

Honolulu, Hawaii

APR 08, 2026

RE: S.B. No. 2387
S.D. 1
H.D. 2

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 S.B. No. 2387, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DIGITAL FINANCIAL ASSET TRANSACTION KIOSKS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish limits on transactions through digital financial asset transaction kiosks;
- (2) Prohibit:
 - (A) The exchanging of United States currency from new customers for digital financial assets;
 - (B) Any two customers from transacting to the same digital financial asset wallet address; and
 - (C) Beginning January 1, 2030, the exchange of United States currency from customers for digital financial assets; and



- (3) 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.

Your Committee received testimony in support of this measure from the Department of Commerce and Consumer Affairs; Hawai'i State Council on Developmental Disabilities; Policy Advisory Board for Elder Affairs; Department of the Prosecuting Attorney of the County of Maui; AARP Hawai'i; Hawaii Bankers Association; CoinFlip; and numerous individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from Hilt Ventures.

Your Committee finds that digital financial asset transaction kiosks are increasingly misused for fraudulent activity, with scammers often directing victims to deposit large amounts of cash into digital wallets under pretenses of urgency or legal authority. Your Committee further finds that current consumer remedies are insufficient, and that mandatory transaction caps and full refund requirements are essential to protect the public and incentivize operators to implement more effective fraud deterrents. This measure seeks to regulate the operation of digital financial asset transaction kiosks by establishing transaction limits, requiring fraud prevention analytics, and mandating comprehensive consumer disclosures and refund procedures.

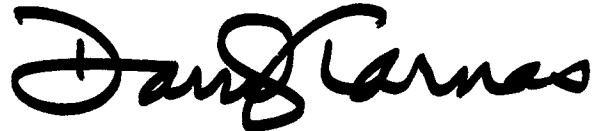
Your Committee has amended this measure by:



- (1) Limiting the prohibition on accepting United States currency from new customers to transactions in excess of \$100;
- (2) Clarifying that a customer who receives a full refund from an operator for a fraudulent transaction must return or transfer any associated digital financial asset retained by the customer to the operator; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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 S.B. No. 2387, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2387, S.D. 1, H.D. 2.

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



DAVID A. TARNAS, Chair



