JAN 1 9 2024

### A BILL FOR AN ACT

RELATING TO DIGITAL CURRENCY.

#### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that it is necessary to
- 2 protect a person's right to choose whether to participate in a
- 3 digital currency system and to ensure that the people of the
- 4 State are not coerced into adopting digital currencies against
- 5 their will. This Act therefore seeks to safeguard any person's
- 6 choice, privacy, and security and maintain a fair and inclusive
- 7 financial system that respects the diverse needs and preferences
- 8 of all persons.
- 9 The purpose of this Act is to prohibit the State from
- 10 requiring any person to adopt or use digital currency.
- 11 SECTION 2. The Hawaii Revised Statutes is amended by
- 12 adding a new chapter to be appropriately designated and to read
- 13 as follows:
- 14 "CHAPTER
- 15 PROTECTION OF INDIVIDUAL CHOICE IN DIGITAL CURRENCY USAGE
- 16 § -1 Definitions. As used in this chapter:

- 1 "Digital currency" means any form of electronic or virtual
- 2 currency, including cryptocurrency, central bank digital
- 3 currency, and any other similar digital payment system.
- 4 "Person" means any individual or organization, including
- 5 businesses and companies.
- 6 § -2 Individual choice in digital currency usage. Every
- 7 person shall have the right to choose whether to participate in
- 8 a digital currency system and shall retain the freedom to
- 9 transact and store value using traditional fiat currency,
- 10 physical cash, or any other legal means of payment.
- 11 § -3 Prohibition of forced digital currency adoption.
- 12 No government entity shall mandate or coerce a person into
- 13 adopting or using a digital currency against the person's will.
- 14 The State shall not require a person to possess or use digital
- 15 currency in any financial transaction, tax payment, or other
- 16 legal obligation. No government entity shall deny a person
- 17 access to a public service, benefit, or protected right solely
- 18 based on the person's non-participation in a digital currency
- 19 system.
- 20 § -4 Protection of privacy and security. A person who
- 21 chooses not to participate in a digital currency system shall

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- 1 not be subject to additional surveillance, monitoring, or
- 2 scrutiny by any government entity. The State shall ensure the
- 3 privacy and security of a person's financial transactions and
- 4 personal information regardless of the person's participation in
- 5 a digital currency system.
- 6 § -5 Public awareness and education. The State shall
- 7 promote public awareness and education regarding the benefits,
- 8 risks, and potential implications of digital currencies through
- 9 unbiased information sources to allow persons to make informed
- 10 decisions relating to participation in a digital currency
- 11 system.
- 12 § -6 Private right of action. Nothing in this chapter
- 13 shall be construed to preclude any person alleging a grievance
- 14 as a result of a violation of this chapter from maintaining a
- 15 civil action to petition a court to issue an injunction or grant
- 16 other equitable relief appropriate to ensure substantial
- 17 compliance with or to enforce this chapter. Nothing in this
- 18 section shall restrict any right that any person may have to
- 19 assert any other claim or bring any other action."
- 20 SECTION 3. If any provision of this Act, or the
- 21 application thereof to any person or circumstance, is held

- 1 invalid, the invalidity does not affect other provisions or
- 2 applications of the Act that can be given effect without the
- 3 invalid provision or application, and to this end the provisions
- 4 of this Act are severable.
- 5 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY: Jun Malorto

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### Report Title:

Digital Currency; Protection of Choice; Individuals; Organizations; Businesses; Companies

### Description:

Prohibits the State from requiring any person to adopt or use digital currency.

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