

Honolulu, Hawaii

, 2018

**MAR 16**

RE: S.B. No. 3082  
S.D. 1  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2018  
State of Hawaii

Sir:

Your Committee on Intrastate Commerce, to which was referred  
S.B. No. 3082, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO VIRTUAL CURRENCY,"

begs leave to report as follows:

The purpose of this measure is to protect consumers by:

- (1) Expanding the Money Transmitters Act (Chapter 489D, Hawaii Revised Statutes) to expressly apply to persons engaged in the transmission of virtual currency; and
- (2) Requiring licensees who deal with virtual currency to provide a clear and explicit warning to consumers prior to entering into any agreement to perform a money transmission involving virtual currency.

Coinbase and a concerned individual supported the measure. The International Blockchain Regulatory Alliance; Blockweather Holdings, LLC; Young Progressives Demanding Action; and two concerned individuals opposed the measure. The Department of Commerce and Consumer Affairs, Commission to Promote Uniform Legislation, and a concerned individual submitted comments.



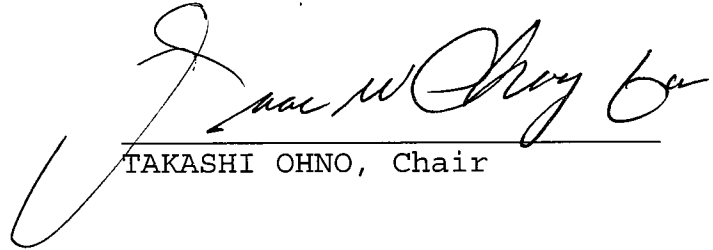
Your Committee has amended this measure by:

- (1) Including language that adds a new chapter to the Hawaii Revised Statutes that largely adopts the Uniform Regulation of Virtual Currency Business Act, drafted by the National Conference of Commissioners on Uniform State Laws;
- (2) Adding a requirement for online virtual currency reserves to the Money Transmitters Act;
- (3) Clarifying amendments to the Money Transmitters Act to conform with agency practices regulating virtual currency transactions;
- (4) Explicitly specifying in the proposed consumer warning for virtual currency in the Money Transmitters Act that the State of Hawaii is not responsible for and does not accept any liability for transactions in virtual currency and that persons transacting or investing in virtual currency fully accept the risks associated with this type of currency;
- (5) Changing its effective date to July 1, 3000, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3082, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3082, S.D. 1, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Intrastate  
Commerce,

  
TAKASHI OHNO, Chair



