STAND. COM. REP. NO. 2907

Honolulu, Hawaii

MAR 2 1 2016

RE: H.B. No. 2704

H.D. 2

Honorable Ronald D. Kouchi President of the Senate Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health, to which was referred H.B. No. 2704, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO CROWDFUNDING,"

begs leave to report as follows:

The purpose and intent of this measure is to establish an exemption from Hawaii securities law for limited intrastate investments with Hawaii businesses.

Your Committee received testimony in support of this measure from the Hawaii Food Industry Association, Chamber of Commerce Hawaii, and National Federation of Independent Business Hawaii. Your Committee received testimony in opposition to this measure from the United Public Workers, AFSCME, Local 646, AFL-CIO. Your Committee received comments on this measure from the Department of Commerce and Consumer Affairs.

Your Committee finds that this measure provides for explicit statutory authority for the adoption of an intrastate crowdfunding exemption through rulemaking. Such an exemption would provide a mechanism for start-up businesses based in Hawaii to obtain financing from local investors. Your Committee further finds that this measure will encourage development of the startup and innovation section in Hawaii, which will positively impact Hawaii's economy.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is



attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2704, H.D. 2, and recommends that it pass Second Reading and be referred to your Committee on Ways and Means.

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

ROSALYN H. RAKER, Chair

The Senate Twenty-Eighth Legislature State of Hawai'i

Record of Votes Committee on Commerce, Consumer Protection, and Health CPH

Bill / Resolution No.:*	Committee Referral:		Date:			
HB 2704, HD 2	CPH, WAM			3-14-16		
The Committee is reconsidering its previous decision on this measure.						
If so, then the previous decision was to:						
The Recommendation is:						
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313						
Members	_	Aye	Aye (W	R) N	ay	Excused
BAKER, Rosalyn H. (C)						
KIDANI, Michelle N. (VC)						
ESPERO, Will						
IHARA, Jr., Les						
NISHIHARA, Clarence K.						
RUDERMAN, Russell E.						
SLOM, Sam						
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TOTAL		5				2
Recommendation:						
Adopted Not Adopted						
Chair's or Designee's Signature: Thichelle A thani						
Distribution: Original	Yellow eport Clerk's Office		Pink			
File with Committee Re	eport Clerk	CS UTTICE	Drafting Age	ency C	ommitte	е гие Сору

*Only one measure per Record of Votes