 1, 2024, all peace officers who are currently employed shall participate in a training at least every three years focused on the following:

(i) mental health and other crisis intervention responses;

(ii) intervention responses for mental illnesses, autism spectrum disorder, and other neurological and developmental disorders; and

(iii) responses to sexual traumas and investigations of sexual assault and sexual abuse in accordance with Section 53-10-908.

(b) Any training in which a peace officer participates as described in Subsection (5)(a) shall count toward the peace officer's 40-hour required annual training described in Subsection (4)(a) for the year in which the peace officer participated in the training.

(6)(a) The director or the director's designee, in coordination with the council, shall promulgate the standards for the trainings described in Subsection (4).

(b) The chief law enforcement officer or executive officer of the peace officer's

employing agency shall determine if a peace officer has complied with the standards established under Subsection (6)(a).

(7)(a) Beginning July 1, 2026, each local law enforcement agency shall ensure that at least one peace officer employed by the agency completes specialized cryptocurrency investigation training at least once every three years, focused on:

(i) advanced cryptocurrency tracing and blockchain analysis techniques;

(ii) digital asset seizure procedures and evidence preservation;

(iii) use of cryptocurrency investigation tools and software;

(iv) legal requirements for cryptocurrency search warrants and subpoenas;

(v) coordination with federal agencies and cryptocurrency exchanges; and

(vi) recovery and liquidation of seized digital assets.

(b) The director or the director's designee, in coordination with the council, shall create standards for the trainings described in Subsection (7)(a).

(c) The chief law enforcement officer or executive officer of the peace officer's employing agency shall determine if a peace officer has complied with the standards created under Subsection (7)(b).

(d) A peace officer who completes the specialized training described in Subsection (7)(a) may assist other local law enforcement agencies with cryptocurrency investigations.

Section 8. Section **53-32-101** is enacted to read:

CHAPTER 32. Cryptocurrency Investigations

53-32-101 . Definitions.

As used in this chapter:

(1) "Cryptocurrency" means a digital asset that functions as a medium of exchange, a unit of account, or a store of value, and is secured by cryptography.

(2) "Cryptocurrency investigation" means a law enforcement investigation involving the tracing, analysis, or recovery of cryptocurrency or digital assets.

(3) "Digital asset" means the same as that term is defined in Section 13-62-101.

(4) "Local law enforcement agency" means the same as that term is defined in Section 53-13-101.

Section 9. Section **53-32-102** is enacted to read:

53-32-102 . Cryptocurrency investigation reporting.

(1) Each local law enforcement agency shall report the following information to the commission on a quarterly basis:

(a) the number of cases involving cryptocurrency opened during the reporting period;

- (b) the number of cryptocurrency traces conducted during the reporting period;
(c) the number of cases involving cryptocurrency closed during the reporting period; and
(d) the disposition of closed cases, including:
 (i) arrests made;
 (ii) charges filed;
 (iii) convictions obtained; and
 (iv) digital assets recovered or seized.

(2) The commission shall:

- (a) collect and analyze the information reported under Subsection (1);
(b) prepare an annual summary report of statewide cryptocurrency investigation activities; and
(c) on or before November 30 of each year, provide the annual summary report to the Law Enforcement and Criminal Justice Interim Committee.

(3) Information reported under this section is protected from disclosure under Title 63G, Chapter 2, Government Records Access and Management Act, if disclosure would compromise an ongoing investigation or reveal investigative techniques.

Section 10. Section **63I-1-253** is amended to read:

63I-1-253 . Repeal dates: Titles 53 through 53G.

- (1) Section 53-1-122, Road Rage Awareness and Prevention Restricted Account, is repealed July 1, 2028.
(2) Section 53-2a-105, Emergency Management Administration Council created -- Function -- Composition -- Expenses, is repealed July 1, 2029.
(3) Section 53-2a-1103, Search and Rescue Advisory Board -- Members -- Compensation, is repealed July 1, 2030.
(4) Section 53-2a-1104, General duties of the Search and Rescue Advisory Board, is repealed July 1, 2027.
(5) Title 53, Chapter 2a, Part 15, Grid Resilience Committee, is repealed July 1, 2027.
(6) Section 53-2d-104, State Emergency Medical Services Committee -- Membership -- Expenses, is repealed July 1, 2029.
(7) Section 53-2d-503, Establishment of maximum rates, is repealed July 1, 2027.
(8) Section 53-5a-302, Concealed Firearm Review Board -- Membership -- Compensation -- Terms -- Duties, is repealed July 1, 2029.
(9) Section 53-11-104, Board, is repealed July 1, 2029.
(10) Title 53, Chapter 31, Department Interaction With Local Law Enforcement, is repealed

July 1, 2027.

(11) Section 53-32-102, Cryptocurrency investigation reporting, is repealed July 1, 2030.

(12) Subsection 53C-3-203(4)(b)(vii), regarding the distribution of money from the Land Exchange Distribution Account to the Geological Survey for test wells and other hydrologic studies in the West Desert, is repealed July 1, 2030.

~~[(12)]~~ (13) Subsection 53E-1-201(1)(q), regarding the Higher Education and Corrections Council, is repealed July 1, 2027.

~~[(13)]~~ (14) Subsection 53E-2-304(6), regarding foreclosing a private right of action or waiver of governmental immunity, is repealed July 1, 2027.

~~[(14)]~~ (15) Subsection 53E-3-503(5), regarding coordinating councils for youth in care, is repealed July 1, 2027.

~~[(15)]~~ (16) Subsection 53E-3-503(6), regarding coordinating councils for youth in care, is repealed July 1, 2027.

~~[(16)]~~ (17) Subsection 53E-4-202(8)(b), regarding a standards review committee, is repealed January 1, 2028.

~~[(17)]~~ (18) Section 53E-4-203, Standards review committee, is repealed January 1, 2028.

~~[(18)]~~ (19) Title 53E, Chapter 6, Part 5, Utah Professional Practices Advisory Commission, is repealed July 1, 2033.

~~[(19)]~~ (20) Subsection 53E-7-207(7), regarding a private right of action or waiver of governmental immunity, is repealed July 1, 2027.

~~[(20)]~~ (21) Section 53F-5-215, Elementary teacher preparation assessment grant, is repealed July 1, 2028.

~~[(21)]~~ (22) Section 53F-5-219, Local Innovations Civics Education Pilot Program, is repealed July 1, 2026.

~~[(22)]~~ (23) Title 53F, Chapter 10, Part 2, Capital Projects Evaluation Panel, is repealed July 1, 2027.

~~[(23)]~~ (24) Subsection 53G-4-608(2)(b), regarding the Utah Seismic Safety Commission, is repealed January 1, 2025.

~~[(24)]~~ (25) Subsection 53G-4-608(4)(b), regarding the Utah Seismic Safety Commission, is repealed January 1, 2025.

~~[(25)]~~ (26) Section 53G-9-212, Drinking water quality in schools, is repealed July 1, 2027.

~~[(26)]~~ (27) Subsection 53G-9-703(4), regarding the parental video presentation concerning student use of technology, is repealed January 1, 2030.

~~[(27)]~~ (28) Subsection 53H-1-402(1)(j), regarding the Higher Education and Corrections

337 Council, is repealed July 1, 2027.

338 ~~[(28)]~~ (29) Section 53H-1-604, Higher Education and Corrections Council, is repealed July

339 1, 2027.

340 ~~[(29)]~~ (30) Subsection 53H-4-210(3), regarding the creation of the SafeUT and School

341 Safety Commission, is repealed January 1, 2030.

342 ~~[(30)]~~ (31) Subsection 53H-4-210(4), regarding the appointment of the members of the

343 SafeUT and School Safety Commission, is repealed January 1, 2030.

344 ~~[(31)]~~ (32) Subsection 53H-4-210(5), regarding the attorney general designating the chair of

345 the SafeUT and School Safety Commission, is repealed January 1, 2030.

346 ~~[(32)]~~ (33) Subsection 53H-4-210(6), regarding the quorum requirements of the SafeUT and

347 School Safety Commission, is repealed January 1, 2030.

348 ~~[(33)]~~ (34) Subsection 53H-4-210(7), regarding a formal action of the SafeUT and School

349 Safety Commission, is repealed January 1, 2030.

350 ~~[(34)]~~ (35) Subsection 53H-4-210(8), regarding compensation for members of the SafeUT

351 and School Safety Commission, is repealed January 1, 2030.

352 ~~[(35)]~~ (36) Subsection 53H-4-210(9), regarding the support staff for the SafeUT and School

353 Safety Commission, is repealed January 1, 2030.

354 ~~[(36)]~~ (37) Section 53H-4-306.1, Definitions -- Electrification of Transportation

355 Infrastructure Research Center, is repealed July 1, 2028.

356 ~~[(37)]~~ (38) Section 53H-4-306.2, Electrification of Transportation Infrastructure Research

357 Center -- Designation -- Duties, is repealed July 1, 2028.

358 ~~[(38)]~~ (39) Section 53H-4-306.3, Electrification of Transportation Infrastructure Research

359 Center -- Steering committee, is repealed July 1, 2028.

360 ~~[(39)]~~ (40) Section 53H-4-306.4, Electrification of Transportation Infrastructure Research

361 Center -- Industry advisory board, is repealed July 1, 2028.

362 ~~[(40)]~~ (41) Section 53H-4-306.5, Electrification of Transportation Infrastructure Research

363 Center -- Duties of the project director, is repealed July 1, 2028.

364 ~~[(41)]~~ (42) Section 53H-4-306.6, Electrification of Transportation Infrastructure Research

365 Center -- Project development and strategic objectives -- Reporting requirements, is

366 repealed July 1, 2028.

367 ~~[(42)]~~ (43) Section 53H-4-307.1, Center for Civic Excellence, is repealed July 1, 2030.

368 ~~[(43)]~~ (44) Section 53H-4-307.2, Center for Civic Excellence -- Duties -- Authority, is

369 repealed July 1, 2030.

370 ~~[(44)]~~ (45) Section 53H-4-307.3, Center for Civic Excellence -- Leadership, is repealed July

1, 2030.

~~[(45)]~~ (46) Section 53H-4-307.4, Center for Civic Excellence -- Faculty, is repealed July 1, 2030.

~~[(46)]~~ (47) Section 53H-4-307.5, Center for Civic Excellence -- Curriculum, is repealed July 1, 2030.

~~[(47)]~~ (48) Section 53H-4-307.6, Center for Civic Excellence -- Oversight -- Reporting, is repealed July 1, 2030.

~~[(48)]~~ (49) Section 53H-4-313, Food Security Council, is repealed July 1, 2027.

~~[(49)]~~ (50) Section 53H-8-305, Five-year performance goals, is repealed July 1, 2027.

~~[(50)]~~ (51) Title 53H, Chapter 10, Part 4, Education Savings Incentive Program, is repealed July 1, 2028.

Section 11. Section **77-11b-105** is amended to read:

77-11b-105 . Training requirements.

(1) As used in this section:

(a) "Council" means the Utah Prosecution Council created in Section 67-5a-1.

(b) "Digital asset" means the same as that term is defined in Section 13-62-101.

~~[(b)]~~ (c) "Division" means the Peace Officers Standards and Training Division created in Section 53-6-103.

(2) To participate in the program, an agency shall have at least one employee who is certified by the division as an asset forfeiture specialist through the completion of an online asset forfeiture course by the division.

(3) The division shall:

(a) develop an online asset forfeiture specialist course that is available to an agency for certification purposes;

(b) certify an employee of an agency who meets the course requirements to be an asset forfeiture specialist;

(c) recertify, every 36 months, an employee who is designated as an asset forfeiture specialist by an agency;

(d) submit annually a report to the commission no later than April 30 that contains a list of the names of the employees and agencies participating in the certification courses;

(e) review and update the asset forfeiture specialist course each year to comply with state and federal law; and

(f) provide asset forfeiture training to all peace officers in basic training programs.

(4) To be reimbursed for costs under Subsection 77-11b-401(3)(b), a prosecuting agency

shall have at least one employee who is certified by the council as an asset forfeiture specialist through the completion of an online asset forfeiture course.

(5) The council shall:

(a) develop an online asset forfeiture specialist course that is available to a prosecuting agency for certification purposes;

(b) develop a digital asset specialist course that is available to a prosecuting agency for certification purposes;

~~[(b)]~~ (c) certify an employee of a prosecuting agency who meets the course requirements to be an asset forfeiture specialist or a digital asset specialist;

~~[(c)]~~ (d) submit annually a report to the commission no later than April 30 that contains a list of the names of the employees and prosecuting agencies participating in certification courses by the council; and

~~[(d)]~~ (e) review and update the asset forfeiture specialist ~~[course]~~ and digital asset specialist courses each year to comply with state and federal law.

(6) A prosecuting agency shall have at least one employee who is certified by the council as a digital asset specialist through the completion of a digital asset specialist course.

Section 12. **Effective Date.**

This bill takes effect on May 6, 2026.