

STAND. COM. REP. NO.

303

Honolulu, Hawaii

February 14, 2017

RE: H.B. No. 1481

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1481 entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to establish a working group to study the uses of and determine best practices regarding blockchain technology.

The Office of Enterprise Technology Services and four individuals testified in support of this measure. The Department of Business, Economic Development, and Tourism, Department of Taxation, and one individual offered comments.

Your Committee finds that blockchain is a novel peer to peer networking and distributed data storage technology that shifts the primary locus of control from centralized services to individuals or key holders. Initially built as the underlying structure for a digital cash system known as bitcoin, blockchain can be used in many other areas, including cybersecurity, disaster recovery, clearance and settlement, supply chain transparency, title registries, communications, and document verification. Your Committee further finds that there is vast potential for this technology to drastically change and improve public sector operations and private industry capabilities.



Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2038, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1481, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1481, H.D. 1, and be referred to your Committee on Finance.

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



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MARK M. NAKASHIMA, Chair



