In the Iowa Supreme Court

No. 25–1639

Submitted September 10, 2026—Filed October 30, 2026

In the matter of **$11,500 Seized from Bitcoin Depot Operating, LLC.**

GDP Holdings d/b/a **Coinflip,** successor in interest to **Bitcoin Depot Operating, LLC,**

Appellant.

Appeal from the Iowa District Court for Black Hawk County, Joel A. Dalrymple, judge.

A Bitcoin ATM operator appeals from the district court ruling denying its application for return of cash seized in a now-completed fraud investigation. **District court judgment reversed, and case remanded for further proceedings.**

Waterman, J., delivered the opinion of the court, in which Christensen, C.J., and Mansfield and McDermott, JJ., joined. Oxley, J., filed an opinion concurring in the judgment, in which McDonald and May, JJ., joined.

Mark E. Weinhardt (argued) and Kyle J. Essley of Weinhardt & Lantz, P.C., Des Moines; Matthew A. McGuire of Nyemaster Goode, P.C., Des Moines; and Roy Leaf of Nyemaster Goode, P.C., Cedar Rapids, for appellant.

Brenna Bird, Attorney General; Eric H. Wessan, Solicitor General; Patrick C. Valencia, Deputy Solicitor General; and Breanne A. Stoltze (argued), Assistant Solicitor General, for appellee.

Waterman, Justice.

In this appeal, we must decide whether a statute enacted in 2025 to address cryptocurrency fraud applies to determine who owns cash seized for a criminal fraud investigation before the statute's effective date. On August 12, 2024, an Iowan duped by unidentified fraudsters deposited $11,500 in cash into a Bitcoin ATM in Cedar Falls and, contrary to posted warnings, transferred bitcoin in that amount to the fraudsters' account. Police seized the cash from the ATM, but the digital currency that the victim had transferred was never recovered. The next year, the legislature enacted Iowa Code § 533C.1004 (2026), with an effective date of July 1, 2025, for Bitcoin ATM operators. *See* 2025 Iowa Acts ch. 85, §§ 1–3. Several weeks later, the Bitcoin ATM operator filed an application under Iowa Code § 809.5 for return of the cash seized from its ATM. The district court conducted a hearing attended by the ATM operator's counsel, the fraud victim, and the county attorney who appeared for the State. The district court ruled that the new statute applied and its refund provision defeated the operator's claim. The district court recognized that if § 533C.1004 did not apply to fraud preceding its enactment, the ATM operator was entitled to recover the cash under *Bitcoin Depot Operating, LLC v. Carlson* (*In re Property Seized for Forfeiture from Bitcoin Depot Operating, LLC*), 21 N.W.3d 157, 165 (Iowa 2025).

The operator appealed, arguing that § 533C.1004 did not apply retroactively[1] to the fraudulent transaction that occurred in 2024 or to this in rem proceeding under § 809.5. The State filed a brief as appellee, arguing that the district court correctly applied § 533C.1004, which had taken effect by the time of the hearing. The operator challenged the State's standing on the ground

[1]Throughout this opinion, the terms "retroactive" and "retrospective" are treated as synonyms and used interchangeably. *See Miller v. State*, 18 N.W.3d 498, 499 n.1 (Iowa 2025).

that it never sought forfeiture of the seized cash, which was no longer needed as evidence in the fraud investigation. We retained the case.

On our review, we hold that Iowa Code § 533C.1004 does not govern this dispute over cash deposited in the Bitcoin ATM in a fraudulent transaction occurring before the statute's enactment and effective date. "A statute is presumed to be prospective in its operation unless expressly made retrospective." *Id.* § 4.5. Section 533C.1004 nowhere expressly provides that it applies retrospectively. A statute operates retrospectively when it imposes a new penalty or consequence on conduct that preceded its enactment. The district court erred by imposing a new refund consequence on the prior fraudulent ATM transaction. Accordingly, we reverse the district court's ruling and remand the case for further proceedings consistent with this opinion.

I. Background Facts and Proceedings.

Concerned by a growing number of cryptocurrency scams, the Iowa legislature passed a bill amending Iowa Code chapter 533C, the Uniform Money Transmission Modernization Act, by enacting a new statute, Iowa Code § 533C.1004, governing "[d]igital financial asset transaction kiosks." 2025 Iowa Acts ch. 85, §§ 1–3 (codified at Iowa Code § 533C.1004 (2026)). Section 2 of the bill states, "This Act, being deemed of immediate importance, takes effect upon enactment," May 19, 2025. *Id.* § 2. Section 3 of the bill more specifically provides, "This Act applies on or after July 1, 2025 to operators." *Id.* § 3. The statute limits a customer's deposits to $1,000 per calendar day. Iowa Code § 533C.1004(2)(*a*). And the statute provides a refund remedy for fraud victims to recover from Bitcoin ATM operators under specified circumstances. *Id.* § 533C.1004(8)–(9). The statute lacks an express retroactivity provision or other language stating that it applies to transactions that preceded its enactment or effective date.

On August 12, 2024, over nine months before the enactment of § 533C.1004, Gary VanderWerf, in response to communications with three unidentified individuals, visited the Bitcoin Depot ATM at Prime Mart Convenience Store in Cedar Falls. As a new customer, VanderWerf was prompted to review and approve terms and conditions before commencing a transaction. Customers must acknowledge as part of the terms and conditions that they understand that all cash deposited into the ATM becomes property of Bitcoin Depot. That transfer of ownership of the cash is required because Bitcoin Depot then transfers bitcoin of matching value from its inventory to send to the wallet designated by the customer.

VanderWerf agreed to only send bitcoin to a cryptocurrency wallet under his control. He was expressly warned: "ATTENTION: SENDING TO A WALLET THAT YOU DO NOT CONTROL IS AN EXPRESS VIOLATION OF OUR TERMS AND WILL RESULT IN YOU BEING BANNED FROM OUR PLATFORM." The ATM screen displayed further warnings that "all Bitcoin transactions are final and irreversible" and cautioned against scams. VanderWerf nevertheless proceeded to deposit $11,500 in cash into the ATM and transferred a corresponding amount of bitcoin to a Bitcoin wallet that he identified. In doing so, VanderWerf falsely represented that he controlled the wallet he designated and disregarded warnings against transferring bitcoin to a wallet he did not control.

VanderWerf soon realized that he had been defrauded and reported the incident to the Cedar Falls Police Department. On August 15, police executed a search warrant for the Bitcoin Depot ATM and seized and retained $11,500 in cash. Bitcoin Depot assisted law enforcement with the criminal investigation, but ultimately no one recovered the bitcoin VanderWerf had transferred to the fraudsters' wallet. The criminal investigation was closed without any charges

filed. The next year the legislature enacted Iowa Code § 533C.1004, without any retroactivity provision but with an effective date of July 1, 2025, as to ATM operators. 2025 Iowa Acts ch. 85, §§ 1–3.

On July 18, 2025, Bitcoin Depot filed an application for the return of the $11,500 cash seized from its ATM. The application was filed pursuant to Iowa Code § 809.5, which governs the return of property seized in criminal investigations. No party intervened. On August 15, district court judge Joel Dalrymple conducted a "short, reported hearing" on Bitcoin Depot's application. Bitcoin Depot appeared through counsel and offered an uncontroverted affidavit into evidence proving up the terms, conditions, and warnings for its ATM transactions. Black Hawk County Attorney Brian Williams made a "limited appearance" for the State; and VanderWerf attended in person without counsel.

Relying on our recent precedent, Bitcoin Depot argued that—as against VanderWerf—it had the best claim to the deposited cash. *See Bitcoin Depot Operating*, 21 N.W.3d at 165. VanderWerf briefly addressed the court to ask that—even if the law did not permit full reimbursement—he might receive half of his money back. The State did not seek forfeiture of the cash or claim it should be held as evidence. Williams questioned his standing:

> MR. WILLIAMS: Judge, I question in this particular context, I question my standing and my involvement with this particular application. To the extent I think I'm under an obligation to advise the Court under Chapter 809 that this is no longer needed as evidence in a criminal proceeding, I would like the opportunity to at least point out to some of the changes that have been made regarding cryptocurrency to the extent that I was the one that advised the Cedar Falls Police Department in obtaining the search warrant and retrieving the evidence in this case to cash.

Williams stated that he agreed with counsel for Bitcoin Depot that the material facts in *Bitcoin Depot Operating* "are identical to these facts. Identical." He went on to note that although *Bitcoin Depot Operating* favored Bitcoin Depot's position,

the new statute— § 533C.1004(8)—now provided fraud victims with specified refund remedies.

In a written ruling entered August 19, Judge Dalrymple acknowledged that under *Bitcoin Depot Operating*, 21 N.W.3d 157, Bitcoin Depot would be entitled to recover the $11,500, but found that the new statute, if applicable, provided VanderWerf a superseding refund remedy. The court then "interpret[ed] Iowa Code § 533C.1004 to be in effect at the time of Bitcoin's application for return of seized property. Consequently, paragraph 8 'refunds—new customers' applies." Based on that new statutory refund provision, the district court denied Bitcoin Depot's application for return of the seized cash. The district court, however, did not release the cash to VanderWerf. Bitcoin Depot filed a motion to reconsider, which the district court denied on September 23.

Bitcoin Depot timely filed its notice of appeal with our court on October 2 and filed the notice of appeal in district court on October 8. VanderWerf is not a party to this appeal. The State, acting through the attorney general's office, filed notices of appearance, evincing the State's intent to file an appellee's brief in this matter. Bitcoin Depot moved to strike the State's "appearances designated as 'appellee.' " Bitcoin Depot argues that the State did not oppose its application for the return of seized property at the district court and, because the State has no other legal interest in this case, it cannot oppose Bitcoin Depot on appeal.

The State resists Bitcoin Depot's motion. It argues, first, that Bitcoin Depot did not preserve error because it did not object when the Black Hawk County Attorney appeared for the State at the district court hearing, and second, that it has a duty under Iowa Code chapters 13, 331, and 809 to appear as the appellee in this case. Alternatively, the State asks that it be allowed to file an amicus curiae brief in this case—a proposal that Bitcoin Depot does not resist. We

ordered that Bitcoin Depot's motion to strike be submitted with the appeal and allowed the State to file an appellate brief.

On the merits, Bitcoin Depot's appellate brief makes three arguments for reversal: (1) Iowa Code § 533C.1004 does not apply retroactively to impose a refund obligation for fraud preceding the statute's enactment; (2) VanderWerf did not meet the statutory notice and proof requirements for a refund; (3) Bitcoin Depot demonstrated its entitlement to the specific cash seized from its ATM under Iowa Code § 809.5, regardless of VanderWerf's unsecured refund claim under § 533C.1004.

The State's appellate brief makes three arguments: (1) it has a statutory duty to represent the Black Hawk County Attorney, which entitles it to appear as appellee in this case; (2) the district court correctly determined that Iowa Code § 533C.1004 may entitle VanderWerf to a refund, meaning that Bitcoin Depot is not entitled to possession of the $11,500 cash; and (3) the district court's interpretation did not involve an impermissible retrospective application of Iowa Code § 533C.1004, either because the court did not apply § 533C.1004 retrospectively, or because the statute should be interpreted to apply retrospectively.

After appellate briefs were filed, we granted an unresisted motion to substitute the party–appellant. Bitcoin Depot had filed for Chapter 11 bankruptcy, and its claim for return of the seized $11,500 became an asset of the bankruptcy estate. That claim was acquired by GDP Holdings d/b/a Coinflip, which is the successor in interest to Bitcoin Depot's claim through an asset purchase agreement. We will continue to refer to the appellant as Bitcoin Depot, as it was known during the underlying events and district court proceedings.

And then, a September surprise. On September 8, 2026, two days before oral argument, the State's appellate counsel alerted our court and opposing counsel to an order that first came to her attention that day but which had been entered over nine months earlier, while this appeal was pending, under a different caption and docket number: *Property Seized re: VanderWerf, Gary Lee*, SPCR001224. On December 18, 2025, district court judge Linda Fangman conducted a hearing on VanderWerf's unresisted "Application for Return of Seized Property pursuant to Iowa Criminal Code Chapter 809." The order reflects that the hearing was attended by VanderWerf "in person without counsel" and that "[t]he State appeared by Assistant Black Hawk County Attorney Heather Jackson." No notice had been provided to Bitcoin Depot or its counsel, nor does the order refer to the prior rulings by Judge Dalrymple under review in this appeal. Judge Fangman's December 18 order granted VanderWerf's application "based upon the agreement of the State" and directed the State to return the $11,500 to VanderWerf. Counsel advised our court that the $11,500 was released to VanderWerf under Judge Fangman's order. This appeal from Judge Dalrymple's order nevertheless proceeded to oral argument on September 10 with counsel for the State and Bitcoin Depot urging our court to decide this appeal on the merits despite the release of the specific cash at issue to VanderWerf.

II. Standard of Review.

We are reviewing the district court's order denying Bitcoin Depot's application for return of seized property under Iowa Code § 809.5. The underlying proceeding was "equitable in nature" where the lone applicant, Bitcoin Depot, sought specific performance rather than money damages or other remedies at law. *Bitcoin Depot Operating*, 21 N.W.3d at 160–61. "Accordingly, our

standard of review is de novo." *Id.* at 161; *see also* Iowa R. App. P. 6.907 ("In equity cases review is de novo.").

Whether a statute applies retrospectively presents "a question of statutory interpretation." *Miller v. State*, 18 N.W.3d 498, 502 (Iowa 2025) (quoting *Nahas v. Polk County*, 991 N.W.2d 770, 779 (Iowa 2023), *overruled on other grounds by Doe v. W. Dubuque Cmty. Sch. Dist.*, 20 N.W.3d 798 (Iowa 2025)). "We review questions of statutory interpretation for correction of errors at law." *Standard Water Control Sys., Inc. v. Jones*, 938 N.W.2d 651, 656 (Iowa 2020).

III. Analysis.

A. Does the State Have the Right to Appear as Appellee in This Case? As a threshold procedural issue, we deny Bitcoin Depot's motion to strike the State's appearance as appellee. The district court denied Bitcoin Depot's motion for return of the cash at issue held by the State. Bitcoin Depot did not object below to the county attorney's participation in the district court hearing on behalf of the State. Bitcoin Depot is appealing, and the State is defending the judgment below. In our view, the State is an interested party as to the contested disposition of cash it seized and held for a criminal investigation. *See* Iowa Code § 13.2(1)(*a*) ("It shall be the duty of the attorney general . . . to . . . defend all causes in the appellate courts in which the state is a party or interested.").

B. Is This Appeal Moot? We next address another threshold question: whether this case is moot. *See Riley Drive Ent. I, Inc. v. Reynolds*, 970 N.W.2d 289, 296 (Iowa 2022) (noting mootness is a threshold question and that an "appellate court may consider matters technically outside the district court record in determining a question of mootness"). Judge Dalrymple denied Bitcoin Depot's application for return of the $11,500 cash on August 15, 2025. Bitcoin Depot filed a motion to reconsider. On September 2, 2025, VanderWerf filed a

separate action for release of the money held by the State. Bitcoin Depot never received notice of the new proceeding. Judge Dalrymple denied Bitcoin Depot's motion to reconsider on September 23, and Bitcoin Depot filed its timely notice of appeal in district court on October 8. On December 18, Judge Fangman ordered the State to release the $11,500 to VanderWerf, despite the pendency of this appeal and without referencing the prior rulings by Judge Dalrymple. We must decide whether the release of the same cash at issue renders this appeal moot.

Bitcoin Depot and the State each urge us to decide this appeal on the merits.[2] Nevertheless, "an appellate court has responsibility *sua sponte* to police its own jurisdiction." *Bribriesco-Ledger v. Klipsch*, 957 N.W.2d 646, 649 (Iowa 2021). "Courts exist to decide cases, not academic questions of law. For this reason, a court will generally decline to hear a case when, because of changed circumstances, the court's decision will no longer matter." *Riley Drive Ent. I*, 970 N.W.2d at 296 (quoting *Homan v. Branstad*, 864 N.W.2d 321, 328 (Iowa 2015)). The State and Bitcoin Depot seek clarity on unanswered questions as to whether § 533C.1004 applies to ATM transactions preceding the new statute's enactment and its interplay with in rem proceedings under § 809.5. Also, if Bitcoin Depot prevails on this appeal, it could challenge on remand the validity of Judge Fangman's December 18 order that released the cash to VanderWerf. Bitcoin may be able to argue that it is not bound by that order and that the State is liable to it for the value of the cash that the State seized.[3] Conversely, Bitcoin

[2]Bitcoin Depot argues the appeal is not moot; the State urges us to decide the appeal under the public importance exception to the mootness doctrine. *See Riley Drive Ent. I*, 970 N.W.2d at 298 (explaining the public importance exception to the mootness rule).

[3]Bitcoin Depot timely filed its notice of appeal with the district court on October 8, after the September 23 ruling denying its motion to reconsider the denial of its application for return of the $11,500 cash seized from its ATM. Bitcoin Depot argues its notice of appeal deprived the district court of subject matter jurisdiction over VanderWerf's separate application for return of

Depot's potential challenge to that order effectively would be foreclosed if we affirmed Judge Dalrymple's prior judgment that denied Bitcoin Depot's application for return of the cash. We have a live controversy, not a merely academic issue to decide. And the State's release of the $11,500 cash to VanderWerf last December is not fatal to our jurisdiction over this appeal. *See Republic Nat'l Bank of Mia. v. United States*, 506 U.S. 80, 88–89 (1992) ("[I]n an *in rem* forfeiture action, the Court of Appeals is not divested of jurisdiction by the prevailing party's transfer of the res from the district."). We determine that this appeal is not moot. So we turn to the merits.

C. Does Iowa Code § 533C.1004 Apply Retroactively? The dispositive issue in this appeal is whether Iowa Code § 533C.1004 applies to determine who is entitled to possession of the cash seized from a Bitcoin ATM before that statute went into effect. Bitcoin Depot argues the district court erred by applying the new statute retroactively, and that, under *Bitcoin Depot Operating*, it has greater rights to the cash than VanderWerf. The State argues that the new statute controls and was correctly applied by the district court to deny Bitcoin Depot's application for return of the cash seized from its ATM in 2024. For the reasons

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the same $11,500 cash. A notice of appeal generally prevents the district court from revisiting issues that are pending on appeal. *Freer v. DAC, Inc.*, 929 N.W.2d 685, 688 (Iowa 2019) (applying the "general rule that the district court loses jurisdiction when an appeal is perfected" (quoting *Wolf v. City of Ely*, 493 N.W.2d 846, 848 (Iowa 1992) (en banc))). The assistant county attorney attending the December 18 hearing apparently failed to alert Judge Fangman of the prior rulings by Judge Dalrymple and Bitcoin Depot's pending appeal over its claim to the same $11,500 cash. Bitcoin Depot's inaction in VanderWerf's subsequent proceeding cannot be deemed a waiver of its claim to the same cash because it was not provided notice of that proceeding. Bitcoin Depot's remedies for the arguably premature release of the $11,500 cash must be decided in the first instance by the district court.

The State faults Bitcoin Depot for not posting an appeal bond or moving for a stay. But the August 18, 2025 order did not release the $11,500 cash to VanderWerf. In our view, Bitcoin Depot did not need to post an appeal bond for cash still held by the State. Nor did Bitcoin Depot need to move for a stay of execution to protect its right to appeal from the district court judgment denying its own application for return of the cash seized from its ATM.

explained below, we determine that Iowa Code § 533C.1004 is inapplicable to disputes over cash seized from an ATM before the statute went into effect.

The district court denied Bitcoin Depot's application based on the court's conclusion that VanderWerf is entitled to a refund for new consumers under Iowa Code § 533C.1004(8), which provides:

> 8. *Refunds — new consumers.* Upon the request of a new consumer, an operator shall issue to the consumer a refund for the full amount of all digital financial asset transactions that the consumer made during the thirty-calendar-day period that the consumer was a new consumer if all of the following circumstances exist:
>
> *a.* The new consumer was fraudulently induced to engage in the digital financial asset transaction for which the consumer is requesting a refund.
>
> *b.* The consumer has contacted the operator and a government or law enforcement agency to report the fraudulent nature of the digital financial asset transaction within ninety calendar days of the last digital financial asset transaction to occur while the consumer was a new consumer.
>
> *c.* The consumer has submitted proof of the fraud to the operator, including but not limited to a police report or sworn declaration detailing the fraudulent nature of the digital financial asset transaction.

This enactment, by its terms, went into effect for Bitcoin operators on July 1, 2025. 2025 Iowa Acts ch. 85, § 3 ("APPLICABILITY. This Act applies on or after July 1, 2025, to operators.") The district court reasoned that this statute therefore was in effect when Bitcoin Depot filed its application later that month. The district court interpreted § 533C.1004(8) to potentially entitle VanderWerf to a refund of the full $11,500 that he deposited in Bitcoin Depot's ATM in 2024. The State's appellate counsel argues the district court correctly applied the law in effect at the time it denied Bitcoin Depot's application for return of the cash.

The State contends this is a prospective application of the statute already on the books when the court ruled on the application. We disagree.

The sole factual basis for VanderWerf's refund claim was the act of fraud occurring in 2024 when he was duped into depositing the $11,500 cash at issue into the Bitcoin Depot's ATM and directed the transfer of an equivalent value in bitcoin into the fraudsters' wallet. That event predated the enactment of § 533C.1004. We must decide whether the district court erred in applying the statute retroactively to mandate a refund of the funds fraudulently deposited before the statute's effective date.

"A statute is presumed to be prospective in its operation unless expressly made retrospective." Iowa Code § 4.5. Section 533C.1004 lacks any express provision for its retrospective operation. Under our three-part test, we "first must determine whether the statute's application 'is in fact retrospective.' If it is, then the court must determine 'whether the statute should be applied retrospectively.' If it should, 'then the court determines whether any substantive law bars the statute's retrospective application.' " *Miller*, 18 N.W.3d at 502 (citations omitted) (quoting *Hedlund v. State*, 991 N.W.2d 752, 757 (Iowa 2023)).

We begin with the first prong of the test: whether the statute's application is in fact retrospective. *Id.* We reiterate that "[a]n application is retrospective 'when a statute applies a new rule, standard, or consequence to a *prior* act or omission.' " *Hedlund*, 991 N.W.2d at 757 (quoting *Hrbek v. State*, 958 N.W.2d 779, 782 (Iowa 2021)). That's exactly what we have here. In August of 2024, Bitcoin Depot had no obligation to refund VanderWerf or other victims of fraud for funds they deposited in its ATM and transferred irretrievably into a fraudster's wallet. *See Bitcoin Depot Operating*, 21 N.W.3d at 165. But now, under the district court's interpretation of the subsequently enacted refund

statute, VanderWerf can claim a refund, and Bitcoin Depot is out the $11,500. Additionally, if it fails to abide by § 533C.1004's terms, then Bitcoin Depot would be subject to a civil penalty of up to $10,000 for each violation. *See* Iowa Code § 533C.1004(10)(*a*)(3). Those consequences did not exist in 2024 when VanderWerf was defrauded. Under the district court and the State's interpretation, § 533C.1004 places new adverse legal consequences on prior Bitcoin Depot ATM transactions. The district court effectively changed the rules after the game was played. We conclude that the district court's application of Iowa Code § 533C.1004 was retrospective.

Such retrospective applications of new liabilities are disfavored because it is too late after the fact for parties to conform their conduct to avoid the newly imposed statutory liability. *See Hedlund*, 991 N.W.2d at 757–58 ("Prospective uses are generally permitted since they don't upend a party's settled expectations or prevent a party from conforming its conduct to avoid future liability."). No one can turn back the clock to prevent VanderWerf's loss of $11,500. But had Bitcoin Depot known in 2024 that it would be required to refund scam victims, it could have implemented additional safeguards to limit its liability. It could have imposed a cap on how much a new consumer could deposit or transact. It could have instituted a delay between the consumer's deposit and the issuance of the digital currency to give a scam victim time to cancel the transaction. Or it could have required authentication of digital currency wallets to ensure that the person purchasing bitcoin was not transferring the cryptocurrency to a wallet the person did not control, instead of merely taking the word of customers like VanderWerf. The law is fair when the law is certain. To hold now that Iowa Code § 533C.1004 applies to ATM transactions preceding its enactment would upset Bitcoin Depot's

settled expectations about its obligations in 2024, resulting in the very unfairness the presumption against retroactivity seeks to avoid.

We turn to the second prong of our test to ask whether the statute *should* be applied retrospectively. *Miller*, 18 N.W.3d at 502. That analysis "is a question of statutory interpretation." *Id.* (quoting *Nahas*, 991 N.W.2d at 779). The State argues that the statute operates retroactively by referring separately to "new" and "existing" consumers. *See* Iowa Code § 533C.1004(1)(*g*) (defining "new consumer"), (8) (refund rights of new consumers), (9) (refund rights of existing consumers). The State asserts that the phrase "existing consumers" necessarily refers to those who were already using digital currency ATMs when the statute went into effect, because if the enactment applies only to subsequent transactions, all consumers would be "new" as of July 1, 2025. The State views VanderWerf as a "new" consumer under the statute. And it concludes—extrapolating from a case where we found that a statute that regulated underground petroleum storage tanks applied retrospectively to spills that occurred before the law's enactment—that § 533C.1004 applies retrospectively. We are not persuaded by the State's analysis. The statute at issue in the petroleum tank case referenced the need to share the cost of cleaning up "*past and existing petroleum leaks*." *Iowa Comprehensive Petroleum Underground Storage Tank Fund Bd. v. Shell Oil Co.*, 606 N.W.2d 370, 375 (Iowa 2000) (quoting 1989 Iowa Acts ch. 131, § 1(3)). But § 533C.1004 does not refer to "past" fraud. And the legislature understandably could choose to distinguish new consumers from more experienced "existing" consumers going forward from the law's effective date. *See* Iowa Code § 533C.1004(2)(*a*) (limiting all consumers to a maximum daily deposit or withdrawal of $1,000), (*b*) (limiting new consumers to a maximum of $10,000 in deposits or withdrawals over their first thirty days).

Those statutory limits on a consumer's daily and monthly deposits obviously cannot be applied to transactions that have already occurred, such as VanderWerf's first and only deposit of $11,500, nor does the State concede that Bitcoin Depot should only refund $1,000 to VanderWerf because that was the statutory maximum for his first day's deposit. In our view, those provisions demonstrate that the statute operates prospectively, not retrospectively. We decline to "slice and dice" the statute to allow some of its requirements to apply retrospectively but not its other requirements that work in tandem.

We apply the legislature's codified presumption that statutes apply only prospectively unless they expressly provide otherwise. *Miller*, 18 N.W.3d at 502 ("The legislature has enacted a statutory presumption against retroactive operation of statutes. Iowa Code section 4.5 provides, 'A statute is presumed to be prospective in its operation unless expressly made retrospective.' ") The State has failed to rebut the presumption in this case. "When a statute lacks express retroactivity language, we have repeatedly held the statute applies only prospectively." *Id.* at 506 (collecting cases). Indeed, in *Miller v. State*, we reviewed our precedent addressing new statutes in three recent cases to conclude that the "absence of any express retroactivity provision in all three statutes compels the same result." *Id.* at 507. So, too, here.

"The Iowa legislature, when it chooses to do so, has expressly provided for retroactive operation in several recent enactments consistent with Iowa Code section 4.5." *Id.* at 505 (citing examples). So, in *Miller*, we "conclude[d] that if the legislature wanted FARA [(the Fraud in Assisted Reproduction Act)] to apply to conduct preceding its enactment, it would have said so in the enactment. It did not." *Id.* at 505–06. We reach the same conclusion as to § 533C.1004.

The State attempts to bootstrap retroactivity language from a nearby section in the same chapter, Iowa Code § 533C.1003, which states, "This chapter applies to the provision of money transmission on or after October 1, 2003." The State argues that as part of chapter 533C, § 533C.1004 thus applies retroactively to money transmissions as far back as October 1, 2003. We disagree. Section 533C.1004 is the more specific and subsequently enacted provision governing operators of Bitcoin ATMs and is controlled by the legislature's choice of language for that enactment: "This Act applies on or after July 1, 2025, to operators." 2025 Iowa Acts ch. 85, § 3. Under the plain meaning of that language, § 533C.1004 did not apply to operators *before* July 1, 2025, and therefore did not apply to VanderWerf's transaction in 2024. Section 533C.1004's specific effective date controls over the conflicting, broader language in § 533C.1003. *See* Iowa Code § 4.7 (providing that the specific provision controls as an exception to a conflicting general provision); *see also id.* § 4.8 (providing that if statutes are irreconcilable, "the statute latest in date of enactment by the general assembly prevails").

What's more, in 2024 the legislature expressly provided for the retroactive operation of several other amendments to chapter 533C,[4] yet the legislature included no such language in its enactment one year later adding § 533C.1004 to the same chapter. If the legislature wanted § 533C.1004 to apply to fraudulent bitcoin transactions preceding its enactment, it would have said so in that

[4]See 2024 Iowa Acts, ch. 1030, § 15, which states:

> RETROACTIVE APPLICABILITY. The following apply retroactively to July 1, 2023:
>
> The sections of this Act enacting sections 533C.901, 533C.902, 533C.903, 533C.904, 533C.905, 533C.906, 533C.907, 533C.908, 533C.1001, 533C.1002, and 533C.1003, and the section of this Act amending section 533C.102.

enactment, just as it did for other sections of chapter 533C. It did not. We interpret Iowa Code § 533C.1004 to operate only prospectively.[5]

We hold that the district court erred in applying Iowa Code § 533C.1004(8)'s refund provision retroactively. Bitcoin Depot was entitled to the return of the $11,500 cash seized in 2024 from its ATM. *See Bitcoin Depot Operating*, 21 N.W.3d at 165. Because we decide this appeal on that basis, we do not reach Bitcoin Depot's two remaining alternative arguments for reversal: (1) that VanderWerf failed to satisfy the notice and proof requirements for a refund under § 533C.1004(8), and (2) that even a meritorious refund claim under § 533C.1004(8) is no defense to an in rem proceeding under Iowa Code § 809.5 for return of specific seized cash.

IV. Disposition.

For these reasons, we reverse the district court's order denying Bitcoin Depot's application for return of the seized cash. We deny Bitcoin Depot's motion to strike the State's appearance as appellee. We remand the case for further proceedings consistent with this opinion.

District court judgment reversed, and case remanded for further proceedings.

Christensen, C.J., and Mansfield and McDermott, JJ., join this opinion. Oxley, J., files an opinion concurring in the judgment, in which McDonald and May, JJ., join.

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[5]We therefore do not reach the third prong of our test (whether any substantive law bars the statute's retrospective application). The State argues retroactive application of § 533C.1004 is permitted because cryptocurrency transactions are "heavily regulated." That argument goes to the constitutionality of retroactive regulation. *See generally Me. Yankee Atomic Power Co. v. United States*, 44 Fed. Cl. 372, 381 (1999) (discussing how additional regulation in a highly regulated industry is foreseeable and, therefore, less likely to run afoul of due process protections). Due process limitations on retroactive regulation would be analyzed under the third prong of our test, which we do not reach. *See Miller*, 18 N.W.3d at 508 (declining to reach "the third prong—whether any substantive law such as the due process clause bars FARA's retrospective application"—after deciding the appeal under the first two prongs).

Oxley, Justice (concurring in the judgment).

Regardless of when it was enacted, Iowa Code section 533C.1004 (2026) has no bearing on whether Bitcoin Depot was entitled to a return of its seized funds under section 809.5. An unsecured claim against the owner of seized property has no effect on the owner's entitlement to possession of that property. I see no reason to address the retroactivity of a statute that has no effect on these proceedings, and I therefore concur only in the judgment.

Last year, we addressed a factually indistinguishable case in *Bitcoin Depot Operating, LLC v. Carlson* (*In re Property Seized for Forfeiture from Bitcoin Depot Operating, LLC*), 21 N.W.3d 157 (Iowa 2025). Like Gary VanderWerf, Carrie Carlson was defrauded into depositing cash into a Bitcoin Depot ATM and directing the purchased bitcoin into a wallet over which she had no control. *Id.* at 159–60. Bitcoin Depot made good on its obligation to transfer bitcoin to the designated wallet, and the cash deposited into the ATM became Bitcoin Depot's property. *Id.* When Bitcoin Depot sought return of the cash seized from its ATM by officers investigating the fraud, we held that without evidence Bitcoin Depot was aware Carlson had entered into the transaction under duress, the contract was not voided, and the cash remained Bitcoin Depot's property. *Id.* at 164–65. Therefore, for purposes of the chapter 809 return-of-seized-property proceeding, Bitcoin Depot had "the greater right to possession of the funds seized and held by the Linn County Sheriff's Office." *Id.* at 165.

Everyone agrees that this case is, for all relevant purposes, identical to the *Bitcoin Depot Operating* case. Yet, the district court denied Bitcoin Depot's application for return of its seized funds based on an intervening statute enacted by the general assembly. Section 533C.1004 now requires a bitcoin ATM

operator to "issue to the consumer a refund for the full amount of [the] digital financial asset transaction[]" that the consumer was fraudulently induced to enter. Iowa Code § 533C.1004(8) (applicable to new consumers); *see also id.* § 533C.1004(9) (applicable to existing customers). But it does not give the customer an interest in the cash deposited into the ATM or otherwise change the contract rights as between a bitcoin ATM operator and its customer.

When the general assembly wants to give a victim an interest in a specific asset, it knows how to do so. In the *Bitcoin Depot Operating* case, we rejected the district court's conclusion that the bitcoin situation was "analogous to recovering stolen property from a pawnbroker" under Iowa Code section 714.28 (2024). 21 N.W.3d at 162. Under that statute, "a person whose property is stolen and delivered to a pawnbroker can recover *the stolen property* from the pawnbroker." *Id.* (emphasis added). Even by analogy that statute didn't fit; the stolen property was the bitcoin, not the cash that was the subject of the return proceedings. *Id.* at 163 ("The Bitcoins were what were stolen, not the cash deposited into the Bitcoin ATM now held by the Linn County Sheriff's Office. Thus, we agree with Bitcoin Depot that the comparison of this transaction to the recovery of stolen property from a pawnbroker does not fit.").

But when the general assembly enacted section 533C.1004 to protect defrauded customers in digital asset transactions, it did not follow the pawnbroker scheme by giving the customer a right to recover the stolen property. Maybe that stems from the character of a bitcoin transaction, which by design is not recoverable—a characteristic the general assembly expressly recognized. *See* Iowa Code § 533C.1004(4)(*a*)(3) (2026) (requiring written disclosure of terms, including, "[i]f an operator fails to provide a process to reverse or refund a digital financial asset transaction, a warning that all digital financial asset transactions

are final"), (4) (requiring a "written warning against fraud" that states, in part, that "TRANSACTIONS CONDUCTED ON THIS DIGITAL FINANCIAL ASSET TRANSACTION KIOSK ARE IRREVERSIBLE"). Whatever its reasons, we must apply the language used by the general assembly. *See State v. McCollaugh*, 5 N.W.3d 620, 624 (Iowa 2024) ("It is our job to interpret that language as written."). And here, it merely granted the fraud victim a "refund for the full amount of [the] . . . transaction[]" from the kiosk operator. Iowa Code § 533C.1004(8), (9).

Importantly, the general assembly did not invalidate bitcoin ATM transactions involving third-party fraud or otherwise upset the contract terms under which the ATM operator becomes the owner of the deposited cash as soon as the bitcoin transaction is complete. *See Bitcoin Depot Operating*, 21 N.W.3d at 161–63 (describing bitcoin purchase transactions, including acknowledgment by customers "that they understand that all cash deposited into a machine owned by Bitcoin Depot becomes property of Bitcoin Depot upon deposit" and applying "established contract law"). Nor did the general assembly give the customer a right to recover the cash used to purchase the bitcoin. It didn't even give the customer a lien on the deposited cash. Instead, it obligated the ATM operator to give the customer a "refund for the full amount" of the transaction. Iowa Code § 533C.1004(8), (9). As the majority rightly recognizes, that right to a refund is at most an unsecured claim against the operator, not an interest in, or claim against, the cash.

Chapter 809, on the other hand, focuses solely on the seized property and interests in that property. An officer taking custody of seized property is required to provide "a copy of [its] inventory to the person from whom it was seized," *id.* § 809.2, which here was Bitcoin Depot. "Any person claiming a right to

immediate *possession of seized property* may make application for its return," *id.* § 809.3(1) (emphasis added), and is required to "state the specific item or items sought, the *nature of the claimant's interest in the property*, and the grounds upon which the claimant seeks to have the property immediately returned," *id.* § 809.3(2) (emphasis added). "All claims *to the same property* shall be heard in one proceeding unless" it would be prejudicial to one or more parties. *Id.* § 809.4 (emphasis added). The plain language of these provisions makes clear that a claimant must have an interest in the property, not an unsecured claim against the property owner, to recover seized property. *Cf. United States v. $20,193.39 U.S. Currency*, 16 F.3d 344, 346 (9th Cir. 1994) ("Unlike secured creditors, general creditors cannot claim an interest in any particular asset that makes up the debtor's estate. For this reason, the federal courts have consistently held that unsecured creditors do not have standing to challenge the civil forfeiture of their debtors' property [in an 18 U.S.C. § 981(a)(2) proceeding]."); *United States v. $461,940.00 in U.S. Currency*, 562 F. Supp. 3d 645, 650 (C.D. Cal. 2021) ("[S]ection 981(a)(1)(A) only protects the interests of a claimant with a specific interest in forfeited property . . . ."); *In re Prop. Seized from Wagner*, 482 N.W.2d 160, 163 (Iowa 1992) (holding that, under a prior version of Iowa's forfeiture statute, an ex-wife's child support judgment did not create an interest in funds seized from a drug-dealing ex-husband where garnishment was not executed prior to the state's seizure of currency for purposes of forfeiture); *Commonwealth v. One Hundred Twenty-five Thousand One Hundred Ninety-one Dollars*, 921 N.E.2d 997, 999 (Mass. App. Ct. 2010) (holding that unsecured judgment creditor did not have "an interest relating to the property," which was required by civil forfeiture rule to allow it to intervene in a forfeiture action against cash seized from drug dealer (quoting Mass. R. Civ. P. 24(a)(2))).

Section 809.5 therefore turns on who has the best possessory interest in seized property. But section 533C.1004(8) and (9) only entitle a defrauded customer to a refund from the ATM operator, not an interest in the cash deposited into the ATM. The new provisions did not change the contract terms; once the transaction is completed, the cash belongs to the ATM owner. Properly understood, even if we assume VanderWerf has an unsecured refund claim against Bitcoin Depot under section 533C.1004, he still doesn't have an interest in the seized property. The result of the chapter 809 proceeding should therefore follow *Bitcoin Depot Operating*, and the district court should have returned the cash to Bitcoin Depot. There is no reason to discuss retroactive application of a statute that wouldn't apply in any event.

The cash should also have been returned to Bitcoin Depot under the procedural posture of this case. Section 809.5 requires that any person claiming an ownership or possessory interest in seized property must file a written claim. *See* Iowa Code § 809.5(1)(*c*); *cf. In re 1972 Euclid Ave.*, No. 07–0552, 2008 WL 2039310, at *3 (Iowa Ct. App. May 14, 2008) (holding that after claimant was acquitted of stealing potted trees, any argument about the alleged victim's entitlement to the trees could not defeat the claimant's application for return of the seized trees where the victim "did not avail himself" of his right to file a claim). VanderWerf made no such written claim to the seized cash, a point the county attorney made at the district court hearing and the State concedes on appeal. That left the State to argue that Bitcoin Depot's possession of the cash is "prohibited by law," Iowa Code § 809.5(2)(*a*), based on the newly enacted refund provision.

Whether possession of property is "prohibited by law" under section 809.5 has a straightforward meaning. It includes possession of things like illegal drugs,

which are "contraband per se." *State v. Ludtke*, 446 N.W.2d 797, 800 (Iowa 1989) (describing "heroin and other illegally controlled substances, moonshine and sawed-off shotguns" as contraband per se). It also includes possession of " 'derivative contraband'—property innocent in itself and generally lawful to possess but which may become contraband by its illegal use," like firearms when the claimant is a felon, *id.*; *see also* Iowa Code § 724.26(1) (criminalizing possession of a firearm by a felon), or glass pipes where the circumstances of their possession meet the definition of drug paraphernalia, *cf. In re Prop. Seized for Forfeiture from Clark*, No. 13–0062, 2014 WL 2601503, at *1 (Iowa Ct. App. June 11, 2014) ("Considering the pipes were located in a retail store where no illegal substances were found, there is no evidence which would allow us to conclude the seized pipes were used, or attempted to be used, in combination with a controlled substance. Accordingly, the glass pipes do not meet the definition of drug paraphernalia [in Iowa Code § 124.414(1)(*a*)(2) (2011)] and are not forfeitable under Iowa law."). Either way, "prohibited by law" turns on the reach of the relevant statute.

As discussed, even if section 533C.1004 applied, nothing about its refund provisions prohibit Bitcoin Depot from possessing the cash that VanderWerf deposited into its ATM. And under section 809.5, seized property must be returned to the property owner if not "prohibited by law." Iowa Code § 809.5(2)(*a*). The district court was therefore required to return the property to Bitcoin Depot. *See id.*; *see also State v. McGuire*, 921 N.W.2d 77, 87 (Neb. 2018) ("From the cases addressing return of seized property, a common theme emerges—when the government's interests have ended, it must return the property.").

Iowa Code section 533C.1004 has no application to Bitcoin Depot's chapter 809 proceeding, and there is no reason to consider its retroactivity. I join the majority's judgment reversing the district court.

McDonald and May, JJ., join this concurrence in the judgment.