

STAND. COM. REP. NO.

3319

Honolulu, Hawaii

MAR 30 2026

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, 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 and intent of this measure is to 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 Office of Consumer Protection of the Department of Commerce and Consumer Affairs, Department of the Attorney General, AARP Hawai'i, Hawai'i Family Caregiver Coalition, and seven individuals.

Your Committee received testimony in opposition to this measure from Hilt Crypto Kiosks, CoinFlip, and two individuals.

Your Committee finds that twelve thousand consumers in the United States lost \$333,000,000 through digital financial asset kiosk fraud in the first eleven months of 2025 according to the Federal Bureau of Investigation. Scammers reportedly target vulnerable and elderly residents by gaining their trust then directing them to deposit large sums of cash into untraceable



digital wallets using digital financial asset transaction kiosks. Your Committee further finds that there are more than two hundred digital financial asset transaction kiosks in the State. This measure would prohibit certain transactions at digital financial asset transaction kiosks with the intent of reducing the opportunity for consumers in the State to be defrauded through digital financial asset transaction kiosk scams.

Your Committee acknowledges the concerns raised in testimony that failing to address broader issues related to cryptocurrency would leave consumers exposed to ongoing and preventable harm. Your Committee notes that S.B. No. 2387, S.D. 1 (2026), which was previously heard by your Committee, also relates to digital financial asset transaction kiosks. Your Committee finds that the language in S.B. No. 2387, S.D. 1 (2026), is preferable because, rather than banning the kiosks for certain transactions, it provides a comprehensive digital financial asset transaction kiosk regulatory framework, similar to those implemented through legislation passed in eighteen other states with demonstrated success in consumer protection and fraud reduction.

Accordingly, your Committee has amended this measure by:

- (1) Deleting its contents and inserting the contents of S.B. No. 2387, S.D. 1 (2026), a measure that would establish limits on transactions through digital financial asset transaction kiosks and require operators of digital financial asset transaction kiosks to:
 - (A) Use blockchain analytics and tracing software to prevent fraud;
 - (B) Make certain disclosures;
 - (C) Provide receipts to customers;
 - (D) Provide full refunds under certain circumstances; and
 - (E) 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;



- (2) Inserting language that requires an operator to hold each digital financial asset transaction made by a new customer for a period of at least forty-eight hours and provide a full refund at the request of the new customer during the hold period;
- (3) Inserting a definition of "new customer";
- (4) Amending section 1 to reflect its amended purpose; and
- (5) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1642, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1642, H.D. 1, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



JARRETT KEOHOKALOLE, Chair



The Senate
 Thirty-Third Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:
HB 1642 HD 1	CPN, JDC/WAM	03/24/2026


The Committee is reconsidering its previous decision on this measure.
 If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
KEOHOKALOLE, Jarrett (C)	✓			
FUKUNAGA, Carol (VC)	✓			
LAMOSAO, Rachele	✓			
MCKELVEY, Angus L.K.	✓			
AWA, Brenton	✓			
TOTAL	5			

Recommendation: Adopted Not Adopted

Chair's or Designee's Signature:


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***Only one measure per Record of Votes**