

STAND. COM. REP. NO.

420

Honolulu, Hawaii

, 2025

**FEB 11**

RE: H.B. No. 1277  
H.D. 1

Honorable Nadine K. Nakamura  
Speaker, House of Representatives  
Thirty-Third State Legislature  
Regular Session of 2025  
State of Hawaii

Madame:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 1277 entitled:

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

begs leave to report as follows:

The purpose of this measure is to limit the value of daily transactions through a digital financial asset transaction kiosk to a maximum of \$2,000 per day.

Your Committee received testimony in support of this measure from AARP Hawai'i and one individual. Your Committee received testimony in opposition to this measure from CoinFlip and Bitcoin Depot.

Your Committee finds that a digital financial asset transaction kiosk is a type of electronic kiosk where customers can buy and sell digital financial assets, or cryptocurrencies, using cash, credit cards, or bank transfer. While the operators of these kiosks are not subject to any state oversight or regulation in their business practices, federal law does require operators to comply with laws designed to combat money laundering and terrorist financing. Yet, consumers have no protections designed to protect their financial interests when transacting at these kiosks.

2025-1422 HB1277 HD1 HSCR HMSO



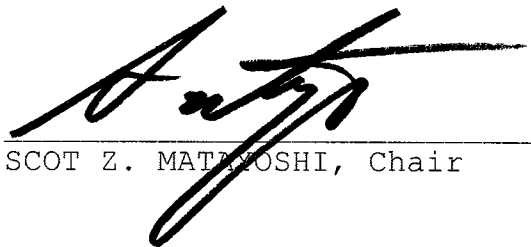
Your Committee further finds that, while these kiosks enable people to make legitimate financial transactions every day, these kiosks are also increasingly being used in scams targeting older adults. In these scams, victims are convinced to use the kiosks to transfer cryptocurrencies to a wallet address controlled by the scammer. This measure imposes a daily transaction limit to prevent large sums of money from being withdrawn or deposited in a single day.

Your Committee has amended this measure by:

- (1) Lowering the daily limit imposed by this measure from \$2,000 to \$1,000; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1277, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1277, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

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



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SCOT Z. MATSUMOTO, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 1277	Committee Referral: CPC, JHA	Date: 2/4/25		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. MATAYOSHI, Scot Z. (C)	✓			
2. CHUN, Cory M. (VC)	✓			
3. ILAGAN, Greggor	✓			
4. ICHIYAMA, Linda	✓			
5. IWAMOTO, Kim Coco	✓			
6. KONG, Sam Satoru				✓
7. LOWEN, Nicole E.				✓
8. MARTEN, Lisa	✓			
9. TAM, Adrian K.	✓			
10. PIERICK, Elijah			✓	
TOTAL (10)	7		1	2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				