

A Bill for an Act Relating to Cryptocurrency.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. (a) There is established the blockchain and cryptocurrency task force to be placed within the department of commerce and consumer affairs for administrative purposes.

(b) The task force shall consist of the following members:

- (1) One member of the senate and one member of the house of representatives, who shall be appointed by the president of the senate and speaker of the house of representatives, respectively, and who shall serve as co-chairpersons of the task force;
- (2) The director of finance, or the director's designee;
- (3) The director of commerce and consumer affairs, or the director's designee;
- (4) The commissioner of financial institutions, or the commissioner's designee;
- (5) A president or chief financial officer of a Hawaii-based cryptocurrency company, who shall be appointed by the governor;
- (6) A representative from a Hawaii-based bank or financial institution, who shall be appointed by the speaker of the house of representatives;
- (7) A representative of a Hawaii-based cryptocurrency exchange, who shall be appointed by the president of the senate;
- (8) A representative of a blockchain payments solution company, who shall be appointed by the governor;
- (9) A professor from the University of Hawaii who specializes in digital currency, who shall be appointed by the president of the University of Hawaii;
- (10) A representative of a company with a business model that uses blockchain for non-cryptocurrency transaction purposes, who shall be appointed by the speaker of the house of representatives;
- (11) A representative of a blockchain or cryptocurrency association, who shall be appointed by the president of the senate;
- (12) A representative of a blockchain or cryptocurrency security community, who shall be appointed by the governor;
- (13) A representative of the blockchain or cryptocurrency legal community, who shall be appointed by the governor; and
- (14) One member of the public who shall be appointed by the governor.

(c) The task force shall:

- (1) Meet as often as the co-chairpersons deem necessary, which may include conducting meetings via interactive conference technology;
- (2) Review data and other aspects of the blockchain and cryptocurrency industry throughout the country, including but not limited to the development of a plan to expand blockchain adoption in both the private and public sectors, to be regulated within the jurisdiction and purview of the department of commerce and consumer affairs;
- (3) Recommend appropriate licensure requirements and a regulatory framework for this new evolving industry;
- (4) Observe and monitor the past and current activities of the Hawaii digital currency innovation lab, a "sandbox" program conducted by

department of commerce and consumer affairs' division of financial institutions and Hawaii technology development corporation;

- (5) Analyze how the current framework of the Hawaii digital currency innovation lab fits into the State's financial environment;
 - (6) Consider aspects of the Hawaii digital currency innovation lab that may be effective and practical in the implementation of the recommended regulatory framework;
 - (7) Compile an overview of potential legislation;
 - (8) Solicit ideas and opinions of industry experts on additional legislation; and
 - (9) Submit a report of its findings and recommendations, including any proposed legislation, to the legislature no later than twenty days prior to the convening of the regular session of 2024, at which point the task force shall dissolve.
- (d) The members of the task force shall not be compensated for their services, but shall be reimbursed for necessary expenses, including travel expenses, incurred while participating in meetings and events approved by the co-chairpersons. No member of the task force shall be made subject to chapter 84, Hawaii Revised Statutes, solely because of the member's participation in the task force.

SECTION 2. This Act shall take effect upon its approval.

(Approved June 17, 2022.)