THE SENATE
THIRTY-THIRD LEGISLATURE, 2026
STATE OF HAWAII

S.B. NO. 2387 S.D. 1

A BILL FOR AN ACT

RELATING TO DIGITAL FINANCIAL ASSET TRANSACTION KIOSKS.

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

SECTION 1. Chapter 481B, Hawaii Revised Statutes, is amended by adding a new section to part I to be appropriately designated and to read as follows:

"**§481B- Digital financial asset transaction kiosks; daily cap; fraud; disclosures.** (a) An operator shall not accept transactions from a single customer through a digital financial asset transaction kiosk of more than:

(1) $2,000 or the equivalent in digital financial assets per day; and

(2) $10,000 or the equivalent in digital financial assets in any thirty-day period;

provided that the transaction limits shall apply to each operator in the aggregate; provided further that no operator shall accept transactions exceeding the applicable limit for their respective time period.

(b) All operators shall use blockchain analytics and tracing software to prevent digital financial assets from being

sent to a digital financial asset wallet known or likely to be affiliated with fraudulent activity at the time of transaction and to detect transaction patterns indicative of fraud or other illicit activities. Operators shall block transactions to digital financial asset wallets associated with overseas exchanges inaccessible to users in the United States. The attorney general, executive director of the office of consumer protection, director of law enforcement, and county police departments may obtain evidence from an operator related to the operator's current use of blockchain analytics.

(c) An operator shall disclose in a clear, conspicuous, and easily readable manner all relevant terms and conditions generally associated with the products, services, and activities of the digital financial asset transaction kiosk, including but not limited to transaction charges collected and exchange rates used by the operator.

(d) An operator shall display a warning on the digital financial asset transaction kiosk or on the screen of the kiosk, written prominently in bold type and provided separately from any other disclosure made pursuant to this section, in substantially the following form:

"WARNING: This technology can be used to defraud you. If someone asked you to deposit money in this machine and/or is on the phone with you and claims to be a:

(1) Government agent;

(2) Computer software representative;

(3) Bill collector;

(4) Law enforcement officer; or

(5) Anyone you do not personally know,

STOP THIS TRANSACTION IMMEDIATELY and contact your local law enforcement and digital financial asset transaction kiosk operator. This is a scam. NEVER SEND MONEY to someone you don't know."

(e) An operator shall disclose the material risks associated with digital financial assets and digital financial asset transactions to the customer at the digital financial asset transaction kiosk, including disclosures that inform the customer that digital financial assets:

(1) Are not issued or backed by the United States government and are not legal tender in the United States;

(2) Are not subject to protection by the Federal Deposit Insurance Corporation, National Credit Union Administration, or Securities Investor Protection Corporation; and

(3) May fluctuate significantly in value relative to the United States dollar.

(f) An operator shall disclose the following information to the customer at the digital financial asset transaction kiosk or the first screen of the kiosk:

(1) The name, address, and telephone number of the operator;

(2) The days, time, and means of contact a customer may utilize to contact the operator for assistance; and

(3) Any state and county law enforcement and relevant government agency for reporting fraud.

(g) Any disclosure made by an operator pursuant to this section shall not deprive a customer of receiving a refund.

(h) Upon completion of each transaction, the operator shall provide the customer with paper and electronic receipts in a retainable form. The receipt shall include the following information:

(1) The operator's name and toll-free customer service phone number;

(2) Relevant contact information for state and county law enforcement and any relevant government agency for reporting fraud;

(3) Type, value, date, and precise time of the transaction;

(4) Each applicable digital financial asset address and transaction hash where available;

(5) All charges;

(6) Exchange rate of the digital financial assets to United States dollars;

(7) The operator's refund policy;

(8) Any additional information as determined by the operator; and

(9) Any additional information required by the applicable state or county law enforcement or relevant government agency.

(i) When a customer reports a fraudulent transaction, the operator shall issue a refund to the customer in the full amount of all transactions paid by the defrauded customer, including

but not limited to any transaction charges, at the time of the transaction, regardless of any acknowledgements the customer may have made before finalizing the transactions; provided that the customer:

(1) Has engaged in a transaction or transactions involving the digital financial asset transaction kiosk where fraud occurred, whether authorized or unauthorized;

(2) Contacted the operator to inform the operator of the fraudulent nature of the transaction or transactions at issue within ninety days after the last transaction occurred or after the customer became aware of the fraud; and

(3) Submitted a police report, government agency report, or sworn statement detailing the fraudulent nature of the transaction or transactions to the operator within one hundred twenty days after contacting the operator.

The refund under this subsection shall be paid in the originating currency of the transaction. The operator shall issue a full refund within seventy-two hours after being notified by the defrauded customer and receiving a copy of the police or government agency's report or sworn statement.

(j) All operators shall provide live customer service during operating hours and between the hours of 8:00 a.m. and 10:00 p.m. Hawaii Standard Time. The customer service toll-free number shall be displayed on the digital financial asset transaction kiosk or on the screen of the kiosk.

(k) All operators performing business in the State shall provide a dedicated communications line for the attorney general, office of consumer protection, department of law enforcement, and county police departments via a United States telephone number or electronic mail address. The dedicated communications line shall be used to facilitate law enforcement and government agency communications with the operator in the event of a fraud report from a customer. Upon request from a law enforcement or government agency, an operator shall provide its trace findings and provide blockchain analytics to assist the law enforcement or government agency in any investigative matters related to the potential fraud.

(l) For the purposes of this section:

"Cash" means physical United States currency, including coins and paper currency.

"Customer" means any individual or entity that initiates, authorizes, or completes a transaction involving digital financial assets through a digital financial asset transaction kiosk, whether for the purpose of purchasing, selling, transferring, or otherwise exchanging digital financial assets.

"Digital financial asset" 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, regardless of whether denominated in legal tender. "Digital financial asset" does not include:

(1) A transaction in which a merchant grants, as part of an affinity or rewards program, value that cannot be taken from or exchanged with the merchant for legal tender, bank or credit union credit, or a digital financial asset;

(2) A digital representation of value issued by or on behalf of a publisher and used solely within an online game, game platform, or family of games sold by the same publisher or offered on the same game platform; or

(3) A security registered with or exempt from registration with the United States Securities and Exchange Commission or a security registered or exempt from registration under chapter 485A.

"Digital financial asset transaction" means a transaction conducted or performed, in whole or in part, by electronic means via a digital financial asset transaction kiosk or other means that facilitates or enables the purchase of digital financial assets through a product or application that directs the customer to remit payment in person, including through a clerk or other intermediary, for the purpose of completing the transaction.

"Digital financial asset transaction kiosk" means an electronic information processing device that is capable of accepting or dispensing United States currency by means of credit card or cash in exchange for a digital financial asset.

"Digital financial asset wallet" means a software program or an application that stores digital financial assets.

"Operator" means a person who owns, operates, or manages a digital financial asset transaction kiosk located in the State."

SECTION 2. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2050.

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Report Title:
Attorney General; Office of Consumer Protection; Department of Law Enforcement; Digital Financial Asset Transaction Kiosks; Cryptocurrency; Operators; Limits; Fraud Prevention; Disclosures; Receipts; Refunds

Description:
Establishes limits on transactions through digital financial asset transaction kiosks. Requires operators of digital financial asset transaction kiosks to use blockchain analytics and tracing software to prevent fraud; make certain disclosures; provide receipts to customers; provide full refunds under certain circumstances; and provide live customer service and a dedicated communications line for the Attorney General, Office of Consumer Protection, Department of Law Enforcement, and county police departments. Effective 7/1/2050. (SD1)

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