

ORDINANCE NO. 2026-02

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF SAN MARCOS, TEXAS ADDING A NEW ARTICLE 5 TO CHAPTER 18 OF THE CITY CODE THAT REQUIRES SIGNAGE ON BITCOIN TELLER MACHINES (“BTM’S”) WARNING CUSTOMERS AND USERS OF THE POTENTIAL FRAUD OR SCAM RISKS ASSOCIATED WITH UTILIZING A BTM; INCLUDING PROCEDURAL PROVISIONS; PROVIDING FOR PENALTIES; AND DECLARING AN EFFECTIVE DATE.

RECITALS:

1. The City Council of the City of San Marcos, Texas has determined that there is a need to formally recognize and codify an Automated Teller Machine and Cryptocurrency/Bitcoin Teller Machine warning notice to customers and users.

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN MARCOS TEXAS:

SECTION 1. Chapter 18 of the San Marcos City Code is hereby amended by creating a new Article 5 as set forth below. Newly added text is indicated by underlining.

Article 5. Cryptocurrency Teller Machines and Automated Teller Machines

Sec. 18.181. Definitions.

In this article:

- (1) *Cryptocurrency*** means a virtual currency that utilizes cryptography to secure transactions that are digitally recorded on a cryptographically secured, distributed ledger (blockchain).
- (2) *Automated Teller Machine (ATM)*** means a stand-alone electronic kiosk that allows users to gain cash.
- (2) *Bitcoin Automated Teller Machine (BTM)*** means a stand-alone electronic kiosk that allows a person to purchase Bitcoin and other cryptocurrencies by using cash or debit card.

Sec. 18.182 Registration.

Any person or business operating, or providing access to an automated teller machine or Bitcoin and cryptocurrency a BTM on its premises shall register that machine with the Neighborhood Enhancement Department or successor department.

Sec. 18.183. Cryptocurrency teller machine warning notice.

(a) Any person or business operating, or providing access to, a functioning Automated Teller Machine (ATM) or Bitcoin Teller Machine (BTM) on its premises shall post a written warning in the form of a sign within readable sight no further than two feet away from the physical machine. The sign shall provide notice to customers and users of the potential fraud or scam risks associated with utilizing the ATM or BTM.

(b) The written warning sign referenced in this section shall be provided by the City of San Marcos Police Department who may cooperate with other law enforcement agencies.

(c) It shall be unlawful for any person or business operating or providing access to a functioning Automated Teller Machine (ATM) or Bitcoin Teller Machine (BTM) not to post such a notice.

Sec. 18.184. Penalty.

Any person or business found guilty of violating the provisions of this section Article shall may receive a fine not to exceed \$500.00.

SECTION 2. In codifying the changes and additions authorized by this ordinance, paragraphs, sections, and subsections may be renumbered and reformatted as appropriate consistent with the numbering and formatting of the San Marcos City Code

SECTION 3. If any word, phrase, clause, sentence, or paragraph of this ordinance is held to be unconstitutional or invalid by a court of competent jurisdiction, the other provisions of this ordinance will continue in force if they can be given effect without the invalid portion.

SECTION 5. All ordinances and resolutions or parts of ordinances or resolutions in conflict with this ordinance are repealed.

SECTION 6. After its adoption on second reading, this ordinance shall be effective on April 1, 2026, after City staff conducts an education and outreach program on the ordinance directed at local businesses.

PASSED AND APPROVED on first reading January 20, 2026.

PASSED, APPROVED AND ADOPTED on second reading on February 3, 2026.

Jane Hughson
Mayor

Attest:

Elizabeth Trevino
City Clerk

Approved:

Samuel J. Aguirre
City Attorney