

STAND. COM. REP. NO. 1605-22

Honolulu, Hawaii

MAR 31 , 2022

RE: H.C.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.C.R. No. 115 entitled:

"HOUSE CONCURRENT 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

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method for regulating cryptocurrency. Your Committee further 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.C.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.C.R. No. 115, H.D. 1.

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


SEAN QUINLAN, Chair



