

MAR 08 2022

SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS TO
CREATE A TASK FORCE TO STUDY THE APPROVAL OF BLOCKCHAIN
TECHNOLOGY AND CRYPTOCURRENCY IN THE STATE.

1 WHEREAS, there is a vast potential for blockchain
2 technology to drastically change and improve the State's public
3 sector operations and private industry capabilities; and
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5 WHEREAS, blockchain is a decentralized distributed ledger
6 technology that allows the creation, validation, and encrypted
7 transaction of digital assets to happen and be recorded in an
8 incorruptible way; and
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10 WHEREAS, blockchain allows peer-to-peer and business-to-
11 business transactions to be completed without the need for a
12 third party, often a bank or a financial intermediary such as
13 the Depository Trust and Clearing Corporation, effectively
14 reducing transaction costs; and
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16 WHEREAS, recording transactions through blockchain
17 technology virtually eliminates human error and protects data
18 from possible tampering; and
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20 WHEREAS, the global blockchain market is expected to be
21 worth \$42,000,000,000 by 2024; the central banks of the major
22 western countries are currently developing blockchain-based
23 digital currencies; and ninety percent of major North American
24 and European banks are exploring blockchain solutions; and
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26 WHEREAS, the distributed ledger format utilized by
27 blockchain technology can be leveraged to support an array of
28 government and public-sector applications, including land
29 registration, identity management, supply chain traceability,
30 health care, corporate registration, taxation, voting, digital
31 currency and payments, and legal entities management; and
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1 WHEREAS, blockchain technology can also protect data;
2 streamline processes; and reduce fraud, waste, and abuse while
3 simultaneously increasing public trust and governmental
4 accountability; and

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6 WHEREAS, a hyperconnected government that utilizes
7 blockchain technology would reduce corruption and enable
8 unprecedented transparency and efficiency where services are
9 tailored to an individual's needs; and

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11 WHEREAS, the adoption of blockchain technology requires an
12 educated and thorough approach so that the implementation of
13 blockchain technology in the State does not impede innovation
14 and growth; and

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16 WHEREAS, Hawaii also has yet to determine whether or how to
17 regulate and provide oversight to the cryptocurrency industry in
18 the State; now, therefore,

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20 BE IT RESOLVED by the Senate of the Thirty-first
21 Legislature of the State of Hawaii, Regular Session of 2022, the
22 House of Representatives concurring, that the Department of
23 Commerce and Consumer Affairs is requested to create a task
24 force to study the approval of blockchain technology and
25 cryptocurrency in the State; and

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27 BE IT FURTHER RESOLVED that the task force is requested to
28 consist of the following members:

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- 30 (1) A representative from the Department of Commerce and
31 Consumer Affairs' Division of Financial Institutions,
32 to serve as chair of the task force;
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 - 34 (2) The Director of Finance or the Director's designee;
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 - 36 (3) Three members of the Senate to be appointed by the
37 President of the Senate; provided that not more than
38 two of the members are of the same political party;
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 - 40 (4) Three members of the House of Representatives to be
41 appointed by the Speaker of the House of



Representatives; provided that not more than two of the members are of the same political party;

- (5) A professor from the University of Hawaii with expertise regarding blockchain;
- (6) A president or chief financial officer of a Hawaii-based cryptocurrency company;
- (7) A representative from a Hawaii-based bank or financial institution;
- (8) A representative of a Hawaii-based cryptocurrency exchange;
- (9) A representative of a Hawaii-based company with a focus on non-transactional blockchains;
- (10) A representative of a Hawaii-based blockchain payments solution company;
- (11) A representative of a company with a business model that uses blockchain for non-cryptocurrency transaction purposes;
- (12) A representative of a blockchain or cryptocurrency association; and
- (13) A member of the public; and

BE IT FURTHER RESOLVED that the task force is requested to:

- (1) Review data on the scope of blockchain and cryptocurrency use throughout the country;
- (2) Review other aspects of the blockchain and cryptocurrency industry, including but not limited to the development of a plan to expand blockchain adoption in both the private and public sectors; and
- (3) Compile an overview of potential legislation; and



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1 BE IT FURTHER RESOLVED that the task force is requested to
2 submit a report of its findings and recommendations, including
3 any proposed legislation, to the Legislature no later than
4 twenty days prior to the convening of the Regular Session of
5 2023, regarding the approval of blockchain technology and
6 cryptocurrency in the State; and

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8 BE IT FURTHER RESOLVED that certified copies of this
9 Concurrent Resolution be transmitted to the Director of Commerce
10 and Consumer Affairs, Director of Finance, Commissioner of
11 Financial Institutions, and President of the University of
12 Hawaii System.

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15 OFFERED BY:

