

STAND. COM. REP. NO. 3036

Honolulu, Hawaii

MAR 06 2026

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

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

Sir:

Your Committees on Judiciary and Ways and Means, to which was referred S.B. No. 2387, S.D. 1, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish limits on transactions through digital financial asset transaction kiosks; and
- (2) 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 Committees received testimony in support of this measure from the Executive Office on Aging, Policy Advisory Board for Elder Affairs, Department of the Prosecuting Attorney of the City and County of Honolulu, Department of the Prosecuting Attorney of the County of Maui, AARP Hawai'i, Holomua Collaborative, Hawaii Credit Union League, Hawaii Bankers Association, and thirteen individuals.

Your Committees received comments on this measure from the Office of Consumer Protection of the Department of Commerce and Consumer Affairs and Hilt Ventures, LLC.

Your Committees find that the prevalence of cryptocurrency and cryptocurrency kiosk-related scams in the State is a growing concern. Presently, the State has over two hundred bitcoin kiosks located in publicly accessible places like supermarkets, liquor stores, and gas stations. Your Committees further find that credible reports nationwide and in the State demonstrate that scammers often use digital financial asset kiosks to defraud consumers. For example, Attorneys General in Iowa and Washington D.C. have sued kiosk operators and announced that scam transactions account for more than ninety percent of transactions at kiosks targeted by their investigations. This measure mitigates harm to consumers from fraud occurring at digital financial asset kiosks.

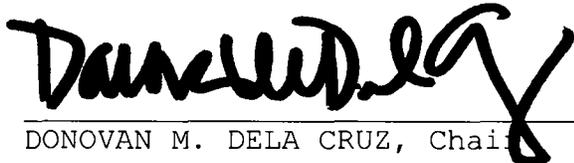
Your Committees note the concerns raised in testimony by Hilt Ventures, LLC, that this measure's daily transaction limit of \$2,000 and monthly transaction limit of \$10,000 applies to all customers, with no differentiation between new customers and established customers. Customers who are the victims of fraud are often new, first-time customers, not established customers. An existing customer who has used digital financial asset kiosk services many times without incident has a far different risk profile than a customer that has never used a digital financial asset kiosk before. Your Committees further note the concerns raised in testimony by Hilt Ventures, LLC, that new and established customers should also be differentiated in regard to this measure's full-refund mandate if a customer reports fraud, as



existing customers may reasonably be expected to possess greater familiarity with the nature of these transactions.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2387, S.D. 1, and recommend that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Ways and Means,



DONOVAN M. DELA CRUZ, Chair



KARL RHOADS, Chair



