11/10/26 #53
(O-2027-17)

ORDINANCE NUMBER O- 22155 (NEW SERIES)

DATE OF FINAL PASSAGE NOV 13 2026

AN ORDINANCE AMENDING CHAPTER 3 OF THE SAN DIEGO MUNICIPAL CODE BY ADDING NEW ARTICLE 13, DIVISION 1, SECTIONS 313.0101, 313.0102, 313.0103, 313.0104, 313.0105, AND 313.0106, ALL RELATING TO CRYPTOCURRENCY ATM ANTI-FRAUD MEASURES.

RECITALS

The Council of the City of San Diego (Council) adopts this Ordinance based on the following:

A. The rise of cryptocurrency as a medium of exchange throughout the country and the world has created both opportunities and risks for those who use it. Despite its growing popularity, cryptocurrency is not legal tender and is not insured by the Federal Deposit Insurance Corporation. Government regulations on the promotion and use of cryptocurrency are still relatively new and untested.

B. In 2023, Governor Newsom signed into law Assembly Bill 39 and Senate Bill 401, which together form the Digital Financial Assets Law (DFAL), found at California Finance Code sections 3101 through 3907. The DFAL is a comprehensive regulatory program that provides, among other things, important consumer protections for users of cryptocurrency automatic teller machines (ATMs).

C. For example, the DFAL requires all cryptocurrency ATM operators to provide the California Department of Financial Protection and Innovation (DFPI) a list of cryptocurrency ATM locations that an operator owns, operates, or manages in the state. According to the most recent reports, there are currently over 100 cryptocurrency ATMs in the City of San Diego, mostly located in grocery stores and convenience stores.

D. Cryptocurrency ATMs are sometimes used as vehicles for fraud. Perpetrators may pressure their victims, by threat or deceit, or impersonate government agencies, financial institutions, utility companies, or even family members, to convince a victim to purchase cryptocurrency through ATMs and have the victim send the cryptocurrency to the perpetrators. Older adults may be especially vulnerable to these scams.

E. Cryptocurrency ATMs increase this fraud risk by enabling immediate, high-dollar transactions without consumer safeguards. Their placement in retail settings may also create a misleading sense of legitimacy. Because cryptocurrency is difficult to trace, most victims are unable to recover their money.

F. The Federal Bureau of Investigation (FBI) publishes an annual Internet Crime Complaint Center (IC3) report, which provides details and statistics about cryptocurrency scams. In the 2025 IC3 report, the FBI reported total cryptocurrency-related losses of over $11.3 billion across the country, with nearly 40% of that amount (approximately $4.4 billion) incurred by individuals over the age of 60. The IC3 report identifies approximately $389 million in nationwide losses related to cryptocurrency ATMs, with two-thirds of that amount (approximately $257 million) borne by individuals over 60 years old. California led the nation in both cryptocurrency complaints (20,878) and losses (approximately $2.1 billion) in 2025.

G. The Council intends for this Ordinance to provide consumer protections beyond those established by the DFAL by requiring posted signs and notices to warn users of cryptocurrency ATMs about the potential for fraud, exploitation, financial abuse, and financial loss.

H. The Office of the City Attorney prepared this Ordinance based on the information provided by City staff, including information provided by affected third parties and verified by City staff, with the understanding that this information is complete and accurate.

ACTION ITEMS

Be it ordained by the Council of the City of San Diego:

Section 1. Chapter 3 of the San Diego Municipal Code is amended by adding Article 13, Division 1, sections 313.0101, 313.0102, 313.0103, 313.0104, 313.0105, and 313.0106 to read as follows:

Article 13: Cryptocurrency ATM Anti-Fraud Ordinance

Division 1: Warning Notices Required

§313.0101 Purpose and Intent

The purpose of this Division is to supplement and enhance the consumer protections of the *DFAL* by warning all *users* of *cryptocurrency ATMs* about potential fraud, exploitation, and financial abuse and loss.

§313.0102 Definitions

Defined terms appear in italics. To the extent that a federal, state, or other law is referenced within this Division, the citation incorporates the law as it may be amended or renumbered in the future. The following definitions apply in this Division:

Access providing business means a person with a *certificate* that allows a *cryptocurrency ATM* to be placed and accessed by *users* on its *premises*.

Certificate has the same meaning as in San Diego Municipal Code section 31.0110.

Cryptocurrency means a digital representation of value that is used as a medium of exchange, unit of account, or store of value, and that is not legal tender, whether or not denominated in legal tender. *Cryptocurrency* does not include any

transaction, digital representation, or security set forth in California Financial Code section 3102(g)(2).

Cryptocurrency ATM means an electronic information processing device that is capable of accepting or dispensing cash in exchange for *cryptocurrency*.

DFAL means the Digital Financial Assets Law, codified at California Financial Code sections 3101 through 3907.

DFPI means the California Department of Financial Protection and Innovation.

Operator has the same meaning as in California Financial Code section 3901(d).

Owner means a person who has title to a *cryptocurrency ATM*.

Premises means the interior or exterior of any structure of an *access providing business*.

Sign means the official warning notice, available for download from a City website, that is legally compliant with section 313.0104(a).

User means a person who uses a *cryptocurrency ATM*.

§313.0103 Cryptocurrency ATM Warning Notice – Posting Required

(a) *Owners* or *operators* of a *cryptocurrency ATM* shall post a *sign* that physically touches or is within two feet of each of their *cryptocurrency ATMs* and which is visible to *users* standing in front of the *cryptocurrency ATM*.

(b) An *access providing business* shall not permit a *cryptocurrency ATM* on its *premises* without a *sign* posted in accordance with section 313.0103(a).

(c) If downloaded and printed on paper, *signs* shall be laminated prior to posting in accordance with section 313.0103(a). *Signs* may also be printed on and posted using adhesive stickers.

§313.0104 Cryptocurrency ATM Warning Notice – City Duties

(a) The City shall design the *sign* to include the following:

(1) The *sign* shall be in multiple languages, as determined by the City Manager, in accordance with guidelines to be established by the City Manager.

(2) The *sign* shall, at a minimum (i) warn *users* of potential *cryptocurrency ATM* scams and (ii) provide relevant state and City law enforcement and government agency contact information for reporting fraud, or a digital link to such information.

(b) The City shall not be responsible for bearing any cost of downloading, printing, laminating, or posting *signs*.

§313.0105 Cryptocurrency ATM Contact Information Notice

The *owner* or *operator* shall display on or within two feet of the *cryptocurrency ATM* or on the initial welcome screen of the *cryptocurrency ATM*, the following:

(a) name, address, and telephone number of the *owner* or *operator* of the *cryptocurrency ATM*; and

(b) the days and times when a *user* can contact the *owner* or *operator* for *user* assistance.

§313.0106 Enforcement, Remedies, and Penalties

(a) The provisions of Chapter 1, Article 2 of the San Diego Municipal Code, including the enforcement of judicial and administrative remedies, shall apply to this Division.

(b) Prior to exercising any remedies or initiating an enforcement action pursuant to Chapter 1, Article 2 of the San Diego Municipal Code, the

City shall give written notice of a violation to the *owner*, *operator*, and the *access providing business* in accordance with San Diego Municipal Code section 12.0103.

(1) Notice to the *owner* and *operator* shall be to the address or addresses provided by them to the *DFPI* pursuant to section 3906 of the *DFAL*. If the *cryptocurrency ATM* is not registered or the *owner* and *operator* are not listed with the *DFPI*, then the *City* may report the *owner*, *operator*, and non-compliant *cryptocurrency ATM* to the *DFPI* by submitting a complaint through the *DFPI* website.

(2) Notice to the *access providing business* shall be to the name and address on the *certificate* associated with the *premises* where the *cryptocurrency ATM* is physically located.

(c) Written notices issued by the *City* shall give the *owner*, *operator*, and *access providing business* 30 days to cure any violation of this Division.

(d) The remedies under section 313.0106 are cumulative and may be used in addition to any other remedies in this Division or at law, statute, or ordinance.

(e) Subject to all parties receiving proper notice pursuant to section 313.0106(b), *owners*, *operators*, and *access providing businesses* shall be jointly and severally liable for any administrative and civil penalties imposed pursuant to section 313.0106.

(f) The *City* shall not issue citations against any *owner*, *operator*, or *access providing business* for violations of this Division within the first 90 days after JAN 0 1 2027.

(g) No private right of action is intended or created under this Division.

Section 2. The City Clerk is instructed to insert the effective date of this Ordinance, once known, in the blank space provided in San Diego Municipal Code section 313.0106(f).

Section 3. The Council dispenses with a full reading of this Ordinance before its passage because a written copy of this Ordinance was made available to the Council and the public before the date of its passage.

Section 4. This Ordinance will take effect and be in force on January 1, 2027, or on the thirtieth day from and after its final passage, whichever is later.

APPROVED: HEATHER FERBERT, City Attorney

By _____
Brian W. Byun
Deputy City Attorney

BWB:nja
April 29, 2026
Or. Dept: Council District – 1
Doc. No. 4572803

I certify that the Council of the City of San Diego adopted this Ordinance at a meeting held on NOV 10 2026.

DIANA J.S. FUENTES
City Clerk

By _____
Deputy City Clerk

Approved: 11/13/26
(date)

_____
TODD GLORIA, Mayor

Vetoed: _____
(date)

_____
TODD GLORIA, Mayor

STRIKEOUT ORDINANCE

OLD LANGUAGE: ~~Struck Out~~
NEW LANGUAGE: Double Underline

ORDINANCE NUMBER O-_____ (NEW SERIES)

DATE OF FINAL PASSAGE _____

AN ORDINANCE AMENDING CHAPTER 3 OF THE SAN DIEGO MUNICIPAL CODE BY ADDING NEW ARTICLE 13, DIVISION 1, SECTIONS 313.0101, 313.0102, 313.0103, 313.0104, 313.0105, AND 313.0106, RELATING TO CRYPTOCURRENCY ATM ANTI-FRAUD MEASURES.

Article 13: Cryptocurrency ATM Anti-Fraud Ordinance

Division 1: Warning Notices Required

§313.0101 Purpose and Intent

The purpose of this Division is to supplement and enhance the consumer protections of the *DFAL* by warning all *users* of *cryptocurrency ATMs* about potential fraud, exploitation, financial abuse, and financial loss.

§313.0102 Definitions

Defined terms appear in italics. To the extent that a federal, state, or other law is referenced within this Division, the citation incorporates the law as it may be amended or renumbered in the future. The following definitions apply in this Division:

Access providing business means a person with a *certificate* that allows one or more *cryptocurrency ATMs* to be placed and accessed by *users* on its *premises*.

Certificate has the same meaning as in San Diego Municipal Code section 31.0110.

Cryptocurrency means a digital representation of value that is used as a medium of exchange, unit of account, or store of value, and that is not legal tender, whether or not denominated in legal tender. *Cryptocurrency* does not include any transaction, digital representation, or security set forth in California Financial Code section 3102(g)(2).

Cryptocurrency ATM means an electronic information processing device that is capable of accepting or dispensing cash in exchange for *cryptocurrency*.

DFAL means the Digital Financial Assets Law, codified at California Financial Code sections 3101 through 3907.

DFPI means the California Department of Financial Protection and Innovation.

Operator has the same meaning as in California Financial Code section 3901(d).

Owner means a person who has title to a *cryptocurrency ATM*.

Premises means the interior or exterior of any structure where an *access providing business* operates.

Sign means the official warning notice that is legally compliant with section 313.0104(a).

User means a person who uses a *cryptocurrency ATM*.

§313.0103 Cryptocurrency ATM Warning Notice – Posting Required

(a) *Owners* or *operators* of a *cryptocurrency ATM* shall post a *sign* that physically touches or is located within two feet of each of their *cryptocurrency ATMs* and which is visible to *users* standing in front of the *cryptocurrency ATM*.

(b) An *access providing business* shall not permit a *cryptocurrency ATM* on its *premises* without a *sign* posted in accordance with section 313.0103(a).

(c) If downloaded and printed on paper, *signs* shall be laminated prior to posting in accordance with section 313.0103(a). *Signs* may also be printed on and posted using adhesive stickers.

§313.0104 Cryptocurrency ATM Warning Notice – City Duties

(a) The City shall design the *sign* and, at a minimum include the following:

(1) a warning to *users* that *cryptocurrency ATMs* have been used in scams; and

(2) relevant state and City law enforcement and government agency contact information for reporting fraud, or a digital link to such information.

(b) The City Manager may promulgate reasonable administrative guidelines, rules, interpretations, and regulations to implement the provisions of this Article.

(c) The City shall make the *sign* available for download from the City's website.

(d) The City shall not be responsible for any cost of downloading, printing, laminating, or posting *signs*.

§313.0105 Cryptocurrency ATM Contact Information Notice

The *owner* or *operator* shall display on or within two feet of the *cryptocurrency ATM* or on the initial welcome screen of the *cryptocurrency ATM*, the following:

(a) name, address, and telephone number of the *owner* or *operator* of the *cryptocurrency ATM*; and

(b) the days and times when a *user* can contact the *owner* or *operator* for *user* assistance.

§313.0106 Enforcement, Remedies, and Penalties

(a) The City Manager or designee is authorized to administer and enforce this Division.

(b) Prior to exercising any remedies or initiating an enforcement action pursuant to Chapter 1, Article 2 of the San Diego Municipal Code, the *City* shall give written notice of a violation to the *owner*, *operator*, and the *access providing business* in accordance with San Diego Municipal Code section 12.0103.

(1) The City shall provide notice to the *owner* and *operator* at the address or addresses provided by the *owner* and *operator* to the *DFPI*. If the *cryptocurrency ATM* is not registered or the *owner* and *operator* are not listed with the *DFPI*, the *City* may report the *owner*, *operator*, and non-compliant *cryptocurrency ATM* to the *DFPI*.

(2) The City shall provide notice to the *access providing business* at the name and address on the *certificate* associated with the *premises* where the *cryptocurrency ATM* is physically located.

(c) The *City* shall give the *owner*, *operator*, and *access providing business* 30 calendar days from the date of the written notice to cure any violation of this Division.

(d) The remedies under section 313.0106 are cumulative and may be used in addition to any other remedies in this Division or at law, statute, or ordinance.

(e) Subject to all parties receiving proper notice pursuant to section 313.0106(b), *owners*, *operators*, and *access providing businesses* shall be jointly and severally liable for any administrative and civil penalties imposed pursuant to section 313.0106.

(f) The *City* shall not issue citations against any *owner*, *operator*, or *access providing business* for violations of this Division within the first 90 days after _____.

(g) No private right of action is intended or created under this Division.

BWB:nja
April 29, 2026
Or. Dept: Council District – 1
Doc. No. 4572804

#53

Passed by the Council of The City of San Diego on November 10, 2026, by the following vote:

Councilmembers	Yeas	Nays	Not Present	Recused
Joe LaCava	☒	☐	☐	☐
Jennifer Campbell	☐	☐	☒	☐
Stephen Whitburn	☒	☐	☐	☐
Henry L. Foster III	☐	☐	☒	☐
Marni von Wilpert	☐	☐	☒	☐
Kent Lee	☒	☐	☐	☐
Raul A. Campillo	☒	☐	☐	☐
Vivian Moreno	☒	☐	☐	☐
Sean Elo-Rivera	☒	☐	☐	☐

Date of final passage NOV 13 2026.

(Please note: When an ordinance is approved by the Mayor, the date of final passage is the date the approved ordinance was returned to the Office of the City Clerk.)

AUTHENTICATED BY:

TODD GLORIA
Mayor of The City of San Diego, California.

(Seal)

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By _____, Deputy

I HEREBY CERTIFY that the foregoing ordinance was not finally passed until twelve calendar days had elapsed between the day of its introduction and the day of its final passage, to wit, on OCT 20 2026, and on NOV 13 2026.

I FURTHER CERTIFY that said ordinance was read in full prior to passage or that such reading was dispensed with by a vote of five members of the Council, and that a written copy of the ordinance was made available to each member of the Council and the public prior to the day of its passage.

(Seal)

DIANA J.S. FUENTES
City Clerk of The City of San Diego, California.

By _____, Deputy

Office of the City Clerk, San Diego, California

Ordinance Number **O-22155**