### Honolulu, Hawaii

### APR 2 8 2023

RE: S.B. No. 945

S.D. 2 H.D. 2 C.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

#### Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 945, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO SPECIAL PURPOSE DIGITAL CURRENCY LICENSURE,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- Beginning January 1, 2024, establish a program for the licensure, regulation, and oversight of special purpose digital currency companies;
- (2) Extend operations of companies in the digital currency innovation lab under certain circumstances; and
- (3) Appropriate funds from the Compliance Resolution Fund for three full-time equivalent (3.0 FTE) permanent examiners.

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Your Committee on Conference finds that digital currency is an asset that is primarily managed or stored electronically. Although digital currency has grown in popularity and acceptance worldwide, there is little regulation of the digital currency industry in the United States. The Division of Financial Institutions of the Department of Commerce and Consumer Affairs and the Hawaii Technology Development Corporation confirmed that a new regulatory framework for digital currency transactions is appropriate. This measure establishes a program for the licensure, regulation, and oversight of digital currency companies.

Your Committee on Conference has amended this measure by:

- (1) Inserting an appropriation amount of \$500,000 for three full-time equivalent (3.0 FTE) permanent examiners;
- (2) Inserting an effective date of July 1, 2023; and
- Making technical, nonsubstantive amendments for the (3) purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 945, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 945, S.D. 2, H.D. 2, C.D. 1.

Chair

GLENN WAKAI Co-Chalir

Respectfully submitted on behalf of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

Co-Chair

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## Record of Votes of a Conference Committee

SB 945, SD 2, HD 2				Date/Time: 04/28/23 5:	36 I	M	_		
The recommendation of the House and Senate managers is to pass with amendments (CD).									
☐ The Committee is reconsidering its	prev	ious de	cisio	n.					
The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure				The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.					
Senate Managers	Α	WR	N	Е	House Managers	Α	WR	N	Е
KEOHOKALOLE, Jarrett, Chr.					SAYAMA, Jackson D., Co-Chr.				
WAKAI, Glenn, Co-Chr.					KITAGAWA, Lisa, Co-Chr.				
FEVELLA, Kurt					CHUN, Cory M.				
					HUSSEY-BURDICK, Natalia				
					PIERICK, Elijah				
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								·	
TOTAL	2			(	TOTAL	3			2
A = Aye $WR = Aye$ with Reservations				s $N = Nay$ $E = Excused$					
Senate Recommendation is:				House Recommendation is:					
Adopted  Not Adopted				Adopted	t Ado	pted			
Senate Lead Chair's or Designee's Signature:				House Lead Chair's or Designee's Signature:					
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