

**CENTERVILLE CITY
ORDINANCE 2026-19**

**AN ORDINANCE ENACTING CHAPTER 7.10 OF THE CENTERVILLE
MUNICIPAL CODE REGARDING VIRTUAL CURRENCY KIOSKS AND
PROHIBITING THE OPERATION, PLACEMENT, AND MAINTENANCE
OF VIRTUAL CURRENCY KIOSKS WITHIN THE CITY**

WHEREAS, Centerville City is a municipal corporation organized and existing under the laws of the State of Utah; and

WHEREAS, pursuant to Utah Code § 10-3-702, the governing body of a municipality may, subject to applicable law, enact ordinances to regulate, require, prohibit, govern, control, or supervise activities, businesses, conduct, or conditions within its jurisdiction; and

WHEREAS, the City Council has considered the potential impact of this Ordinance on family health, stability, and formation, as required by Utah Code § 10-3-702.1; and

WHEREAS, Utah Code § 10-8-84 authorizes a municipal legislative body to enact ordinances and regulations that are necessary and proper to provide for the health and safety of the City and its inhabitants, to promote peace and good order, to provide for the comfort and convenience of the City and its inhabitants, and to protect property within the City; and

WHEREAS, the Utah Legislature enacted H.B. 72 during the 2026 General Session, adopting Virtual Currency Kiosk Regulations, as set forth in Utah Code §§ 13-83-101, et seq., effective May 6, 2026; and

WHEREAS, H.B. 72 defines a “virtual currency kiosk” as an electronic terminal acting as a mechanical agent of a virtual currency kiosk operator to facilitate the exchange of virtual currency for money, bank credit, or other virtual currency; and

WHEREAS, the enactment by the State of a regulatory framework for virtual currency kiosks demonstrates that the operation of such kiosks presents legitimate consumer-protection, fraud-prevention, and law-enforcement concerns; and

WHEREAS, the City Council has reviewed information concerning fraud schemes involving virtual currency, including schemes in which victims are instructed to convert money into virtual currency and transfer the virtual currency through a virtual currency kiosk to an address controlled by or associated with a fraudster; and

WHEREAS, virtual currency transactions can be difficult or impossible to reverse after a victim has transferred virtual currency to a fraudulent recipient, creating substantial financial consequences for victims and increasing the difficulty of recovering stolen funds; and

WHEREAS, the City Council finds that virtual currency kiosks may provide a readily accessible physical mechanism through which a person can rapidly convert lawful currency into virtual currency and transfer that value to a third party, including a fraudulent or otherwise unauthorized recipient; and

WHEREAS, the City Council finds that the characteristics of virtual currency transactions, including speed, electronic execution, geographic reach, and the difficulty of reversing certain transactions, can increase the potential consequences of fraud conducted through or facilitated by virtual currency kiosks; and

WHEREAS, the City Council is particularly concerned about fraud schemes targeting older adults, persons with limited technological experience, and other persons who may be vulnerable to financial exploitation, including schemes in which victims are falsely instructed that they must transfer money or virtual currency to protect their accounts, resolve a purported government or law-enforcement matter, pay a debt or fine, or prevent an alleged criminal or financial consequence; and

WHEREAS, the City Council recognizes that fraud may be committed through many different forms of financial technology and that not every transaction conducted through a virtual currency kiosk is fraudulent; however, the City Council finds that the particular combination of characteristics associated with virtual currency kiosks warrants a distinct municipal response; and

WHEREAS, the City Council finds that a prohibition directed specifically at physical virtual currency kiosks does not prohibit or regulate virtual currency generally and does not prohibit an individual from owning, possessing, transferring, receiving, or otherwise lawfully using virtual currency; and

WHEREAS, this Ordinance does not prohibit a person from accepting virtual currency as payment for lawful goods or services, using a virtual currency wallet, purchasing or selling virtual currency through an online service that does not involve a prohibited physical kiosk, or engaging in other lawful activity involving virtual currency that is not expressly prohibited by this Ordinance; and

WHEREAS, the City Council finds that prohibiting physical virtual currency kiosks is a reasonable and proportionate means of addressing the City's identified public-safety concerns because the prohibition is limited to the particular physical mechanism through which the identified risks are facilitated; and

WHEREAS, the City Council has considered alternatives to a complete prohibition, such as business licensing, registration, zoning restrictions, operating-hour restrictions, disclosure requirements, location restrictions, and reliance upon the State's regulatory requirements; and

WHEREAS, after considering those alternatives, the City Council finds that additional local regulation of individual kiosks would impose continuing administrative, inspection, enforcement, and monitoring obligations on the City while leaving substantially intact the particular transaction mechanism giving rise to the City's concerns; and

WHEREAS, the City Council therefore finds that a citywide prohibition is a more effective, administratively feasible, and reasonably tailored means of protecting the health, safety, peace, good order, convenience, and property of Centerville City residents and businesses; and

WHEREAS, the City Council further finds that a citywide prohibition provides a clear and readily enforceable rule that avoids requiring City personnel to determine on a case-by-case basis whether a particular kiosk operator, location, transaction, or business model presents an acceptable level of risk; and

WHEREAS, the City Council has considered the fact that other Utah municipalities, including Provo City, Layton City, Heber City, and Tremonton City, have enacted or considered ordinances prohibiting virtual currency kiosks within their jurisdictions, demonstrating that municipalities throughout Utah have independently identified similar local concerns regarding such kiosks; and

WHEREAS, the City Council finds that the regulation adopted by this Ordinance is directed at the operation and physical placement of virtual currency kiosks within the City's jurisdiction and is not intended to regulate matters occurring wholly outside the City's territorial jurisdiction; and

WHEREAS, the City Council finds that this Ordinance is not inconsistent with the Virtual Currency Kiosk Regulations set forth in Utah Code §§ 13-83-101, et seq., because the State statutes establish minimum statewide requirements applicable to kiosk operators but does not expressly authorize a virtual currency kiosk to operate within every municipality or expressly preempt a municipality from prohibiting such kiosks within its jurisdiction; and

WHEREAS, the City Council finds that the restrictions provided in this Ordinance regarding the use and operation of virtual currency kiosks are appropriate and that the exceptions provided herein distinguish such regulation of virtual currency kiosks from the permitted use of virtual currency and digital assets in accordance with Utah Code § 7-29-102; and

WHEREAS, the City Council has determined that the prohibition established by this Ordinance is reasonably related to legitimate municipal interests in preventing fraud and financial exploitation, protecting residents and property, reducing law-enforcement burdens, and preserving public safety and welfare; and

WHEREAS, the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN) issued a Notice on the Use of Convertible Virtual Currency Kiosks for Scam Payments and Other Illicit Activity dated August 4, 2025, highlighting the increasing use of virtual currency kiosks for fraud, scams, money laundering, and other illicit activities; and

WHEREAS, the Federal Bureau of Investigation's Internet Crime Complaint Center (IC3) issued Public Service Announcement Alert Number I-051526-PSA dated May 15, 2026, regarding cryptocurrency kiosks at the State level, which report indicates in 2025, the IC3 received more than 13,400 complaints regarding the use of cryptocurrency kiosks to commit fraud, with reported losses to citizens of over \$388 million; and

WHEREAS, the IC3's Public Service Announcement Alert Number I-051526-PSA, regarding cryptocurrency kiosks at the State level reported 160 complaints filed in Utah in 2025, with adjusted losses to citizens estimated at \$3,310,627; and

WHEREAS, based on an investigation conducted by the Iowa Attorney General's Office in 2023, over 98% of money Iowans reported sending through Bitcoin Depot and over 94% of the money sent through CoinFlip were scam transactions; and

WHEREAS, based on the experience and testimony of the Centerville City Police Chief, the use of virtual currency kiosks in Centerville City for scam transactions are consistent with the reported Iowa percentages; and

WHEREAS, the City Council finds there are other alternatives for sending and receiving virtual currencies, including alternatives for converting cash to virtual currency through business that have teller transactions; and

WHEREAS, the Centerville City Police Department displayed warning signs on or near the virtual currency kiosks located within Centerville City, which warning signs were more robust than the new Utah state law requirements and were displayed prior to the new Utah state law requirements, and they were not enough of a deterrent for scam victims; and

WHEREAS, the City Council finds that the virtual currency kiosks located within Centerville City are detrimental and cause harm to Centerville residents and there are other less harmful ways to trade virtual currencies outside of the use of virtual currency kiosks; and

WHEREAS, based upon the foregoing findings, and other evidence in the legislative record, the City Council determines that the prohibition established by this Ordinance is necessary and proper to protect the health, safety, peace, good order, comfort, convenience, and property of the residents and businesses of Centerville City.

NOW THEREFORE, be it ordained by the City Council of Centerville City, in the State of Utah, as follows:

SECTION 1: **ADOPTION** "7.10 Virtual Currency Kiosks" of the Centerville Municipal Code is hereby *added* as follows:

ADOPTION

7.10 Virtual Currency Kiosks (*Added*)

SECTION 2: **ADOPTION** "7.10.010 Purpose" of the Centerville Municipal Code is hereby *added* as follows:

ADOPTION

7.10.010 Purpose (*Added*)

The purpose of this Chapter is to protect the health, safety, peace, good order, convenience, and property of the residents and businesses of Centerville City by prohibiting the operation

and physical placement of virtual currency kiosks within the City's jurisdiction. In accordance with Utah law, this Chapter is intended to regulate a particular physical commercial activity and does not prohibit or regulate virtual currency generally. This Chapter is intended to comply with State regulation of virtual currencies, virtual currency kiosks, and digital assets, including, but not limited to the Virtual Currency Kiosk Regulations, set forth in Utah Code §§ 13-83-101, et seq., and the Digital Asset and Blockchain Technology provisions, set forth in Utah Code §§ 7-29-101, et seq.

SECTION 3: ADOPTION “7.10.020 Definitions” of the Centerville Municipal Code is hereby *added* as follows:

ADOPTION

7.10.020 Definitions (*Added*)

The following words and terms, when used in this Chapter, shall have the following meaning:

- (a) "Person" means an individual, corporation, limited liability company, partnership, association, trust, or any other legal entity.
- (b) “Virtual Currency” means a digital representation of value that is used as a medium of exchange, a unit of account, or a store of value, and is not money, whether or not denominated in money.
- (c) “Virtual Currency Kiosk” means an electronic terminal or any other similar automated device which acts as a mechanical agent of the virtual currency kiosk operator to enable or facilitate the exchange of virtual currency for money, bank credit, or other virtual currency. The term "Virtual Currency Kiosk" shall not include personal technology such as a personal computer, mobile device, or digital or hardware wallet used by an individual for personal, non-commercial purchase, sale, or storage of virtual currency or digital assets or point-of-sale terminals used by a merchant for the sole purpose of accepting virtual currency as payment for legal goods or services offered by the merchant, as allowed by Utah law.
- (d) “Virtual Currency Kiosk Operator” means a person or entity that operates a virtual currency kiosk within the corporate limits of Centerville City, that owns, operates, controls, leases, maintains or otherwise provides a virtual currency kiosk for use by members of the public within the corporate limits of Centerville City, or that permits the use or installation of a virtual currency kiosk on property owned, leased, or controlled by the person or entity within the corporate limits of Centerville City.

SECTION 4: ADOPTION “7.10.030 Virtual Currency Kiosks Prohibited” of the Centerville Municipal Code is hereby *added* as follows:

ADOPTION

7.10.030 Virtual Currency Kiosks Prohibited (*Added*)

It is unlawful for any person or entity to operate, maintain, permit, lease space for, locate, or place a virtual currency kiosk within the corporate limits of Centerville City. No property owner, tenant, business owner, lessee, manager, or other person or entity having control over real property within the City shall knowingly permit a virtual currency kiosk to be installed, maintained, operated, or used on property within Centerville City.

SECTION 5: **ADOPTION** “7.10.040 Exceptions” of the Centerville Municipal Code is hereby *added* as follows:

ADOPTION

7.10.040 Exceptions (*Added*)

Nothing in this Chapter shall be construed to regulate, restrict, or prohibit:

- (a) A person from owning, possessing, purchasing, selling, transferring, receiving, or otherwise lawfully using virtual currency, or any other permitted use of digital assets as provided under Utah Code § 7-29-102, provided such activity does not involve the use of a virtual currency kiosk prohibited by this Chapter;
- (b) A person from using a digital or hardware wallet, software application, computer, mobile device, or other personal electronic device for lawful virtual currency activity, provided such activity does not involve the use of a virtual currency kiosk prohibited by this Chapter;
- (c) A business from accepting virtual currency as payment for lawful goods or services, provided that the business does not operate or maintain a virtual currency kiosk prohibited by this Chapter;
- (d) An online virtual currency exchange or other online service that does not operate or maintain a physical virtual currency kiosk within Centerville City; or
- (e) Any activity expressly authorized or required by federal or state law and that a municipality is prohibited from regulating.

SECTION 6: **ADOPTION** “7.10.050 Preemption” of the Centerville Municipal Code is hereby *added* as follows:

ADOPTION

7.10.050 Preemption (*Added*)

This Chapter shall be interpreted and enforced to the maximum extent permitted by federal and State law. Nothing in this Chapter is intended to prohibit conduct that the City is expressly prohibited by federal or State law from prohibiting or regulating. If any provision of this

Chapter is determined to be preempted, invalid, or unenforceable, the remaining provisions shall remain in full force and effect to the maximum extent permitted by law.

SECTION 7: **ADOPTION** “7.10.060 No Authorization” of the Centerville Municipal Code is hereby *added* as follows:

A D O P T I O N

7.10.060 No Authorization (*Added*)

The issuance of a business license, zoning approval, building permit, sign permit, occupancy permit, or other City approval shall not authorize an activity prohibited by this Chapter. No City officer, employee, board, commission, or administrative body shall issue or have the authority to issue a permit, license, approval, or other authorization for the operation or placement of a virtual currency kiosk in violation of this Chapter.

SECTION 8: **ADOPTION** “7.10.070 Violations” of the Centerville Municipal Code is hereby *added* as follows:

A D O P T I O N

7.10.070 Violations (*Added*)

Any person who is found guilty of violating any of the provisions of this Chapter, either by failing to do an act required herein or by doing a prohibited act, shall be guilty of a Class B misdemeanor, subject to fines and penalties provided by law, or enforced through the civil enforcement procedures set forth in CMC 1.06 (Civil Penalties). The City may enforce the provisions of this Chapter through any remedy available under applicable law, including, but not limited to, criminal citation, civil enforcement, injunctive relief, abatement, or other civil or criminal remedy authorized by law. The remedies provided herein are cumulative and do not limit any other remedy available to the City by Utah law. Each and every day that a violation of this Chapter exists or continues shall constitute a separate offense.

SECTION 9: **ADOPTION** “7.10.080 Transitional Provision” of the Centerville Municipal Code is hereby *added* as follows:

A D O P T I O N

7.10.080 Transitional Provision (*Added*)

- (a) A virtual currency kiosk that is operating within Centerville City on the effective date of this Ordinance shall cease operation and be removed from the City's jurisdiction within sixty (60) days after the effective date ("transition period").
- (b) No person or entity shall install, replace, relocate, or reactivate a virtual currency kiosk

during the 60-day transition period described in Subsection (a).

- (c) The transition period provided by this Section does not create a vested right, nonconforming use, property right, or entitlement to continue operating a virtual currency kiosk after expiration of the 60-day transition period.
- (d) The City Council finds that a limited transition period is appropriate to provide property owners and operators a reasonable opportunity to remove prohibited equipment while promptly advancing the public-safety purposes of this Ordinance.
- (e) Failure to remove a virtual currency kiosk within the 60-day transition period shall constitute a violation of this Chapter, subject to civil, criminal, or other enforcement remedies set forth in CMC 7.10.070 (Violations).

SECTION 10: SEVERABILITY CLAUSE If any section, subsection, paragraph, sentence, clause, phrase, or portion of this Ordinance is for any reason held to be unconstitutional, invalid, or unenforceable by a court of competent jurisdiction, that determination shall not affect the validity of the remaining portions of this Ordinance. The City Council declares that it would have enacted each provision independently of any provision that may subsequently be declared invalid.

SECTION 11: EFFECTIVE DATE This Ordinance shall take effect on September 15, 2026, subject to publication and posting as required by Utah law.

SECTION 12: LEGISLATIVE RECORD The City Council directs that the legislative record concerning this Ordinance include the materials considered by the City Council concerning fraud, financial exploitation, consumer protection, law-enforcement concerns, and the operation of virtual currency kiosks, including any law-enforcement reports, governmental publications, public comments, testimony, and other materials presented to or considered by the City Council as part of the adoption of this Ordinance.

SECTION 13: CONFLICTS If any provision of this Ordinance conflicts with a previously enacted provision of the Centerville Municipal Code, this Ordinance shall control to the extent of the conflict.

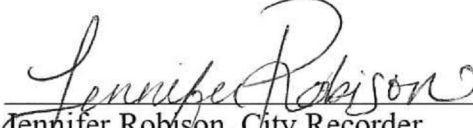
SECTION 14: CODIFICATION The City Recorder is authorized and directed to codify this Ordinance in the Centerville Municipal Code and to make nonsubstantive formatting, numbering, and grammatical corrections necessary to accomplish codification.

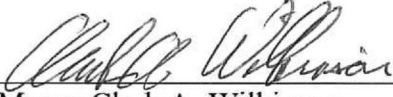
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**PASSED AND ADOPTED BY THE CITY COUNCIL OF CENTERVILLE CITY,
STATE OF UTAH, THIS 1st DAY OF SEPTEMBER, 2026.**

ATTEST:

CENTERVILLE CITY


Jennifer Robison, City Recorder

By: 
Mayor Clark A. Wilkinson

Voting by the City Council:

	Aye	Nay	Absent	Abstain
Councilmember Bangerter	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Councilmember Hayman	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Councilmember Hirst	<u> </u>	<u> </u>	<u>X</u>	<u> </u>
Councilmember Mecham	<u>X</u>	<u> </u>	<u> </u>	<u> </u>
Councilmember Plummer	<u>X</u>	<u> </u>	<u> </u>	<u> </u>

CERTIFICATE OF PASSAGE AND PUBLICATION OR POSTING

According to the provisions of the Utah Code § 10-3-713, as amended, I, the municipal recorder of Centerville City, hereby certify that foregoing Ordinance was duly passed by the City Council and published or posted as required by law.


JENNIFER ROBISON, City Recorder

DATE: 9/2/2026

RECORDED this 2nd day of Sept., 2026.

PUBLISHED OR POSTED this 2nd of Sept., 2026.

