

Frequently Asked Questions

LB 609 – Crypto ATMs

FAQs on LB 609 – Cryptocurrency Kiosk/ATM Regulation

Cryptocurrency kiosks – or crypto ATMs – offer a legitimate way to buy cryptocurrency. But they’ve also become a favored tool of scammers. Nebraska is fighting back against fraudsters who abuse this technology.

In early 2025, the Nebraska Legislature passed, and Governor Jim Pillen signed, bipartisan legislation (LB 609) to give the Nebraska Department of Banking and Finance (“Department”) and law enforcement new tools to fight theft committed with the use of crypto kiosks.

The Department is the state agency responsible for enforcement of the Nebraska Money Transmitters Act, and is tasked with licensing and supervision of crypto ATM operations under that Act.

Below are some frequently asked questions regarding LB 609, the Controllable Electronic Record Fraud Prevention Act.

What is LB 609 and what does it do?

LB609 is a new law designed to help protect Nebraskans against fraud schemes that are carried out using crypto ATMs. Among other things, this law requires crypto ATM operators to:

- Obtain a license issued by the Department;
- Register the location of each crypto ATM;
- Limit the transactions that can be done by a person in a single day;
- Provide specific disclosures to customers;
- Ensure that relevant information is included on transaction receipts;
- Abide by a cap on fees charged per transaction; and
- Issue refunds to consumers that meet certain conditions.

What is a crypto ATM? How is it different than a traditional ATM?

While a crypto ATM may look a lot like a traditional bank ATM, they offer very different services. It is even likely that you will see crypto ATMs in many locations where a traditional ATM might also be located, such as gas stations, convenience stores, or

retail locations. Sometimes, the only way to tell the difference between the two is by checking for a name on the machine, or by interacting with it to see what services it offers.

A traditional ATM is established by a bank or credit union, and will have the name of that financial institution on the machine. These ATMs offer services to account holders of that institution, or other institutions that choose to operate on the same ATM network, allowing consumers to interact with the money in their account – such as by withdrawing funds from a checking or savings account.

On the other hand, a crypto ATM allows a consumer to deposit cash or transfer funds to purchase cryptocurrency and send it to a digital wallet. These machines will not have the name of a bank or credit union on them, as they are operated by different types of companies.

What kind of license is required by a crypto ATM operator?

LB609 requires crypto ATM operators to obtain a money transmitters license in Nebraska. To obtain and maintain this license, a company must provide evidence that they have the business experience, competence, character, and general fitness necessary to operate a licensed and supervised institution that works with a consumer's money. Licensing oversight is just one tool available under this new law.

How can I check if an operator has a license?

There are multiple ways to check to see if a crypto ATM operator is licensed to do business in Nebraska, including:

- Checking NMLS Consumer Access (<https://www.nmlsconsumeraccess.org/>), which can be used to search for names of operators to see if they are licensed in Nebraska and if any disciplinary action has been taken against them in the past.
- Contacting the Department to verify if a crypto ATM company is licensed in Nebraska, or to verify that a crypto ATM location has been registered. Call the Department at (402) 471-2171, or send an email to dob.complaints@nebraska.gov. In the future, the Department will also publish lists of licensed operators and registered crypto ATM locations on its website at: <https://ndbf.nebraska.gov/money-transmitters>.

How does this law help protect consumers from fraud?

Under this new law, crypto ATMs must follow certain requirements. These include:

- Establishing daily transaction limits of \$2,000 for new customers and \$10,500 for existing customers.
- Providing various disclosures and warnings to consumers to help identify fraud.
- Giving detailed receipts for each transaction a customer makes on a crypto ATM.
- Limiting fees charged to the consumer to 18% of the value of the total transaction.
- Offering live customer support and methods for contacting law enforcement and the Department.

How do the refund provisions in this law work?

One of the most important parts of this new legislation requires that crypto ATM operators offer refunds to customers who were victims of fraud that used a crypto ATM. In order to qualify for a refund, a customer **MUST** contact the crypto ATM operator **AND** either law enforcement or the Department **within 30 days of the fraudulent transaction**. As the Department is the primary regulator for these crypto ATM operators, we strongly encourage consumers to reach out to the Department directly anytime they believe they have been a victim of fraud involving a crypto ATM.

How do I make a report if I was the victim of a fraud involving a crypto ATM?

If you were fraudulently induced to send money to a scammer using a crypto ATM, it is extremely important that you **report it immediately**. The Department can be reached by phone at 402-471-2171, by email at: dob.complaints@nebraska.gov, or through its online complaint submission portal at: <https://ndbf.nebraska.gov/consumers/complaints>. Local law enforcement should also be contacted.

What kind of refund are victims of fraud entitled to under this new law?

The amount that is required to be refunded to someone who has been the victim of a fraud that involved a crypto ATM depends on whether that person has made any previous transactions with the crypto ATM operator before, and how long ago that transaction occurred.

For a new customer, or someone who has never made a transaction with that specific crypto ATM operator and is within a fourteen-day period after the customer's first transaction with that specific crypto ATM operator, this refund is a full refund of the amount of the transaction and all fees.

For an existing customer, or someone who has made a previous transaction with that specific crypto ATM operator more than fourteen days ago, this refund is limited to only

the fees charged for the transaction and does not include the full amount of the transaction.

What information should I include in my report in order to request a refund due to fraud?

Include this information in your report: the contact information for the victim, a description of the fraud that took place, amounts of the transaction(s), the name of the crypto ATM operator, location of any crypto ATMs involved, and any details that you can provide regarding the fraudster, such as emails, phone numbers, or any screenshots of conversations. And remember, there is a strict deadline to request a refund – the request must be made to the crypto ATM operator AND either law enforcement or the Department within 30 days of the fraudulent transaction. If you are unable to find contact information for the crypto ATM operator, reach out to the Department as soon as possible, so it can assist you in locating this information.

Under this new law, crypto ATM operators are required to provide customers with a detailed receipt for each transaction that they make. Much of the information that is required to be on this receipt will be important in obtaining a refund, so a copy of the receipt should be provided to the Department along with your report or complaint form. IT IS EXTREMELY IMPORTANT THAT YOU KEEP YOUR TRANSACTION RECEIPT. If someone coaches you or tells you that you must throw it away, this is a red flag that you may be involved in a fraudulent scheme.

After you file a complaint or contact the Department to make this report, Department staff may reach out to you for additional details.

The Department has also developed a site solely for aiding consumers and providing education and information regarding personal finance, protecting against fraud, and overall financial literacy. This effort, called Make Cents Make Sense, is available online at: <https://makecentsmakesense.nebraska.gov/> and more information about LB 609 and other fraud prevention tools are available on this site.