

Honolulu, Hawaii

MAR 21 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,

  
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ROSALYN H. BAKER, Chair



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

\*Only one measure per Record of Votes