



NJ Gasoline, C-Store, Automotive Association
615 Hope Road, Bldg. 2, 1st Floor
Eatontown, NJ 07724
Phone: 732-256-9646
Web: www.njgca.org

February 10, 2025

To: Senate Commerce Committee

From: Eric Blomgren, Executive Director

New Jersey Gasoline, Convenience Store, Automotive, Association

Re: Oppose or Amend S-3694, "Prohibits cryptocurrency automatic teller machines."

On behalf of the mostly small businesses we represent, we oppose this bill in its current form. The genuine problem involving these machines discussed in the bill's findings should be addressed, but this is an area where regulation will work better than the full prohibition mandated by this bill.

These kiosks are often found at convenience stores, particularly the small, independent, often immigrant-owned, retailers. The store owner is paid a regular rental fee for hosting the kiosk at their store. In addition to providing a steady source of income, it serves as another way to draw in customers, who will hopefully purchase a cup of coffee, a snack, or a lottery ticket.

Our state's already high cost of operating a brick-and-mortar store is enough of a challenge for operators trying to keep their business open and workers employed, a total ban on these machines would just serve to make it even harder for these business owners to keep their head above water. Furthermore, a ban on the kiosks could leave existing legitimate users stranded and without the ability to easily access their funds.

While we do oppose a complete ban on these machines, I think there is a better path through consumer protection-focused regulations. Vermont and Minnesota have already passed state legislation in recent months to address the problem in different ways, including a cap on the amount of money a person can deposit at a time and added restrictions for customers creating new accounts, giving time to reconsider and the opportunity for outreach to ensure they are not being victimized by someone.

These regulations could even be a better policy since they would intervene in and disrupt the scam. Simply banning the kiosks will just lead to the scammer finding another way to convince their victim to give them money, including by driving over the state border.

Alternatively, the bill could rely on requiring the kiosk companies to register with the State and have either the Department of Banking and Insurance or the Division of Consumer Affairs draft suitable regulations and track compliance. It would be easier for them to amend and finetune the regulations as needed.

Overall, we ask that the legislation look toward regulation rather than prohibition. Without amendments to that effect, I request that you not move forward with the bill. Thank you.