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Testimony of the Department of Commerce and Consumer Affairs

**Before the
House Committee on Commerce and Consumer Protection and Energy,
Economic Development, and Tourism
Tuesday, March 22, 2022
10:15 a.m.**

**On the following measure:
S.R. 26, 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.**

Chairs Baker and Wakai and Members of the Committee:

My name is Iris Ikeda, and I am the Commissioner of the Department of Commerce and Consumer Affairs' (Department), Division of Financial Institutions (DFI). The Department offers comments on this resolution.

The purpose of this resolution is to request the Department to create a task force to study the approval of blockchain technology and cryptocurrency in the state.

The Department supports a task force to create a master plan for the state to explore the use of blockchain and cryptocurrency. The Department notes that because one of the objectives of the Department is consumer protection and because blockchain technology and cryptocurrency transactions potentially touches many aspects of consumers' lives, one of the main focuses of the Department's review will be on consumer protection.

One way to think of blockchain is working on a document in Google Docs or Microsoft SharePoint, where everyone who has access to the document can edit the document at the same time, in real time, and a history of the changes are retained by the software. The data is stored on each participants computer with no central repository.

The blockchain core concept is similar, it is a public ledger with copies spread out among multiple locations called nodes, which usually referred to individual computers with copies of the ledger. Consequently, no one person or entity has control of the information kept in the record. Instead, it's distributed among the many nodes that make up the network.

The Department notes that does not believe it has the resources to pay for any travel expenses that may be incurred by the task force members to attend meetings. Further, there is a measure that is more focused on the Department's purview to also form a task force that may overlap with the purpose of this resolution, S.B. 2695, S.D. 2.

Thank you for the opportunity to testify on this bill.