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# A BILL FOR AN ACT

RELATING TO DIGITAL FINANCIAL ASSET TRANSACTION KIOSKS.

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

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

4           "§481B-           Digital financial asset transaction kiosks;

5 daily and monthly limitation; wallet pinning; prohibition;

6 fraud; disclosures. (a) No operator shall own, operate, or

7 manage digital financial asset transaction kiosks in the State

8 that:

9           (1) Accept transactions from a single customer in amounts

10           of more than:

11           (A) \$2,000 or the equivalent in digital financial

12           assets per day; and

13           (B) \$10,000 or the equivalent in digital financial

14           assets in any thirty-day period;

15           provided that the transaction limits shall apply to

16           each operator in the aggregate; provided further that



1           no operator shall accept transactions exceeding the  
2           applicable limit for their respective time period;

3           (2) Accept United States currency by cash, credit card, or  
4           any other means, from a new customer in exchange for  
5           digital financial assets;

6           (3) Allow any two customers to conduct transactions with  
7           the same digital financial asset wallet address; or

8           (4) Beginning January 1, 2030, accept United States  
9           currency by cash, credit card, or any other means,  
10           from any customer in exchange for a digital financial  
11           asset;

12           provided that nothing in paragraphs (2) and (4) shall be  
13           construed to limit a digital financial asset kiosk from  
14           accepting a digital financial asset from a customer in exchange  
15           for either a different digital financial asset or United States  
16           currency.

17           (b) All operators shall use blockchain analytics and  
18           tracing software to prevent digital financial assets from being  
19           sent to a digital financial asset wallet known or likely to be  
20           affiliated with fraudulent activity at the time of transaction  
21           and to detect transaction patterns indicative of fraud or other



1 illicit activities. Operators shall block transactions to  
2 digital financial asset wallets associated with overseas  
3 exchanges inaccessible to users in the United States. The  
4 attorney general, executive director of the office of consumer  
5 protection, director of law enforcement, and county police  
6 departments may obtain evidence from an operator related to the  
7 operator's current use of blockchain analytics.

8 (c) An operator shall disclose in a clear, conspicuous,  
9 and easily readable manner all relevant terms and conditions  
10 generally associated with the products, services, and activities  
11 of the digital financial asset transaction kiosk, including but  
12 not limited to transaction charges collected and exchange rates  
13 used by the operator; provided that all disclosures required  
14 under this section shall be written in plain language and  
15 designed to be accessible to individuals with access and  
16 functional needs, including cognitive, sensory, and  
17 communication disabilities, consistent with Act 172, Session  
18 Laws of Hawaii 2022.

19 (d) An operator shall display a warning on the digital  
20 financial asset transaction kiosk or on its screen, written  
21 prominently in bold type and provided separately from any other



1 disclosure made pursuant to this section, in substantially the  
2 following form:

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

- 6 (1) A government agent;
- 7 (2) A computer software representative;
- 8 (3) A bill collector;
- 9 (4) A law enforcement officer; or
- 10 (5) Anyone you do not personally know,

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

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



- 1        (1) Are not issued or backed by the United States
- 2                government and are not legal tender in the United
- 3                States;
- 4        (2) Are not subject to protection by the Federal Deposit
- 5                Insurance Corporation, National Credit Union
- 6                Administration, or Securities Investor Protection
- 7                Corporation; and
- 8        (3) May fluctuate significantly in value relative to the
- 9                United States dollar.
- 10        (f) An operator shall disclose the following information
- 11 to the customer at the digital financial asset transaction kiosk
- 12 or on its first screen:
- 13        (1) The name, address, and telephone number of the
- 14                operator;
- 15        (2) The days, time, and means of contact a customer may
- 16                utilize to contact the operator for assistance; and
- 17        (3) Any state or county law enforcement and relevant
- 18                government agency for reporting fraud.
- 19        (g) Any disclosure made by an operator pursuant to this
- 20 section shall not deprive a customer of receiving a refund.



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

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

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

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

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

14       (5) All charges;

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

17       (7) The operator's refund policy;

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



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

4       (i) When a customer reports a fraudulent transaction, the  
5       operator shall issue a refund to the customer in the full amount  
6       of all transactions paid by the defrauded customer, including  
7       but not limited to any transaction charges, at the time of the  
8       transaction, regardless of any acknowledgements the customer may  
9       have made before finalizing the transactions; provided that the  
10       customer:

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

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

19       (3) Submitted a police report, government agency report,  
20       or sworn statement detailing the fraudulent nature of



1           the transaction or transactions to the operator within  
2           one hundred twenty days after contacting the operator.

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

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

13           (k) All operators performing business in the State shall  
14           provide a dedicated communications line for the attorney  
15           general, office of consumer protection, department of law  
16           enforcement, and county police departments via a United States  
17           telephone number or electronic mail address. The dedicated  
18           communications line shall be used to facilitate law enforcement  
19           and government agency communications with the operator in the  
20           event of a fraud report from a customer. Upon request from a  
21           law enforcement or government agency, an operator shall provide



1 its trace findings and provide blockchain analytics to assist  
2 the law enforcement or government agency in any investigative  
3 matters related to the potential fraud.

4 (1) For the purposes of this section:

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

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

12 "Digital financial asset" means a digital representation of  
13 value that is used as a medium of exchange, unit of account, or  
14 store of value, and that is not legal tender, regardless of  
15 whether denominated in legal tender. "Digital financial asset"  
16 does not include:

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



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

5       or

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

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

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



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

3       "Digital financial asset wallet address" means a unique  
4 public alphanumeric identifier that is associated with a type of  
5 digital financial asset and digital financial asset wallet and  
6 that allows for the sending and receiving of digital financial  
7 assets.

8       "New customer" means a person who has been a customer of an  
9 operator for less than seven days commencing from the  
10 establishment of an account with the operator.

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

13       SECTION 2. New statutory material is underscored.

14       SECTION 3. This Act shall take effect on July 1, 3000.



**Report Title:**

AG; OCP; DLE; Digital Financial Asset Transaction Kiosks;  
Cryptocurrency; Operators; Limits; Wallet Pinning; Prohibition;  
Fraud Prevention; Disclosures; Receipts; Refunds

**Description:**

Establishes limits on transactions through digital financial asset transaction kiosks. Prohibits (1) the exchanging of United States currency from new customers for digital financial assets; (2) any two customers from transacting to the same digital financial asset wallet address; and (3) beginning 1/1/2030, the exchange of United States currency from customers for digital financial assets. 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 7/1/3000. (HD1)

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