



## Executive Summary

Financial technology (Fintech) regulatory sandboxes are environments that allow companies to test new technologies in a limited market with reduced regulatory guardrails prior to full regulatory requirements in the real-world market. Fintech regulatory sandboxes exist statutorily or in alternative forms in several states, which can be grouped into three categories: Statutory Fintech Regulatory Sandboxes (Arizona, Nevada, and Utah), Sector-Specific Sandboxes (Wyoming), or No Formal Fintech Sandbox Statute or Alternative Approaches (Florida and North Carolina).

Throughout the United States, several states introduced fintech regulatory sandbox legislation in the last year. However, while many of the bills introduced were fintech-specific, others were focused on regulatory sandboxes in other sectors. Three were enacted (Kansas, Kentucky, and Texas), one was vetoed (Arizona), five were carried over to 2026 (Hawaii, Ohio, Oklahoma, and Pennsylvania), and the remaining bills died in committee. One newly proposed bill for 2026 (New Hampshire) is currently in committee.

## Research Methods

50-state review of state statutes and search of pending legislation via Quorum.

## Findings and Analysis

### Statutory Fintech Regulatory Sandboxes

**Arizona:** [Ariz. Rev. Stat. § 41-5601, et seq.](#)

Arizona statute does not explicitly create licensing rules for cryptocurrencies. Furthermore, the statute establishes fintech regulatory sandboxes for experimentation, rather than language focused on blockchain hub strategy coordination. It also protects consumers with specific safeguards such as participant and monetary caps, as well as mandatory transparency disclosures to mitigate risk. Arizona's fintech regulatory statute does not provide an established pathway for fintech products to obtain full authorization after the sandbox expires, other than applying for an existing license with full regulatory requirements in place.

**Nevada:** [Nev. Rev. Stat. Ch. 657A](#)

Nevada's fintech regulatory sandbox statute does not establish a cryptocurrency framework. Nevada's statute has pathways for interstate coordination for blockchain innovation and uses reporting notifications when errors occur within the regulatory sandbox. These notifications are in addition to participant and monetary caps and required consumer disclosures. The statute provides a framework for fintech products to obtain full regulatory approval; however, no definitive pathway is established.

**Utah:** [Utah Code § 63N-16-201, et seq.](#)

Utah statute does not focus on cryptocurrency regulation. Instead, it creates predictability for the fintech regulatory sandbox by explicitly stating which laws are being waived during the sandbox duration. To establish the regulatory sandbox as a tool for market experimentation, the state created a central Regulatory Relief Office that manages the regulatory review process for all sandbox applicants and employs a standardized reporting system. It's consumer protection system is more reactive, focused on identifying issues that are harming individuals, reporting the concern,



and removing the product or service from the sandbox while also streamlining the compliance process through use of a waiver list in the original regulatory agreement.

## Sector-Specific Sandboxes

**Wyoming:** [Wyo. Stat. § 13-12-101, et seq.](#)

Wyoming statute provides a standing authorization pathway for products to operate under permanent legal status instead of temporary sandbox tests. It is crucial to note that this pathway is for banking and trust law generally designed for long-term operations. Although the chartered pathway allows participating firms to operate with limited regulatory flexibility, participants remain subject to statutory conditions at entry, ongoing reporting requirements and baseline consumer protection provisions. The permanent nature of Wyoming's authorization pathway means there is no need for a post-sandbox pathway.

## Alternative Approaches / Informal Fintech Sandboxes

**Florida:** [Fla. Stat. § 559.952](#)

Rather than broadly exempting participants from regulation, Florida's sandbox framework treats approved entities as licensed under existing statutes, subject to specified temporary exceptions. Statute authorizes multi-jurisdictional sandbox agreements allowing Florida regulators to work with regulators in other states so that companies can test their products in multiple state markets. It also protects consumers by letting regulators adjust safeguards based on the risks of sandbox participants' activity and then continuing to supervise to ensure continued compliance. Despite lacking a permanent post-sandbox authorization process, Florida statutes outline what sandbox participants are allowed to do once the testing period ends.

**North Carolina:** [N.C. Gen. Stat. § 53-208.42](#)

North Carolina statute establishes activity-triggered rules related to cryptocurrency, focused on custody control of virtual currency and redefining money transmission to include cryptocurrencies. It also emphasizes establishing clear definitions for when regulations apply and focusing less on policies that use special programs to foster innovation. Existing money transmission safeguards do extend to cryptocurrency, protecting consumers' finances. The statute allows companies to receive product licenses immediately if they are responsible for maintaining control of consumers' virtual currency.

## Recent Proposed Legislation (2025-2026)



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State	Bill (Year)	Status	Summary
Arizona	<a href="#">House Bill 2906 (2025)</a>	Vetoed	Would have expanded Arizona’s existing regulatory sandbox to include financial technology, digital assets, and blockchain innovations, updated definitions, and allowed continued temporary testing without full licensure under the attorney general's oversight.
Hawaii	<a href="#">Senate Bill 1200 (2025)</a>	Carried Over	Would have established a temporary workforce housing regulatory sandbox, allowing permitting and zoning flexibility for innovative projects, administered by Hawaii’s housing finance agency with oversight from an advisory council.
Kansas	<a href="#">House Bill 2291 (2025)</a>	<b>Enacted</b>	Establishes a general regulatory sandbox and regulatory relief division within the attorney general’s office, allowing temporary waivers of administrative rules to test innovative products and services.
Kentucky	<a href="#">House Bill 184 (2025)</a>	<b>Enacted</b>	Extends Kentucky’s insurance regulatory sandbox through 2030, updates application and reporting requirements, and makes related changes to insurance insolvency and qualified financial contract provisions.
Missouri	<a href="#">House Bill 1606 (2025)</a>	Died in Committee	Would have revised Missouri’s Regulatory Sandbox Act, redefining program terms and expressly excluding innovative offerings that involve artificial intelligence or cryptocurrency; <b>explicitly does not involve the use of artificial intelligence or cryptocurrency.</b>
New Hampshire	<a href="#">House Bill 1725 (2026)</a>	Pending in Committee	Would establish a comprehensive artificial intelligence governance framework, including consumer protections, enforcement authority, and an artificial intelligence regulatory sandbox administered by the Department of Information Technology
Ohio	<a href="#">Senate Bill 90 (2025)</a>	Carried Over	Would establish a universal regulatory sandbox administered by Ohio’s Common Sense Initiative Office, allowing temporary waivers of state laws to test innovative products and services under defined oversight
Oklahoma	<a href="#">Senate Bill 555 (2025)</a>	Carried Over	Would establish an Education Regulatory Sandbox, allowing school districts temporary exemptions from certain state education requirements to implement innovations aimed at improving student outcomes
Pennsylvania	<a href="#">Senate Bill 939 (2025)</a>	Carried Over	Would establish an artificial intelligence, data center, and emerging technology regulatory sandbox and fast-track permitting process for high-impact data centers within a new Office of Transformation and Opportunity

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State	Bill (Year)	Status	Summary
Pennsylvania	<a href="#">Senate Bill 245 (2025)</a>	Carried Over	Would establish a statewide regulatory sandbox program and Regulatory Relief Office, allowing temporary waivers of state laws to test innovative products and services under defined consumer protections
Rhode Island	<a href="#">House Bill 6243 (2025)</a>	Died in Committee	Would have established a biotechnology regulatory sandbox allowing temporary exemptions from state requirements to test innovative biotech products under Department of Business Regulation oversight and defined consumer protections
Rhode Island	<a href="#">House Bill 5717 (2025)</a>	Died in Committee	Would have established a universal regulatory sandbox allowing temporary waivers of state laws to test innovative products and services under Commerce Corporation oversight, with defined consumer protections
Rhode Island	<a href="#">House Bill 5564 (2025)</a>	Died in Committee	Would have established a comprehensive blockchain framework, including a fintech regulatory sandbox and special-purpose depository institutions, to promote blockchain, fintech, and digital asset innovation
Texas	<a href="#">House Bill 4457 (2025)</a>	Died in Committee	Would have established an insurance innovation waiver program, allowing temporary waivers of certain insurance laws to test new insurance technologies under commissioner oversight, and defined consumer protections
Texas	<a href="#">House Bill 1709 (2025)</a>	Died in Committee	Would have established a comprehensive artificial intelligence governance framework, including high-risk AI obligations, consumer protections, enforcement authority, and an artificial intelligence regulatory sandbox administered by state agencies
Texas	<a href="#">House Bill 149 (2025)</a>	<b>Enacted</b>	Establishes a statewide artificial intelligence governance framework, including consumer protections, enforcement provisions, and an artificial intelligence regulatory sandbox administered by the Department of Information Resources
Utah	<a href="#">Senate Bill 337 (2025)</a>	Died in Committee	Would have reorganized state economic development functions and updated Utah's general regulatory sandbox, including governance, agency coordination, and expanded authority to waive regulations for innovative business demonstrations
Virginia	<a href="#">House Bill 1555 (2025)</a>	Died in Committee	Would have established a healthcare regulatory sandbox allowing temporary waivers of licensure requirements to test innovative healthcare delivery methods, including uses of artificial intelligence and blockchain technology