

STAND. COM. REP. NO. 1604 -22

Honolulu, Hawaii

MAR 31 , 2022

RE: H.R. No. 115
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.R. No. 115 entitled:

"HOUSE RESOLUTION REQUESTING THE DEPARTMENT OF COMMERCE AND
CONSUMER AFFAIRS' DIVISION OF FINANCIAL INSTITUTIONS AND THE
HAWAII TECHNOLOGY DEVELOPMENT CORPORATION TO EXTEND THE
DIGITAL CURRENCY INNOVATION LAB PILOT PROJECT,"

begs leave to report as follows:

The purpose of this measure is to request the Division of
Financial Institutions of the Department of Commerce and Consumer
Affairs and Hawaii Technology Development Corporation to extend
the Digital Currency Innovation Lab pilot project.

Your Committee received comments on this measure from the
Department of Commerce and Consumer Affairs, Hawaii Technology
Development Corporation, and Grassroot Institute of Hawaii.

Your Committee finds that despite the recent growth in
popularity of cryptocurrency, there is little regulation of the
industry. In 2016, the Division of Financial Institutions of the
Department of Commerce and Consumer Affairs established the
Digital Currency Innovation Lab pilot project to allow for limited
activity of digital currency companies, virtual currency
companies, and cryptocurrency companies to determine the best
method for regulating cryptocurrency. Your Committee further

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finds that this pilot project has been utilized by over 61,000 consumers and transacted over \$611,000,000 since its inception, however, the pilot program is scheduled to expire on June 30, 2022. Your Committee believes that the Digital Currency Innovation Lab pilot project should be extended so that the State can be better prepared to assist the burgeoning cryptocurrency industry through regulation.

Your Committee has amended this measure by making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee concurs with the intent and purpose of H.R. No. 115, as amended herein, and recommends that it be referred to your Committee on Consumer Protection & Commerce in the form attached hereto as H.R. No. 115, H.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,


SEAN QUINLAN, Chair



Record of Votes of the Committee on Economic Development

Bill/Resolution No.:	HR 115	Committee Referral:	ECD, CPC	Date:	3/30/22
<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)					
ECD Members	Ayes	Ayes (WR)	Nays	Excused	
1. QUINLAN, Sean (C)	✓				
2. HOLT, Daniel (VC)	✓				
3. BELATTI, Della Au				✓	
4. KOBAYASHI, Dale T.				✓	
5. ONISHI, Richard H.K.	✓				
6. SAYAMA, Jackson D.	✓				
7. TAKAYAMA, Gregg	✓				
8. OKIMOTO, Val				✓	
TOTAL (8)	5			3	
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)					
Vice Chair's or designee's signature: _____					
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO					