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# A BILL FOR AN ACT

RELATING TO BLOCKCHAIN TECHNOLOGY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that industries and  
2 governments are constantly adopting new innovative technology  
3 that will revolutionize products and services. One example of  
4 this new technology is blockchain technology, a decentralized,  
5 distributed ledger that records the origin of a digital asset.  
6 Blockchain technology can protect data, streamline processes,  
7 and reduce fraud, waste, and abuse while simultaneously  
8 increasing trust and accountability. Blockchain technology  
9 additionally has the potential to solve legacy pain points and  
10 can offer the following benefits:

- 11           (1) Secure storage of government, citizen, and business  
12           data;
- 13           (2) Reduce labor-intensive processes;
- 14           (3) Reduce excessive costs associated with managing  
15           accountability;
- 16           (4) Reduce the potential for corruption and abuse; and
- 17           (5) Increase trust in government and online civil systems.



# H.B. NO. 622

1           The legislature recognizes that the distributed ledger  
2 format that blockchain technology functions as can be leveraged  
3 to support an array of government and public-sector  
4 applications, including land registration, identity management,  
5 supply chain traceability, health care, corporate registration,  
6 taxation, voting, digital currency and payments, and legal  
7 entities management. Such a technology requires an educated and  
8 thorough approach so that the implementation of blockchain  
9 technology in the State does not impede innovation and growth.

10           The purpose of this Act is to require the Hawaii technology  
11 development corporation to establish a blockchain working group  
12 to recommend a definition for blockchain technology and make  
13 recommendations for individuals, businesses, and state agencies  
14 to use blockchain technology.

15           SECTION 2. (a) There is established a blockchain working  
16 group within the Hawaii technology development corporation for  
17 administrative purposes. The working group shall recommend a  
18 definition for blockchain technology and make recommendations  
19 for individuals, businesses, and state agencies to use  
20 blockchain technology.



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1           (b) The chairperson of the board of directors of the  
2 Hawaii technology development corporation shall serve as the  
3 chairperson of the task force and shall invite representatives  
4 from agencies the chairperson deems appropriate to participate  
5 in the working group. The head of each agency that receives an  
6 invitation from the chairperson shall appoint an officer or  
7 employee of the agency to serve as the designee on the working  
8 group.

9           (c) The chairperson shall also invite representatives from  
10 the following groups; provided that the chairperson shall  
11 consider knowledge of blockchain technology when inviting  
12 representatives to serve as members of the working group:

13           (1) Information and communications technology  
14                manufacturers, suppliers, software providers, service  
15                providers, and vendors;

16           (2) Blockchain technology experts representing industrial  
17                sectors other than the technology sector, as  
18                determined by the chairperson;

19           (3) Small, medium, and large businesses;

20           (4) Individuals and institutions engaged in academic  
21                research relating to blockchain technology;



1 (5) Nonprofit organizations and consumer advocacy groups  
2 engaged in activities relating to blockchain  
3 technology; and

4 (6) Rural and urban stakeholders.

5 (d) The members of the working group shall be designated  
6 and the working group shall convene no later than ninety days  
7 after the effective date of this Act.

8 (e) The working group shall submit a report of its  
9 findings and recommendations to the legislature, including:

10 (1) A recommended definition of blockchain technology;

11 (2) Opportunities for individuals, businesses, and state  
12 agencies to use blockchain technology; and

13 (3) Any proposed legislation,  
14 no later than thirty days prior to the convening of the regular  
15 session of 2022.

16 (f) The working group shall cease to exist on June 30,  
17 2022.

18 SECTION 3. There is appropriated out of the general  
19 revenues of the State of Hawaii the sum of \$ or so  
20 much thereof as may be necessary for fiscal year 2021-2022 for  
21 the blockchain working group established pursuant to this Act.



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1           The sum appropriated shall be expended by the Hawaii  
2 technology development corporation for the purposes of this Act.

3           SECTION 4. This Act shall take effect upon its approval;  
4 provided that section 3 shall take effect on July 1, 2021.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to be 'C. L. O.', written over a horizontal line.

JAN 22 2021



# H.B. NO. 622

**Report Title:**

Hawaii Technology Development Corporation; Blockchain  
Technology; Working Group; Appropriation

**Description:**

Requires the Hawaii technology development corporation to establish a blockchain working group to recommend a definition for blockchain technology and make recommendations for individuals, businesses, and state agencies to use blockchain technology and report to the legislature. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

