Date: July 2026

To: Minnesota Licensed Money Transmitters

2026 Minnesota Virtual Currency Legislative Updates

The Department of Commerce wants you to be aware of recently passed Minnesota laws affecting money services businesses whose business includes virtual currency. These laws prohibit the operation of virtual currency kiosks in Minnesota, allow Minnesota chartered depository institutions to offer virtual currency custody services, under certain conditions, and provide a couple of additional provisions related to virtual currency. This information is not intended to be legal advice. If you have questions concerning your responsibilities under Minnesota law, you may consult with an attorney of your choice.

Virtual Currency Kiosk Ban:

- Laws of Minnesota 2026, chapter 65 (Senate File 3868), language available here.
- This law amends Minnesota Statutes Chapter 53B by updating the definition of a virtual currency kiosk, prohibiting the operation of virtual currency kiosks, and requiring virtual kiosk operators to refund consumers.
- The kiosk prohibition states that:
    - Beginning ***August 1, 2026***: "a person is prohibited from installing, operating, maintaining, or making available for use a virtual currency kiosk."
    - On or before ***December 31, 2026***: "a virtual currency kiosk operator must remove the virtual currency kiosk from any location where the virtual currency kiosk is visible or accessible to the public."
- Kiosk operators have a couple of options for how to pay out customers but must do so no later than ***December 31, 2026***. There is a payout exception if a virtual currency operator maintains other lawful means for new and existing customers to "…access, transfer, redeem, or otherwise transact a customer's money or virtual currency that exists as a result of virtual currency kiosk transactions."

How will the Department implement the virtual currency kiosk ban?

Enforcement: The Department of Commerce will enforce the ban and ensure that virtual currency kiosks are inoperable by August 1st and removed from retail locations and public view by December 31st.

- Licensees and members of the public are encouraged to notify the Department of virtual currency kiosks located in public areas to virtualcurrencykioskreporting.COMM@state.mn.us.

- A virtual currency kiosk operator who fails to comply with the law may be subject to administrative action, and all applicable penalties and legal consequences provided for in Minnesota Statutes, sections 45.027, 53B.63, 53B.65, and 53B.66.

Licensing:

- Virtual currency kiosk operators who do not conduct other forms of lawful money transmission in Minnesota may choose to either:
    - allow their current money transmission license to automatically terminate on December 31, 2026;
    - mark their license as "not renewing" in NMLS during the renewal period beginning November 1, 2026; or
    - file a surrender request in the NMLS to terminate their license now or at any point before December 31, 2026.
- Virtual currency kiosk operators who engage in other forms of lawful money transmission under Minnesota Statutes Chapter 53B must follow the standard NMLS renewal process beginning November 1, 2026, in order to continue operating in Minnesota after December 31, 2026.

Examinations: The Department of Commerce conducts examinations of licensed money transmitters, and will continue to do so for virtual currency kiosk operators who still hold money transmission licenses.

Virtual Currency Custody Services Performed by Minnesota State-Chartered Banks and Credit Unions:

- Laws of Minnesota 2026, chapter 93 (**House File 3709)** language available here.
- This bill amends Minnesota Statutes Chapters 48 and 52 and governs the offering and provision of virtual-currency custody services in a nonfiduciary capacity by Minnesota state-chartered banks and credit unions. The new laws have provisions related to: (1) safety and soundness, (2) notice to the Department, (3) custodial capacity, (4) segregation of assets, and (5) third-party service provider requirements and oversight. This law becomes effective **August 1, 2026.**

How will the Department implement these new laws?

The Division will implement the new virtual-currency custody statutes through its existing supervisory authority over state-chartered banks and credit unions. Institutions that choose to offer virtual-currency custody services must provide at least 60 days' advance written notice describing the proposed services and the institution's risk management framework. The Division will review these activities through its regular examination and supervisory process, evaluating whether institutions are operating in a safe and sound manner and complying with applicable state and federal law.

Other Enacted Virtual Currency Provisions:

- Laws of Minnesota 2026, chapter 124 (House File 4188), language available here.
- **Virtual currency net worth calculation**.
    - Article 1, section 7 amended Minnesota Statutes, section 53B.74 to update the treatment of virtual currency in a licensee's calculation of tangible net worth.
- **Unclaimed property treatment of virtual currency**.

- Article 6, sections 1, 4 and 5 amended Minnesota Statutes, chapter 345 to add a definition of virtual currency, add a new section on when virtual currency is presumed abandoned, and provide that virtual currency must be liquidated anytime within 30 days before filing the report.

How will the Department implement these requirements?

- **Financial Institutions Division –** our licensing and examination teams handle both ongoing monitoring of financial requirements, as well as conduct examinations where compliance with the financial condition requirement such net worth are reviewed. The Division will continue this process with the updated requirements.
- **Enforcement –** All money transmission licensees engaged in virtual currency business activity are subject to the new net worth calculations. Failure to maintain minimum net worth as required, may result in enforcement action taken against the licensee.
- **Unclaimed Property –** The Department of Commerce is also the agency that oversees unclaimed property for the State of Minnesota. Examinations conducted by the Financial Institutions Division include compliance with unclaimed property laws. The Department's Unclaimed Property Division may also audit persons when it has reason to believe that the person has failed to report property pursuant to Minnesota law.
- New law takes effect **August 1, 2026**, which means holders need to be in compliance with Minnesota Statutes, section 345.41.