

SENATE BILL NO. 376—SENATOR HAMMOND

MARCH 27, 2023

Referred to Committee on Commerce and Labor

**SUMMARY**—Requires the Department of Business and Industry to conduct an interim study of the Regulatory Experimentation Program for Product Innovation and certain related matters. (BDR S-183)

**FISCAL NOTE:** Effect on Local Government: No.  
Effect on the State: Yes.

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EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

**AN ACT** relating to financial businesses; requiring the Department of Business and Industry to conduct a study of the Regulatory Experimentation Program for Product Innovation and certain related matters; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

Existing law requires the Director of the Department of Business and Industry to administer the Regulatory Experimentation Program for Product Innovation, under which a person offering or providing certain financial products or services in a technically innovative way may seek a temporary exemption from some or all of the statutory and regulatory provisions that otherwise apply to the product or service. (Chapter 657A of NRS) This bill requires the Department to conduct a study during the 2023-2024 interim concerning the Regulatory Experimentation Program for Product Innovation and other methods to support, attract and assist in the development, implementation and use of blockchain technology and other financial technologies in this State. This bill requires the study to include, without limitation: (1) an evaluation of the effectiveness of the Program; (2) an assessment of comparable programs adopted by the other states; (3) an analysis of the manner and degree to which other states and the Federal Government have developed and implemented blockchain technology and other financial technologies; and (4) certain other items relating to the Program and the development, implementation and use of blockchain technology and other financial technologies in this State.

**WHEREAS**, The State of Nevada has a long history of fostering innovation and entrepreneurship and supporting emerging technologies, including blockchain technology; and



WHEREAS, To encourage the testing of innovative financial products and services, including those utilizing blockchain technology, in 2019, the Legislature enacted legislation, Senate Bill No. 161, chapter 611, Statutes of Nevada 2019, at page 3984, to establish the Regulatory Experimentation Program for Product Innovation to enable a person to obtain access to markets in this State to test a financial product or service without obtaining certain licenses or complying with various provisions of law governing financial institutions and the provision of financial services; and

WHEREAS, There have been no participants in the Program since its establishment in 2020, which may indicate a need to make adjustments to the Program; and

WHEREAS, The Legislature believes that promoting the development, implementation and use of blockchain technology and other financial technologies through the Program and through other methods has the potential to significantly stimulate innovation and economic growth in this State; and

WHEREAS, A better understanding is needed as to how to more effectively utilize the Program and to utilize other solutions to support, attract and assist in the development, implementation and use of new blockchain technologies and other financial technologies in this State, while maintaining proper oversight to ensure the protection of consumers in this State; now, therefore,

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN  
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

**Section 1.** 1. The Department of Business and Industry shall conduct a study during the 2023-2024 interim concerning the Regulatory Experimentation Program for Product Innovation and other methods to support, attract and assist in the development, implementation and use of blockchain technology and other financial technologies in this State.

2. The study must include, without limitation:

(a) An evaluation of the effectiveness of the Program as it currently operates;

(b) An assessment of programs designed to test innovative financial products or services that have been implemented in other states and an analysis of how the Program may be modified to incorporate the successes and avoid any failures of those programs;

(c) An analysis of the manner and degree to which other states and the Federal Government have developed and implemented blockchain technology and other financial technologies to identify the potential benefits and drawbacks of using blockchain



1 technology, including, without limitation, any benefits and  
2 drawbacks with respect to security, efficiency and cost savings;

3 (d) An examination of the challenges and risks associated with  
4 operating a program to test innovative financial products or services  
5 and with the development and implementation of blockchain  
6 technology and other financial technologies, including, without  
7 limitation, any legal and regulatory challenges, technical  
8 complexities and other barriers that may need to be overcome;

9 (e) An identification of any revisions to the laws and regulations  
10 of this State concerning blockchain technology and other financial  
11 technologies that may be necessary to establish an effective  
12 statutory and regulatory framework to facilitate the development,  
13 implementation and use of blockchain technology and other  
14 financial technologies;

15 (f) A review of existing research on blockchain technology and  
16 its applications in business to:

17 (1) Identify measures that may be implemented to enhance  
18 protections for consumers; and

19 (2) Evaluate any legal and regulatory issues associated with  
20 the adoption of blockchain technology by businesses, including,  
21 without limitation, any potential challenges involved in regulating  
22 the use of blockchain technology;

23 (g) Recommendations for improving the operation of the  
24 Program which may include, without limitation, modifications to  
25 statutory and regulatory requirements governing the Program and  
26 modifications to the design of the Program which may be necessary  
27 to more effectively support, attract and assist in the development,  
28 implementation and use of blockchain technology and other  
29 financial technologies in this State; and

30 (h) Recommendations for the establishment of a program to  
31 attract and offer practical guidance to businesses interested in  
32 adopting blockchain technology in this State, including, without  
33 limitation, guidance on practices and strategies for implementing  
34 and using blockchain technology, risk management, maintaining  
35 compliance with the statutory and regulatory requirements  
36 concerning blockchain technology and collaborating with other  
37 businesses interested in adopting blockchain technology.

38 3. On or before August 1, 2024, the Department shall submit a  
39 report of the findings of the study and any related recommendations  
40 to the Director of the Legislative Counsel Bureau for transmittal to  
41 the 83rd Session of the Nevada Legislature.

42 4. As used in this section, unless the context otherwise  
43 requires:

44 (a) “Blockchain” has the meaning ascribed to it in NRS 719.045.



1 (b) “Financial technology” means technology used to modify,  
2 enhance or automate financial services for businesses or consumers.

3 (c) “Program” means the Regulatory Experimentation Program  
4 for Product Innovation established and administered by the Director  
5 of the Department of Business and Industry pursuant to chapter  
6 657A of NRS.

7 **Sec. 2.** This act becomes effective on July 1, 2023.

