

Honolulu, Hawaii

MAR 06 , 2026

RE: H.B. No. 1642
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 1642, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CONSUMER PROTECTION,"

begs leave to report as follows:

The purpose of this measure is to, beginning October 1, 2026, prohibit the ownership, operation, or management of a digital financial asset transaction kiosk that accepts United States currency from a customer in exchange for a digital financial asset.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Hawai'i Family Caregiver Coalition; AARP Hawai'i; and numerous individuals. Your Committee received testimony in opposition to this measure from Hilt Ventures, LLC.

Your Committee finds that digital financial asset transaction kiosks have increasingly been used to facilitate scam payments, causing significant financial harm to residents due to the ease of scammers directing victims to deposit cash into kiosks that transfer funds to fraudulent digital wallets. Your Committee further finds that the rapid escalation of fraud losses, combined with the inability to recover funds once transferred, poses an ongoing threat to the financial safety of consumers, particularly



kupuna and other vulnerable groups. Your Committee believes that prohibiting kiosks from accepting cash for digital asset purchases will substantially reduce the most prevalent avenue for scam payments and help safeguard consumers from financial exploitation.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1642, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



