

MAR 08 2022

SENATE 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
15

16 WHEREAS, recording transactions through blockchain
17 technology virtually eliminates human error and protects data
18 from possible tampering; and
19

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
25

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
32

33 WHEREAS, blockchain technology can also protect data;
34 streamline processes; and reduce fraud, waste, and abuse while



1 simultaneously increasing public trust and governmental
2 accountability; and

3
4 WHEREAS, a hyperconnected government that utilizes
5 blockchain technology would reduce corruption and enable
6 unprecedented transparency and efficiency where services are
7 tailored to an individual's needs; and

8
9 WHEREAS, the adoption of blockchain technology requires an
10 educated and thorough approach so that the implementation of
11 blockchain technology in the State does not impede innovation
12 and growth; and

13
14 WHEREAS, Hawaii also has yet to determine whether or how to
15 regulate and provide oversight to the cryptocurrency industry in
16 the State; now, therefore,

17
18 BE IT RESOLVED by the Senate of the Thirty-first
19 Legislature of the State of Hawaii, Regular Session of 2022,
20 that the Department of Commerce and Consumer Affairs is
21 requested to create a task force to study the approval of
22 blockchain technology and cryptocurrency in the State; and

23
24 BE IT FURTHER RESOLVED that the task force is requested to
25 consist of the following members:

- 26
27 (1) A representative from the Department of Commerce and
28 Consumer Affairs' Division of Financial Institutions,
29 to serve as chair of the task force;
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31 (2) The Director of Finance or the Director's designee;
32
33 (3) Three members of the Senate to be appointed by the
34 President of the Senate; provided that not more than
35 two of the members are of the same political party;
36
37 (4) Three members of the House of Representatives to be
38 appointed by the Speaker of the House of
39 Representatives; provided that not more than two of
40 the members are of the same political party;
41



- 1 (5) A professor from the University of Hawaii with
2 expertise regarding blockchain;
3
- 4 (6) A president or chief financial officer of a Hawaii-
5 based cryptocurrency company;
6
- 7 (7) A representative from a Hawaii-based bank or financial
8 institution;
9
- 10 (8) A representative of a Hawaii-based cryptocurrency
11 exchange;
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- 13 (9) A representative of a Hawaii-based company with a
14 focus on non-transactional blockchains;
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- 16 (10) A representative of a Hawaii-based blockchain payments
17 solution company;
18
- 19 (11) A representative of a company with a business model
20 that uses blockchain for non-cryptocurrency
21 transaction purposes;
22
- 23 (12) A representative of a blockchain or cryptocurrency
24 association; and
25
- 26 (13) A member of the public; and
27

28 BE IT FURTHER RESOLVED that the task force is requested to:
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- 30 (1) Review data on the scope of blockchain and
31 cryptocurrency use throughout the country;
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- 33 (2) Review other aspects of the blockchain and
34 cryptocurrency industry, including but not limited to
35 the development of a plan to expand blockchain
36 adoption in both the private and public sectors; and
37
- 38 (3) Compile an overview of potential legislation; and
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40 BE IT FURTHER RESOLVED that the task force is requested to
41 submit a report of its findings and recommendations, including
42 any proposed legislation, to the Legislature no later than



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1 twenty days prior to the convening of the Regular Session of
2 2023, regarding the approval of blockchain technology and
3 cryptocurrency in the State; and
4

5 BE IT FURTHER RESOLVED that certified copies of this
6 Resolution be transmitted to the Director of Commerce and
7 Consumer Affairs, Director of Finance, Commissioner of Financial
8 Institutions, and President of the University of Hawaii System.
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10
11 OFFERED BY:

A handwritten signature in black ink, reading "Bennette J. Mialuk", is written over a horizontal line. The signature is cursive and extends to the right of the line.

