

JAN 28 2026

A BILL FOR AN ACT

RELATING TO CONSUMER PROTECTION.

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

1 SECTION 1. The legislature finds that access to lawful
2 digital asset transactions is an essential component of
3 financial inclusion, innovation, and individual economic freedom
4 in the modern economy. Digital asset kiosks offer a vital point
5 of access for individuals who may lack traditional banking
6 services or prefer to engage with digital assets in a secure,
7 in-person environment.

8 The legislature believes that individuals have a right to
9 use their fiat currency to obtain digital assets lawfully and
10 that businesses have a right to operate compliant digital asset
11 kiosks to serve the public. The legislature further believes
12 that clear, consistent, and narrowly tailored regulation of
13 digital asset kiosks helps protect consumers from fraud while
14 preserving lawful access to emerging financial technologies.

15 Accordingly, the purpose of this Act is to provide the
16 public with access to safe, transparent, and non-discriminatory
17 transactions of digital assets through the regulation of the



1 licensure, operation, and investigation of digital asset kiosks
2 and their operators.

3 SECTION 2. The Hawaii Revised Statutes is amended by
4 adding a new chapter to be appropriately designated and to read
5 as follows:

6 **"CHAPTER**

7 **DIGITAL ASSET KIOSK CONSUMER ACCESS AND PROTECTION ACT**

8 § -1 **Short title.** This chapter shall be known and may
9 be cited as the Digital Asset Kiosk Consumer Access and
10 Protection Act.

11 § -2 **Definitions.** As used in this chapter:

12 "Consumer" means an individual or entity that conducts a
13 transaction involving digital assets through a digital asset
14 kiosk.

15 "Department" means the department of commerce and consumer
16 affairs.

17 "Digital asset" includes virtual currencies,
18 cryptocurrencies, stablecoins, fungible tokens, non-fungible
19 tokens, and other strictly digital assets that confer economic,
20 proprietary, or access rights and powers to owners.



1 "Digital asset kiosk" means an electronic terminal that
2 enables a consumer to interchange fiat currency for digital
3 assets. "Digital asset kiosk" includes a machine that either
4 connects to an external digital asset trading platform for the
5 execution of a transaction, or dispenses digital assets from the
6 holdings of an operator.

7 "Fiat currency" means government-issued currency that is
8 designated as legal tender in the United States and not backed
9 by a physical commodity.

10 "Operator" means a person or entity who owns or operates
11 one or more digital asset kiosks within the State.

12 § -3 **Operator requirements.** (a) Beginning ,
13 2026, no operator shall operate any digital asset kiosk in the
14 State unless the operator holds either a valid:

15 (1) Money transmitter license pursuant to section 489D-3;

16 or

17 (2) Virtual currency business license.

18 (b) An operator that fails to meet the requirements of
19 this section shall be subject to enforcement and penalties
20 pursuant to this chapter.



1 (c) For the purposes of this section, "virtual currency
2 business license" means a license, registration, or other
3 authorization issued under the laws of the State to engage in
4 digital asset or virtual currency business activity.

5 § -4 Reports. (a) Beginning , 2026, each
6 operator shall submit to the department an annual report that
7 includes the location of each digital asset kiosk owned or
8 operated by the operator in the State. The report shall be
9 filed in a form and by a date prescribed by the department;
10 provided that the submission shall be required to occur at least
11 once per calendar year.

12 (b) The annual report submitted by the operator to the
13 department shall include, for each digital asset kiosk:

14 (1) The name and physical address, including the street
15 address, city, and zip code, of the location of the
16 digital asset kiosk, including the name of the
17 business or establishment in which the digital asset
18 kiosk is located, if applicable;

19 (2) The date on which the digital asset kiosk began
20 operation; and



1 (3) The date on which the digital asset kiosk ceased
2 operation, if applicable.

3 § -5 **Disclosures; warning; customer service contact**

4 **information.** (a) Beginning , 2026, the operator of a
5 digital asset kiosk shall ensure that the user interface for
6 each digital asset kiosk prominently displays the following
7 information to the consumer before any transaction:

8 (1) All fees or charges the consumer will incur for the
9 transaction;

10 (2) The applicable exchange rate or price used to convert
11 between any type of fiat currency and a digital asset,
12 if applicable;

13 (3) A notice that transactions involving digital assets
14 are irrevocable and cannot be reversed or refunded
15 once completed;

16 (4) A notice that digital assets and transactions
17 conducted at the digital asset kiosk are not insured
18 or guaranteed by the Federal Deposit Insurance
19 Corporation, National Credit Union Administration, or
20 Securities Investor Protection Corporation; and

21 (5) A fraud warning that shall:



- 1 (A) Describe, in general terms, common scam tactics
2 involving digital asset kiosks;
- 3 (B) Advise a consumer not to proceed with any
4 transaction if the consumer is being instructed
5 or pressured by a third party, or if the consumer
6 suspects fraud;
- 7 (C) State that no government agency or official will
8 ever request a payment through a transaction
9 conducted on a digital asset kiosk; and
- 10 (D) Direct a consumer who suspects fraud to the
11 customer service contact information displayed on
12 the digital asset kiosk pursuant to subsection
13 (b).

14 (b) Each digital asset kiosk shall display customer
15 service contact information, including a valid telephone number
16 that connects to the customer service center of the applicable
17 operator or to a designated, non-emergency law enforcement
18 agency. The telephone number shall be displayed prominently on
19 the digital asset kiosk or its electronic display and before and
20 during each transaction.



1 § -6 Receipts; new consumer transaction limits. (a)

2 Beginning , 2026, and upon completion of any
3 transaction using a digital asset kiosk, the operator shall
4 provide the consumer with a receipt in a printed or electronic
5 form. Each receipt shall include:

- 6 (1) The date and time of the transaction;
- 7 (2) The type and amount of digital asset transacted and
8 the corresponding amount of fiat currency exchanged,
9 if applicable;
- 10 (3) The fees charged for the transaction;
- 11 (4) The exchange rate applied, if any; and
- 12 (5) The name of the operator and the customer service
13 contact information for the operator.

14 (b) Each operator shall implement transaction limits for
15 every digital asset kiosk owned or operated by the operator,
16 which shall prohibit new consumers from conducting transactions
17 using a digital asset kiosk that total more than \$3,000 per
18 calendar day; provided that the transaction limits shall no
19 longer apply after five calendar days from the first
20 transaction; provided further that, for the purposes of this
21 subsection, "new consumer" means a consumer conducting an



1 initial transaction with the operator for the first time and any
2 subsequent transactions with the operator for the next five
3 calendar days from the initial transaction.

4 § -7 **Recordkeeping; law enforcement cooperation.** (a)

5 Beginning _____, 2026, each operator shall maintain
6 complete and accurate records of all transactions conducted at
7 digital asset kiosks that the operator owns or operates and any
8 related consumer information as required under applicable state
9 and federal laws; provided that the records of all transactions
10 shall be preserved for a period of time as determined by the
11 department by rule.

12 (b) Each operator shall cooperate with all law enforcement
13 agencies in any investigation and prevention of fraud and other
14 unlawful activity, including but not limited to:

15 (1) Complying promptly with lawful subpoenas, court
16 orders, and other official requests for records or
17 information relating to consumers or transactions
18 conducted at digital asset kiosks;

19 (2) Responding in good faith to lawful requests from the
20 department or a law enforcement agency relating to
21 fraud involving a digital asset kiosk; and



1 (3) Designating a point of contact within the organization
2 of the operator for communication with the department
3 and any law enforcement agency regarding fraud.

4 (c) No provision of this section shall be construed to
5 require an operator to monitor or block transactions conducted
6 at digital asset kiosks in real time, except as required by
7 other applicable law.

8 **§ -8 Authority of the department; violations; joint**

9 **liability.** (a) Beginning , 2026, the department may
10 investigate and examine the operations, records, and property of
11 any operator as reasonably necessary to verify compliance with
12 this chapter and any rules adopted under this chapter. In
13 conducting an investigation pursuant to this section, the
14 department may:

15 (1) Require an operator to submit reports or documentation
16 relevant to the business, activities, and transactions
17 concerning any digital asset kiosk owned or operated
18 by the operator;

19 (2) Inspect the books, records, and digital asset kiosks
20 of the operator during normal business hours; and



1 (3) Take testimony or issue subpoenas to compel the
2 appearance of witnesses and the production of
3 documents.

4 (b) If the department determines that an operator has
5 violated this chapter or any rule adopted under this chapter,
6 the department may take one or more of the following enforcement
7 actions in accordance with applicable administrative procedures:

8 (1) Issue an order requiring the operator to cease and
9 desist from the violative action and to take
10 corrective action as necessary to comply with this
11 chapter and all rules adopted under this chapter;

12 (2) Impose an administrative fine or penalty; provided
13 that each day that a violation continues may be
14 treated as a separate violation; provided further that
15 the maximum penalty for each violation shall not
16 exceed \$1,000; or

17 (3) Suspend or revoke any license or registration required
18 to operate digital asset kiosks in the State pursuant
19 to section -3.

20 (c) The remedies and penalties provided in this section
21 are cumulative and shall not limit enforcement under other



1 applicable state law, including laws relating to money
2 transmission or to unfair or deceptive acts or practices.

3 (d) Nothing in this chapter shall be construed to limit
4 the rights of any person to pursue civil remedies against an
5 operator or to restrict the authority of the attorney general or
6 other applicable state officials from bringing civil or criminal
7 proceedings under applicable state law.

8 (e) Any business or establishment wherein a digital asset
9 kiosk is located shall be jointly liable for any damages arising
10 from transactions conducted using the digital asset kiosk that
11 are determined to have been fraudulent or for which the operator
12 is found to be liable.

13 (f) An operator, a business, or an establishment may
14 challenge any final order or enforcement action taken by the
15 department under this section by filing an appeal in a court of
16 competent jurisdiction in accordance with applicable state law.

17 (g) The department may adopt rules pursuant to chapter 91,
18 necessary for the purposes of this chapter."

19 SECTION 3. If any provision of this Act, or the
20 application thereof to any person or circumstance, is held
21 invalid, the invalidity does not affect other provisions or



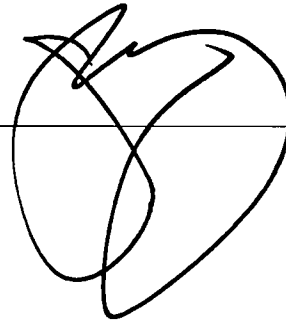
S.B. NO. 3185

1 applications of the Act that can be given effect without the
2 invalid provision or application, and to this end the provisions
3 of this Act are severable.

4 SECTION 4. This Act shall take effect upon approval.

5

INTRODUCED BY: _____

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S.B. NO. 3185

Report Title:

DCCA; Digital Asset Kiosks; Disclosures; Licenses; Fraud; Investigations; Penalties; Reports; Operator Responsibilities; Joint Liability

Description:

Requires operators of digital asset kiosks to have requisite licenses or registrations; make annual reports to the Department of Commerce and Consumer Affairs; limit transaction amounts for new consumers; provide disclosures, receipts, and customer service contact information to all consumers; and cooperate with the Department of Commerce and Consumer Affairs and applicable law enforcement agencies in the investigation of fraudulent transactions. Authorizes the Department of Commerce and Consumer Affairs to investigate and take enforcement actions against operators. Extends joint liability to businesses or establishments wherein digital asset kiosks are located that are determined to have processed a fraudulent transaction or a transaction for which an operator is found to be liable.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

