

**SENATE AMENDMENTS**  
**2<sup>nd</sup> Printing**

By: Capriglione

H.B. No. 4233

A BILL TO BE ENTITLED

AN ACT

relating to reporting and auditing requirements for digital asset service providers.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 160.004(c), Finance Code, is amended to read as follows:

(c) A digital asset service provider shall create a plan to allow

~~(1)~~ each digital asset customer to view at least quarterly an accounting of:

(1) ~~(A)~~ any outstanding liabilities owed to the digital asset customer; and

(2) ~~(B)~~ the digital asset customer's digital assets held in custody by the digital asset service provider

~~(2) an auditor to access and view at any time a pseudonymized version of the information made available to each digital asset customer under Subdivision (1)].~~

SECTION 2. Section 160.005(a), Finance Code, is amended to read as follows:

(a) In addition to any other requirements under Subchapter C ~~[D]~~, Chapter 152 ~~[151]~~, a digital asset service provider must comply with the requirements of this chapter to obtain and maintain any money transmission license under Subchapter C ~~[D]~~, Chapter 152 ~~[151]~~. ~~[A digital asset service provider applying for a new money~~

1 ~~transmission license under Subchapter D, Chapter 151, must submit~~  
2 ~~to the department the report required by Section 160.004(d).]~~

3       SECTION 3. Sections 160.004(d), (e), and (f), Finance Code,  
4 are repealed.

5       SECTION 4. This Act takes effect September 1, 2025.

# ADOPTED

MAY 29 2025

*Lately Saw*  
Secretary of the Senate

FLOOR AMENDMENT NO. 1

BY:

*Tan Parker*

1 Amend H.B. No. 4233 (senate committee report) by adding the  
2 following appropriately numbered SECTIONS to the bill and  
3 renumbering subsequent SECTIONS of the bill accordingly:

4 SECTION \_\_. Subtitle E, Title 3, Finance Code, is amended by  
5 adding Chapter 161 to read as follows:

## CHAPTER 161. VIRTUAL CURRENCY KIOSKS

### Sec. 161.001. DEFINITIONS. In this chapter:

8 (1) "Blockchain analytics" means the analysis of data  
9 from blockchains or public distributed ledgers, including  
10 associated transaction information.

11 (2) "Blockchain analytics software" means a software  
12 service that uses blockchain analytics data to provide risk-  
13 specific information, including information relating to virtual  
14 currency wallet addresses.

15 (3) "Commissioner" means the banking commissioner of  
16 Texas or a person designated by the banking commissioner and acting  
17 under the banking commissioner's direction and authority.

18 (4) "Department" means the Texas Department of Banking.

19 (5) "Transaction hash" means a unique identifier made  
20 up of a string of characters that act as a record of and provide  
21 proof that the transaction was verified and added to the  
22 blockchain.

23 (6) "Virtual currency" has the meaning assigned by  
24 Section 12.001, Business & Commerce Code.

25 (7) "Virtual currency address" means an alphanumeric

1 identifier associated with a virtual currency wallet identifying  
2 the location to which a virtual currency kiosk transaction can be  
3 sent.

4 (8) "Virtual currency business activity" means  
5 exchanging, transferring, or storing virtual currency.

6 (9) "Virtual currency kiosk" means an electronic  
7 terminal operated by a virtual currency kiosk operator to enable  
8 the operator to facilitate the exchange of virtual currency for  
9 money, bank credit, or other virtual currency, including by:

10 (A) connecting directly to a separate virtual  
11 currency exchanger that performs the actual virtual currency  
12 transmission; or

13 (B) drawing on the virtual currency in the  
14 possession of the electronic terminal's operator.

15 (10) "Virtual currency kiosk operator" means a person  
16 that engages in virtual currency business activity through a  
17 virtual currency kiosk located in this state or a person that owns,  
18 operates, or manages a virtual currency kiosk located in this state  
19 through which virtual currency business activity is offered.

20 (11) "Virtual currency kiosk transaction" means a  
21 transaction conducted or performed, wholly or partly, by  
22 electronic means on a virtual currency kiosk, including a  
23 transaction made at a virtual currency kiosk to purchase virtual  
24 currency with fiat currency or to sell virtual currency for fiat  
25 currency.

26 (12) "Virtual currency wallet" means a software  
27 application or other mechanism providing a means to hold, store,

1 or transfer virtual currency.

2 Sec. 161.002. REGISTRATION REQUIRED. A virtual currency  
3 kiosk operator may not locate, or allow a third party to locate,  
4 a virtual currency kiosk in this state unless the virtual currency  
5 kiosk operator:

6 (1) registers the kiosk with the department; and  
7 (2) obtains the prior approval of the department for  
8 the activation of the kiosk.

9 Sec. 161.003. REPORT REQUIRED. Not later than the 45th day  
10 following the date of the end of each calendar quarter, a virtual  
11 currency kiosk operator shall file with the department a report of  
12 the location of each virtual currency kiosk of the operator in  
13 this state. The report required under this section must include  
14 for each virtual currency kiosk:

15 (1) company legal name;  
16 (2) any fictitious or trade name;  
17 (3) physical address;  
18 (4) start date of operation of the virtual currency  
19 kiosk at a location;  
20 (5) end date of operation of the virtual currency kiosk  
21 at a location, if applicable; and  
22 (6) each virtual currency address associated with the  
23 virtual currency kiosk.

24 Sec. 161.004. REQUESTS FOR CERTAIN INFORMATION. (a) Not  
25 later than 72 hours after receiving a written request from a law  
26 enforcement agency, a virtual currency kiosk operator shall  
27 provide to the agency limited identifying information such as a

1 virtual currency wallet address or transaction hash.

2 (b) A release of information under Subsection (a) does not  
3 require a subpoena or court order. A release of additional  
4 identifying information requires a subpoena or court order.

5 Sec. 161.005. DISCLOSURES ON MATERIAL RISK. (a) A virtual  
6 currency kiosk operator in this state shall disclose in a clear,  
7 conspicuous, and easily readable manner all material risks  
8 generally associated with virtual currency, including that:

9 (1) virtual currency is not legal tender and is not  
10 backed or insured by the government;

11 (2) accounts and value balances of virtual currency are  
12 not subject to Federal Deposit Insurance Corporation, National  
13 Credit Union Administration, or Securities Investor Protection  
14 Corporation protections;

15 (3) some virtual currency kiosk transactions are deemed  
16 to be made when recorded on a public ledger that may not be the  
17 date or time when the person initiates the transaction;

18 (4) virtual currency's value may be derived from the  
19 continued willingness of market participants to exchange fiat  
20 currency for virtual currency, which may result in the permanent  
21 and total loss of a particular virtual currency's value if the  
22 market for virtual currency disappears;

23 (5) a person who accepts a virtual currency as payment  
24 is not required to accept the currency as payment and may decline  
25 to accept the currency in a future transaction;

26 (6) the volatility and unpredictability of the price of  
27 virtual currency relative to fiat currency may result in a

1 significant loss in value over a short period;

2 (7) the nature of virtual currency means that any  
3 technological difficulties experienced by a virtual currency kiosk  
4 operator may prevent access to or use of the operator's customer's  
5 virtual currency; and

6 (8) any bond maintained by the virtual currency kiosk  
7 operator for the benefit of customers may not cover all losses  
8 incurred by customers.

9 (b) In addition to the disclosures required under Subsection  
10 (a), a virtual currency kiosk operator shall provide a written  
11 disclosure that:

12 (1) is written prominently and in bold type and must be  
13 acknowledged by the customer;

14 (2) is provided separately from the disclosures  
15 required under Subsection (a); and

16 (3) states: "WARNING: LOSSES DUE TO FRAUDULENT OR  
17 ACCIDENTAL TRANSACTIONS ARE NOT RECOVERABLE AND TRANSACTIONS IN  
18 VIRTUAL CURRENCY ARE IRREVERSIBLE. VIRTUAL CURRENCY TRANSACTIONS  
19 MAY BE USED TO STEAL YOUR MONEY BY CRIMINALS IMPERSONATING THE  
20 GOVERNMENT, ORGANIZATIONS, OR YOUR LOVED ONES. THEY CAN THREATEN  
21 JAIL TIME, SAY YOUR IDENTITY HAS BEEN STOLEN, ALLEGE YOUR COMPUTER  
22 HAS BEEN HACKED, INSIST YOU WITHDRAW MONEY FROM YOUR BANK ACCOUNT  
23 TO PURCHASE VIRTUAL CURRENCY, OR A NUMBER OF OTHER SCAMS. IF YOU  
24 BELIEVE YOU ARE BEING SCAMMED, CALL YOUR LOCAL LAW ENFORCEMENT."

25 (c) The disclosures required under Subsection (a) must be  
26 displayed on the screen of the virtual currency kiosk with the  
27 ability for a customer to acknowledge the receipt of the

1 disclosure.

2       Sec. 161.006. TRANSACTION-RELATED DISCLOSURES. (a) A  
3 virtual currency kiosk operator shall disclose all relevant terms  
4 generally associated with virtual currency and with the products,  
5 services, and activities of the virtual currency kiosk operator,  
6 including:

7           (1) the virtual currency kiosk operator's liability for  
8 unauthorized virtual currency kiosk transactions;

9           (2) the customer's liability for unauthorized virtual  
10 currency kiosk transactions;

11           (3) the customer's right to receive prior notice of a  
12 change in the virtual currency kiosk operator's rules or policies;  
13 and

14           (4) under what circumstances the virtual currency kiosk  
15 operator, without a court or government order, is authorized to  
16 disclose a customer's account information to third parties.

17       (b) Before a virtual currency kiosk transaction is entered  
18 into for, on behalf of, or with a customer, a virtual currency  
19 kiosk operator shall disclose the terms of the transaction in a  
20 clear, conspicuous, and easily readable manner, including:

21           (1) the amount of the transaction denominated in:

22                   (A) United States dollars; and

23                   (B) the applicable virtual currency involved in  
24 the transaction;

25           (2) any transaction fees, expenses, or charges,  
26 including applicable exchange rates;

27           (3) the type and nature of the transaction;

1           (4) a warning that once completed, the transaction may  
2 not be reversed; and

3           (5) any other disclosures that are customarily provided  
4 in connection with a virtual currency kiosk transaction.

5       Sec. 161.007. ACKNOWLEDGMENT OF DISCLOSURES. Before  
6 completing a transaction, a virtual currency kiosk operator shall  
7 ensure that each customer who engages in a virtual currency kiosk  
8 transaction using the operator's kiosk acknowledges receipt of all  
9 disclosures required under this chapter by confirmation of  
10 consent.

11       Sec. 161.008. RECEIPT REQUIRED. After a transaction is  
12 completed, the virtual currency kiosk operator shall provide the  
13 customer with a physical or digital receipt in the customer's  
14 preferred language that contains:

15           (1) the virtual currency kiosk operator's name and  
16 contact information, including a telephone number to answer  
17 questions and register complaints;

18           (2) the type, value, date, and precise time of the  
19 transaction, the transaction hash, and each applicable virtual  
20 currency address;

21           (3) the name and contact information of the sender;

22           (4) the name and contact information of the designated  
23 recipient;

24           (5) the fees charged;

25           (6) the exchange rate of the virtual currency to United  
26 States dollars;

27           (7) a statement of the virtual currency kiosk

1 operator's liability for nondelivery or delayed delivery;

2 (8) a statement of the virtual currency kiosk  
3 operator's refund policy; and

4 (9) any additional information the department may  
5 require.

6 Sec. 161.009. PREVENTION OF FRAUDULENT ACTIVITY. A virtual  
7 currency kiosk operator must use blockchain analytics software to  
8 assist in the prevention of sending purchased virtual currency  
9 from a virtual currency kiosk operator to a virtual currency wallet  
10 known to be affiliated with fraudulent activity at the time of a  
11 transaction. The department may request evidence from any virtual  
12 currency kiosk operator of current use of blockchain analytics.

13 Sec. 161.010. FRAUD POLICY. A virtual currency kiosk  
14 operator shall take reasonable steps to detect and prevent fraud,  
15 including establishing and maintaining a written antifraud policy.  
16 The policy required by this section shall, at a minimum, include:

17 (1) the identification and assessment of fraud-related  
18 risk areas;

19 (2) procedures and controls to protect against  
20 identified risks;

21 (3) allocation of responsibility for monitoring risks;  
22 and

23 (4) procedures for the periodic evaluation and revision  
24 of the antifraud procedures, controls, and monitoring mechanisms.

25 Sec. 161.011. MEASURES TO ENSURE COMPLIANCE WITH LAWS. (a)  
26 A virtual currency kiosk operator must designate and employ a  
27 compliance officer who:

1           (1) is qualified to coordinate and monitor compliance  
2 with the requirements of this chapter and as otherwise provided by  
3 federal and state laws, rules, and regulations;

4           (2) is employed full time by the virtual currency kiosk  
5 operator; and

6           (3) does not own more than 20 percent of the virtual  
7 currency kiosk operator.

8           (b) Any compliance responsibilities required under federal  
9 or state laws, rules, and regulations shall be completed by the  
10 full-time employees of the virtual currency kiosk operator.

11       Sec. 161.012. IDENTIFICATION REQUIRED. Before completing a  
12 transaction, a virtual currency kiosk operator shall ensure that  
13 each customer who engages in a virtual currency kiosk transaction  
14 using the operator's kiosk scans the customer's driver's license  
15 or personal identification card.

16       Sec. 161.013. TEMPORARY HOLD ON TRANSACTIONS BY CERTAIN  
17 CUSTOMERS. A virtual currency kiosk operator shall place a 72-  
18 hour hold on any transaction initiated by a first-time customer  
19 who engages in a virtual currency kiosk transaction using the  
20 operator's kiosk.

21       Sec. 161.014. CUSTOMER SERVICE. A virtual currency kiosk  
22 operator that conducts business in this state must:

23           (1) provide live customer service between the hours of  
24 8 a.m. and 10 p.m. Monday through Friday; and

25           (2) display on the virtual currency kiosk or screen of  
26 the kiosk:

27               (A) the customer service toll-free telephone

1 number;

2 (B) the name, address, and telephone number of the  
3 operator; and

4 (C) the days on, time on, and method by which a  
5 customer can contact the operator for assistance.

6 Sec. 161.015. REVOCATION OF REGISTRATION. The department  
7 shall revoke a registration of a virtual currency kiosk operator  
8 if the virtual currency kiosk operator violates this chapter or a  
9 rule adopted or order issued under this chapter.

10 Sec. 161.016. CEASE AND DESIST ORDERS. (a) If the  
11 commissioner has reason to believe that a person has engaged or is  
12 likely to engage in an activity in violation of this chapter, the  
13 commissioner may order the person to cease and desist from the  
14 violation. The commissioner's order is subject to Section 161.020,  
15 unless the order is issued as an emergency order. The commissioner  
16 may issue an emergency cease and desist order under Section 161.021  
17 if the commissioner finds that the person's violation or likely  
18 violation threatens immediate and irreparable harm to the public.

19 (b) A cease and desist order under this section may require  
20 the person to cease and desist from the action or violation or to  
21 take affirmative action to correct any condition resulting from or  
22 contributing to the action or violation, including the payment of  
23 restitution to each resident of this state damaged by the  
24 violation.

25 Sec. 161.017. CONSENT ORDERS. (a) The commissioner may  
26 enter into a consent order at any time with a person to resolve a  
27 matter arising under this chapter or a rule adopted or order issued

1 under this chapter.

2 (b) A consent order must be signed by the person to whom the  
3 order is issued or by the person's authorized representative and  
4 must indicate agreement with the terms contained in the order.  
5 However, a consent order may provide that the order does not  
6 constitute an admission by a person that the person has violated  
7 this chapter or a rule adopted or order issued under this chapter.

8 (c) A consent order is a final order and may not be appealed.

9 Sec. 161.018. ADMINISTRATIVE PENALTY. (a) After notice and  
10 hearing, the commissioner may assess an administrative penalty  
11 against a person who:

12 (1) has violated this chapter or a rule adopted or order  
13 issued under this chapter and has failed to correct the violation  
14 not later than the 30th day after the date the department sends  
15 written notice of the violation to the person;

16 (2) has engaged in a pattern of violations; or

17 (3) has demonstrated wilful disregard for the  
18 requirements of this chapter, the rules adopted under this chapter,  
19 or an order issued under this chapter.

20 (b) A violation corrected after a person receives written  
21 notice from the department of the violation may be considered for  
22 purposes of determining whether a person has engaged in a pattern  
23 of violations under Subsection (a)(2) or demonstrated wilful  
24 disregard under Subsection (a)(3).

25 (c) The amount of the penalty may not exceed \$5,000 for each  
26 violation or, in the case of a continuing violation, \$5,000 for  
27 each day that the violation continues. Each transaction in

1 violation of this chapter and each day that a violation continues  
2 is a separate violation.

3 (d) In determining the amount of the penalty, the  
4 commissioner shall consider factors that include the seriousness  
5 of the violation, the person's compliance history, and the person's  
6 good faith in attempting to comply with this chapter, provided  
7 that if the person is found to have demonstrated wilful disregard  
8 under Subsection (a)(3), the trier of fact may recommend that the  
9 commissioner impose the maximum administrative penalty permitted  
10 under Subsection (c).

11 (e) A hearing to assess an administrative penalty is  
12 considered a contested case hearing and is subject to Section  
13 161.022.

14 (f) An order imposing an administrative penalty after notice  
15 and hearing becomes effective and is final for purposes of  
16 collection and appeal immediately on issuance.

17 (g) The commissioner may collect an administrative penalty  
18 assessed under this section in the same manner that a money  
19 judgment is enforced in court.

20 Sec. 161.019. NOTICE, HEARING, AND OTHER PROCEDURES FOR  
21 NONEMERGENCY ORDERS. (a) This section applies to an order issued  
22 by the commissioner under this chapter that is not an emergency  
23 order.

24 (b) An order to which this section applies becomes effective  
25 only after notice and an opportunity for hearing. The order must:

26 (1) state the grounds on which the order is based;

27 (2) to the extent applicable, state the action or

1 violation from which the person subject to the order must cease  
2 and desist or the affirmative action the person must take to  
3 correct a condition resulting from the violation or that is  
4 otherwise appropriate;

5 (3) be delivered by personal delivery or sent by  
6 certified mail, return receipt requested, to the person against  
7 whom the order is directed at the person's last known address;

8 (4) state the effective date of the order, which may  
9 not be before the 21st day after the date the order is delivered  
10 or mailed; and

11 (5) include a notice that a person may file a written  
12 request for a hearing on the order with the commissioner not later  
13 than the 20th day after the date the order is delivered or mailed.

14 (c) Unless the commissioner receives a written request for  
15 a hearing from the person against whom the order is directed not  
16 later than the 20th day after the date the order is delivered or  
17 mailed, the order takes effect as stated in the order and is final  
18 against and non-appealable by that person from that date.

19 (d) A hearing on the order must be held not later than the  
20 45th day after the date the commissioner receives the written  
21 request for the hearing unless the administrative law judge extends  
22 the period for good cause or the parties agree to a later hearing  
23 date.

24 (e) An order that has been affirmed or modified after a  
25 hearing becomes effective and is final for purposes of enforcement  
26 and appeal immediately on issuance. The order may be appealed to  
27 the district court of Travis County as provided by Section

1 161.021(b).

2 Sec. 161.020. REQUIREMENTS FOR NOTICE AND HEARING PROCEDURES  
3 FOR EMERGENCY ORDERS. (a) This section applies to an emergency  
4 order issued by the commissioner under this chapter.

5 (b) The commissioner may issue an emergency order, without  
6 prior notice and an opportunity for hearing, if the commissioner  
7 finds that:

8 (1) the action, violation, or condition that is the  
9 basis for the order:

10 (A) has caused or is likely to cause the  
11 insolvency of the virtual currency kiosk operator;

12 (B) has caused or is likely to cause the  
13 substantial dissipation of the virtual currency kiosk operator's  
14 assets or earnings;

15 (C) has seriously weakened or is likely to  
16 seriously weaken the condition of the virtual currency kiosk  
17 operator; or

18 (D) has seriously prejudiced or is likely to  
19 seriously prejudice the interests of the virtual currency kiosk  
20 operator, a customer of the virtual currency kiosk operator, or  
21 the public; and

22 (2) immediate action is necessary to protect the  
23 interests of the virtual currency kiosk operator, a customer of  
24 the virtual currency kiosk operator, or the public.

25 (c) In connection with and as directed by an emergency order,  
26 the commissioner may seize the records and assets of a virtual  
27 currency kiosk operator or authorized delegate that relate to the

1 operator's virtual currency kiosk business.

2 (d) An emergency order must:

3 (1) state the grounds on which the order is based;

4 (2) advise the person against whom the order is  
5 directed that the order takes effect immediately, and, to the  
6 extent applicable, require the person to immediately cease and  
7 desist from the conduct or violation that is the subject of the  
8 order or to take the affirmative action stated in the order as  
9 necessary to correct a condition resulting from the conduct or  
10 violation or as otherwise appropriate;

11 (3) be delivered by personal delivery or sent by  
12 certified mail, return receipt requested, to the person against  
13 whom the order is directed at the person's last known address; and

14 (4) include a notice that a person may request a hearing  
15 on the order by filing a written request for hearing with the  
16 commissioner not later than the 15th day after the date the order  
17 is delivered or mailed.

18 (e) An emergency order takes effect as soon as the person  
19 against whom the order is directed has actual or constructive  
20 knowledge of the issuance of the order.

21 (f) A virtual currency kiosk operator or authorized delegate  
22 against whom an emergency order is directed must submit a written  
23 certification to the commissioner, signed by the operator or  
24 authorized delegate, and their principals and responsible  
25 individuals, as applicable, and each person named in the order,  
26 stating that each person has received a copy of and has read and  
27 understands the order.

1       (g) Unless the commissioner receives a written request for  
2 a hearing from a person against whom an emergency order is directed  
3 not later than the 15th day after the date the order is delivered  
4 or mailed, the order is final and non-appealable as to that person  
5 on the 16th day after the date the order is delivered or mailed.

6       (h) A request for a hearing does not stay an emergency order.

7       (i) A hearing on an emergency order takes precedence over  
8 any other matter pending before the commissioner, and must be held  
9 not later than the 10th day after the date the commissioner  
10 receives the written request for hearing unless the administrative  
11 law judge extends the period for good cause or the parties agree  
12 to a later hearing date.

13       (j) An emergency order that has been affirmed or modified  
14 after a hearing is final for purposes of enforcement and appeal.  
15 The order may be appealed to the district court of Travis County  
16 as provided in Section 161.021(b).

17       Sec. 161.021. ADMINISTRATIVE PROCEDURES. (a) All  
18 administrative proceedings under this chapter must be conducted in  
19 accordance with Chapter 2001, Government Code, and 7 T.A.C. Chapter  
20 9.

21       (b) A person affected by a final order of the commissioner  
22 issued under this chapter after a hearing may appeal the order by  
23 filing a petition for judicial review in a district court of Travis  
24 County. A petition for judicial review filed in the district court  
25 under this subsection does not stay or vacate the appealed order  
26 unless the court, after notice and hearing, specifically stays or  
27 vacates the order.

1       Sec. 161.022. REFUND. (a) Not later than the 14th day after  
2 the date that a customer enters into a virtual currency kiosk  
3 transaction, if the customer believes the transaction was  
4 fraudulently induced, the customer may file a complaint with:

5               (1) the virtual currency kiosk operator of the kiosk  
6 used to complete the transaction; and

7               (2) an appropriate governmental or law enforcement  
8 agency.

9       (b) A governmental or law enforcement agency that receives  
10 a complaint under Subsection (a) shall:

11               (1) investigate the complaint; and

12               (2) provide a report to the customer and the virtual  
13 currency kiosk operator stating whether or not the virtual currency  
14 kiosk transaction was fraudulently induced.

15       (c) If the report provided under Subsection (b) states that  
16 a virtual currency kiosk transaction was fraudulently induced, the  
17 virtual currency kiosk operator shall issue to the customer a full  
18 refund for any fees charged by the operator in connection with the  
19 transaction.

20       Sec. 161.023. PHYSICAL WARNING SIGNS. A virtual currency  
21 kiosk operator in this state shall post at the location of each  
22 virtual currency kiosk of the operator a written warning in the  
23 form of a sign within readable sight of the kiosk that provides  
24 notice to customers that law enforcement does not accept virtual  
25 currency payments.

26       Sec. 161.024. LAW ENFORCEMENT CONTACT. A virtual currency  
27 kiosk operator in this state shall, at a minimum, have a dedicated

1 law enforcement contact and dedicated method of contact for the  
2 applicable governmental or law enforcement agencies to contact the  
3 operator. The contact method shall be displayed and made available  
4 on the virtual currency kiosk operator's Internet website and shall  
5 be updated as necessary.

6 Sec. 161.025. RULES. The Finance Commission of Texas shall  
7 adopt rules necessary to implement, administer, and enforce this  
8 chapter.

9 SECTION \_\_\_\_\_. As soon as practicable after the effective date  
10 of this Act, the Finance Commission of Texas shall adopt rules  
11 necessary to implement Chapter 161, Finance Code, as added by this  
12 Act.

ADOPTED

MAY 29 2025

*Latey Law*  
Secretary of the Senate

FLOOR AMENDMENT NO. 2

BY: *[Signature]*

Amend H.B. No. 4233 (senate committee report) as follows:

(1) In the recital to SECTION 1 of the bill (page 1, line 24), strike "Section 160.004(c), Finance Code, is" and substitute "Sections 160.004(b) and (c), Finance Code, are".

(2) In SECTION 1 of the bill, before amended Section 160.004(c), Finance Code (page 1, between lines 25 and 26), insert the following:

(b) In addition to any other requirements under state law, a digital asset service provider shall maintain customer funds not subject to the requirements of Chapter 152 [~~151~~]:

(1) in separate accounts for obligations to each digital asset customer; or

(2) in an omnibus account that only contains digital assets of digital asset customers and in which digital assets of digital asset customers are not strictly segregated from each other.

(3) In the recital to SECTION 2 of the bill (page 1, line 37), strike "Section 160.005(a)" and substitute "Section 160.005".

(4) In SECTION 2 of the bill, in amended Section 160.005(a), Finance Code (page 1, line 39), before "(a)", insert "Sec. 160.005. REQUIREMENTS FOR MONEY TRANSMISSION LICENSE.".

(5) In SECTION 2 of the bill, following amended Section 160.005(a), Finance Code (page 1, between lines 45 and 46), insert the following:

(b) The department may suspend and revoke a money transmission license issued under Subchapter C [~~D~~], Chapter 152 [~~151~~], to a digital asset service provider if the provider violates the requirements of this chapter.

(c) The department may impose any penalty under Subchapter I

1 [H], Chapter 152 [~~151~~], that the department may impose on a person  
2 who violates that chapter on a digital asset service provider who  
3 violates this chapter.

4 (d) The commissioner may examine or investigate a digital  
5 asset service provider in the same manner as allowed under  
6 Subchapter B [G], Chapter 152 [~~151~~]. Information disclosed to the  
7 commissioner in connection with an examination or investigation  
8 under this section is confidential information and subject to the  
9 provisions regarding confidentiality under Subchapter B [G],  
10 Chapter 152 [~~151~~].

11 (6) Add the following appropriately numbered SECTION to the  
12 bill:

13 SECTION \_\_\_\_\_. Section 160.003, Finance Code, is amended to  
14 read as follows:

15 Sec. 160.003. APPLICABILITY. (a) This chapter applies to a  
16 digital asset service provider doing business in this state that:

17 (1) holds a money transmission license under  
18 Subchapter C [D], Chapter 152 [~~151~~]; and

19 (2) either:

20 (A) serves more than 500 digital asset customers  
21 in this state; or

22 (B) has at least \$10 million in customer funds.

23 (b) This chapter does not apply to:

24 (1) a bank, as defined by Section 31.002; or

25 (2) an entity excluded by commission rule or by order  
26 of the banking commissioner based on a finding that the entity is:

27 (A) not required to hold a money transmission  
28 license under Subchapter C [D], Chapter 152 [~~151~~]; or

29 (B) not subject to the requirements of this  
30 chapter.

31 (7) Renumber remaining SECTIONS of the bill accordingly.

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 29, 2025**

**TO:** Honorable Dustin Burrows, Speaker of the House, House of Representatives

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4233** by Capriglione (Relating to reporting and auditing requirements for digital asset service providers.), **As Passed 2nd House**

<b>No significant fiscal implication to the State is anticipated.</b>
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The Department of Banking is a self-directed, semi-independent agency that is responsible for its costs of operations, prohibited from causing the General Revenue Fund to incur any cost, and not subject to the legislative budgeting process.

**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 451 Department of Banking

**LBB Staff:** JMc, SD, RStu, FV, GDZ, KSi

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**May 22, 2025**

**TO:** Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4233** by Capriglione (Relating to reporting and auditing requirements for digital asset service providers.), **As Engrossed**

<p><b>No significant fiscal implication to the State is anticipated.</b></p>
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**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 451 Department of Banking

**LBB Staff:** JMc, RStu, FV, GDZ, KSi

**LEGISLATIVE BUDGET BOARD**  
**Austin, Texas**

**FISCAL NOTE, 89TH LEGISLATIVE REGULAR SESSION**

**April 4, 2025**

**TO:** Honorable Stan Lambert, Chair, House Committee on Pensions, Investments & Financial Services

**FROM:** Jerry McGinty, Director, Legislative Budget Board

**IN RE: HB4233** by Capriglione (Relating to reporting and auditing requirements for digital asset service providers.), **As Introduced**

<b>No significant fiscal implication to the State is anticipated.</b>
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**Local Government Impact**

No significant fiscal implication to units of local government is anticipated.

**Source Agencies:** 451 Department of Banking

**LBB Staff:** JMc, FV, GDZ, KSi