STATE OF NEVADA

JOSEPH M. LOMBARDO
Governor

TERRY REYNOLDS
Director

PERRY FAIGIN (*interim*)
MARCEL SCHAERER
Deputy Directors

DEPARTMENT OF BUSINESS AND INDUSTRY
OFFICE OF THE DIRECTOR

March 2, 2023

Sent via email to: director@lcb.state.nv.us

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Legislative Building
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Carson City, NV 89701-4747

Annual Report on Regulatory Experimentation Program for Product Innovation

Pursuant to NRS 657A.530, the Nevada Department of Business and Industry hereby submits to the Director of the Legislative Counsel Bureau, for transmittal to the Nevada Legislature, the enclosed report on the Regulatory Experimentation Program for Product Innovation (also known as the "Nevada Sandbox Program") for calendar year (CY) 2022.

Please contact me at (775) 684-2920 or treynolds@business.nv.gov if you have any questions or require additional information.

Sincerely,

Terry J. Reynolds
Director

Enclosure a/s

STATE OF NEVADA

JOSEPH M. LOMBARDO
Governor

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February 10, 2023

ANNUAL REPORT ON THE REGULATORY EXPERIMENTATION PROGRAM FOR PRODUCT INNOVATION (NRS 657A)

Pursuant to NRS 657A.530, the Director of the Nevada Department of Business and Industry hereby submits to the Director of the Legislative Counsel Bureau, for transmittal to the Nevada Legislature, the following report on the Regulatory Experimentation Program for Product Innovation (REPPI, also known as the "Nevada Sandbox Program") for calendar year (CY) 2022.

Background

On June 13, 2019, Governor Steve Sisolak signed into law Nevada Senate Bill No. 161,[1] which required the Director of the Nevada Department of Business and Industry to implement and administer the Regulatory Experimentation Program for Product Innovation, more commonly known as a regulatory sandbox program, for the State of Nevada. At its time of enactment, the law placed Nevada in the vanguard of states (the others being Arizona, Wyoming, and Utah) operating regulatory sandbox programs for economic and business development, improved consumer choice, and more adaptive oversight of rapidly developing financial technologies.

The Nevada Sandbox Program is intended to allow persons or businesses with innovative financial technology ("fintech") products or services to apply for the opportunity to test those products or services in the state without having to meet some or all of the regulatory requirements that might otherwise apply.

[1] 2019 Statutes of Nevada, Chapter 611; codified as NRS Chapter 657A.

Specifically, the program enables individuals or companies to obtain limited access to markets in Nevada to test a financial product or service without (1) applying for or obtaining any license or other authorization otherwise required by any provision of NRS chapters 645A (governing escrow agencies and agents), 645B (governing mortgage companies and mortgage loan originators), 645F (governing mortgage lending and related professions), or 645G (governing exchange facilitators); NRS title 55 (governing banks and related organizations, including domestic and foreign banks, bank holding companies, trust companies, family trust companies, and issuers of instruments for transmission or payment of money; and other financial institutions, including credit unions, savings banks, installment lenders, and thrift companies); or any regulation adopted pursuant thereto; or (2) otherwise complying with any provision of NRS chapters 645A, 645B, 645F or 645G; NRS title 55; or any regulation adopted pursuant thereto, except as otherwise required by the Director pursuant to certain authorities granted him in NRS Chapter 657A as the administrator of the Nevada Sandbox Program.

Summary of Program Operation and Status

Before summarizing the program's operations for CY 2022, it is important to note that Chapter 611, 2019 Statutes of Nevada (Senate Bill No. 161) included language limiting the Director's authority to approve applications, as follows[2]:

> Sec. 46.3. Notwithstanding the provisions of section 14 of this act:
>
> 1. The Director of the Department of Business and Industry shall not approve more than three applications to participate in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act, submitted pursuant to section 12 of this act during each of the following periods:
>
> (a) The period beginning on January 1, 2020, and ending on June 30, 2020; and
> (b) The period beginning on July 1, 2020, and ending on December 31, 2020.
>
> 2. The Director of the Department of Business and Industry shall not approve more than five applications to participate in the Regulatory Experimentation Program for Product Innovation established and administered pursuant to sections 2 to 31, inclusive, of this act, submitted pursuant to section 12 of this act during each of the following periods:
>
> (a) The period beginning on January 1, 2021, and ending on June 30, 2021;
> (b) The period beginning on July 1, 2021, and ending on December 31, 2021;
> (c) The period beginning on January 1, 2022, and ending on June 30, 2022; and
> (d) The period beginning on July 1, 2022, and ending on December 31, 2022.

As a result, the Director's authority to approve applications to the Nevada Sandbox Program expired on December 31, 2022, at which time there were no pending applications or active product or service tests in the program. Given this expiration of Director approval authority, the lack of active ongoing tests, and the absence of a specific expiration date for the program itself in the authorizing law, the status of the program is currently one of effective suspension pending further review or action by the Nevada Legislature.

[2] The "section 14" referenced in the quoted citation gives the Director the authority to approve or deny applications, subject to money transmittal and customer limits provided in another section of the bill.

In terms of program operations during CY 2022, staff continued to monitor policy and business developments in the blockchain industry at the state, national and international levels. As was true in previous years, there was ongoing government uncertainty around the nature, scope, and value of blockchain as a technology. This uncertainty became more pronounced in 2022 given the severe downturn in cryptocurrency valuations during the year (dubbed "crypto winter" by market participants) and the scale and frequency of exploits and hacks against various blockchain protocols, which resulted in billions of dollars of losses to participants. Headwinds to government adoption and use of the technology were in evidence, as were concerns and debate over prospective regulatory solutions for the industry's activities.

Appendix A, which begins on page 8 of this report, provides a list of specific developments that were tracked by REPPI staff during the year.

In Nevada and most other states with existing sandboxes, program participation remained non-existent or very limited, a situation traceable to (1) concerns of regulators and policymakers as they continued to explore the complex issues associated with blockchain and related financial technologies, and (2) hesitation by potential applicants as they worked to understand existing regulations and differentiate the relative merits of pursuing a sandbox test versus conventional licensure. In many states, interest remained high in blockchain technology as well as potential ways to use it, but government efforts typically centered on interim or ongoing policy studies, definitional concerns, and prospective federal regulatory intervention. Legislative proposals were also numerous with a few bills making it into law, but most languishing in committee.

As noted in past reports, an internal work group comprised of staff from the Director's Office, Financial Institutions Division (FID), Division of Mortgage Lending (MLD), and Nevada Consumer Affairs (NCA) exists to assist the Director in operation of the REPPI, as well as in review and processing of applications. Group members advise the Director on matters pertaining to their respective areas of administrative or regulatory responsibility; they also coordinate program related activities within their respective divisions or work units. Given the limited number and nature of program inquiries in CY 2022, members did not meet as a group during the year.

The program received inquiries from three prospective applicants in CY 2022: a consultancy focused on leveraging blockchain/cryptocurrency to develop a point-of-sale payment solution for cannabis operators and other businesses; an individual representing a business with a conceptual idea for a crypto mortgage product; and a technology company focused on leveraging distributed ledger technology to provide neobanking,[3] custody, and spend solutions to commercial and retail clients. Staff facilitated contact with applicable FID/MLD staff for each of the three, with the objective of determining whether a regulatory path existed for the respective activity in question and to clarify the respective party's options moving forward. As of year-end, none of the three prospective applicants had applied to the program.

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[3] Per Wikipedia, "[a] neobank (also known as an online bank, internet-only bank, virtual bank or digital bank) is a type of direct bank that operates exclusively online without traditional physical branch networks." See https://en.wikipedia.org/w/index.php?title=Neobank&oldid=1128548106.

The program received one formal application during the calendar year absent any preliminary inquiry by the applicant. The applicant was a company looking to deploy a third-party payment terminal in Nevada to serve foreign tourists in point-of-sale transactions. Staff facilitated contact with FID staff to clarify license applicability for the proposed activity and, on behalf of the Director, requested additional information from the applicant which would be needed before the application could be considered. The applicant proved non-responsive and the application was denied pursuant to authorities granted the Director in NRS 657A.410 and 657A.420. The applicant was advised to apply for any relevant licensures identified by FID to pursue its business activity in Nevada.

The program also responded to the following inquiries or issues during the year:

- On January 5, 2022, Rebekah Allen, a senior policy analyst with the Virginia Department of Health, contacted the program as part of a fiscal impact analysis her agency was conducting for a Virginia General Assembly bill that would create a healthcare regulatory sandbox. She referenced the AGO and B&I fiscal notes for Nevada Senate Bill No. 161 as introduced in the 2019 Nevada Legislature and requested information on the number of applications the Nevada Sandbox Program had received since inception; how many full-time equivalent employees supported the program; the types of employees (for example, attorneys, analysts, administrative support staff, etc.) who supported the program; and whether there were any ongoing information technology, reporting, or other costs tied to the program. Staff responded to each of her questions on January 6, 2022, and provided a copy of the Fiscal Note & Local Impact Statement for Ohio Senate Bill 249 as introduced,[4] as additional information for her use.

- On October 26, 2022, Sarah Nielsen, a research analyst in the Utah Office of Regulatory Relief, contacted the program to request a meeting to discuss best practices for running regulatory sandboxes. Staff provided her with the program's CY20 and CY21 annual reports to the Nevada Legislature, noting the 2021 report contained recommendations thought important in terms of potential program improvements, while the 2020 report summarized a discussion between staff and the Arizona Fintech Sandbox related to the topic. Staff offered to arrange a meeting if Ms. Nielsen thought there was still value to having one after reviewing the materials, but she found the reports to be sufficient.

This concluded the Department's program activities in CY 2022.

[4] The bill, which creates an Ohio regulatory sandbox program for novel financial products and services, was signed into law by Ohio Governor Mike DeWine on December 16, 2022, with an effective date of March 14, 2023.

Application Information

As required by NRS 657A.530(2), the following program information is included for the preceding calendar year (CY) 2022:

A. Number of Applications Submitted to Participate in the Program

One application was submitted to the program in CY 2022.

B. Number of Applications that were Approved or Denied

No applications were approved in CY 2022. One application was denied.

C. For Applications that were Denied, a Description of the Reasons for Denial:

For the one application that was denied, the Director concluded the application lacked response to one item, the required attestation was not signed, the test as described would violate money transmittal limits mandated by NRS 657A.310(1), and additional information requested from the applicant by the Department was not provided. The company was advised to apply for relevant licensure(s) identified by the Financial Institutions Division to pursue its business activity in Nevada.[5]

D. For Applications that were Approved:

1. **A description of each financial product or service provided by each participant in the Program.**

   Not applicable. See Items A, B and C above.

2. **A statement of the number of participants providing each product or service.**

   Not applicable. See Items A, B and C above.

3. **An estimate of the number of consumers using each product or service.**

   Not applicable. See Items A, B and C above.

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[5] The applicant was a recently formed Nevada company focused on deployment of a third-party payment terminal to serve foreign tourists. Under NRS 657A.510, any record or information in a record submitted to the Director or an applicable regulator as part of the Regulatory Experimentation Program for Product Innovation is confidential; therefore, no additional identifying information pertaining to the applicant is being provided in this report.

Recommendations and Other Information

Pursuant to NRS 657A.530(3), the Director provides the following recommendations to the Nevada Legislature concerning the Nevada Sandbox Program: [6]

Recommendation 1: Revisit the purpose and requirements of the program. Nevada would benefit from reassessing the REPPI's purpose, structure, and scope, particularly as these relate to the state's goals of economic development and regulatory capacity building for emerging or innovative technologies such as blockchain.

Although regulatory sandboxes are viewed as a way to understand and manage the prospective disruptions certain technologies might pose to existing regulatory systems – while not stifling innovation – few states where sandboxes exist have seen meaningful participation. This lack of participation can be attributed to various causes,[7] which has prompted several states with sandboxes to revisit and amend their policy approaches to the concept.

For example, Utah has consolidated several of its industry-specific sandboxes into a more comprehensive approach called a General Regulatory Sandbox Program under its Governor's Office of Economic Opportunity (GOEO). There, the program director has greater flexibility to set rules and requirements, and the program itself receives input from an advisory council comprised of individuals from business and industry, state regulatory agencies, and elected office. In North Carolina, the North Carolina Innovation Council serves in a similar oversight and advisory capacity to that state's Financial and Insurance Regulatory Sandbox. The council is comprised of key government officials, as well as members from academia, public, and entrepreneurial and blockchain communities. The council is empowered to set standards, principles, guidelines, and policy priorities for the types of innovations that the sandbox program will support. It is also responsible for selecting and referring applicants to applicable state agencies for final approval of tests. In response to Utah's changes, Arizona similarly generalized the scope of its Fintech Sandbox Program in the Attorney General's Office by amending the program to encompass "other innovations" beside financial technologies.

To the extent it believes regulatory waivers are essential to advancing innovation or attracting innovative industry to the state, the Legislature may wish to consider amending the REPPI to reflect aspects of approaches taken in Utah, North Carolina, or Arizona. At minimum, it would be worth revisiting the question of whether regulatory waivers are essential to innovation or business development in the state and, if so, whether a sandbox program currently structured like the REPPI is the best way to do that.

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[6] Recommendations #1 and #3-5 reflect aspects of suggestions from the CY19, CY20, and CY21 REPPI reports.

[7] Including but not limited to (1) perceived unwillingness of many prospective applicants to be regulated, (2) regulator concerns for consumer protection, (3) mismatches between proposed product or service tests and a sandbox's areas of authority or requirements, (4) unclear product-market fit or applicant intent, (5) administrative requirements associated with sandbox activity, and (6) normal business decisions that conclude the pursuit of traditional licensing is more beneficial for the business case than a temporary waiver via the sandbox.

Recommendation 2: Revisit the expiry on approval authorities. As noted previously in this report, the Director's authority to approve applications expired on December 31, 2022, pursuant to Section 46.3 of Senate Bill No. 161 of the 2019 Nevada Legislature. That bill also set limits on the number of applications that could be approved by the Director within specific six-month calendar windows, the last of which closed on December 31, 2022. Consequently, the program is effectively suspended, given no ongoing product or service tests to complete and the cited approval authorities having expired. If it is desired to continue the program as implemented, these authorities must be reinstated. If so, the Department recommends avoiding (1) any expiry for the Director's authority to approve applications and (2) any limits on the calendar timing and number of applications that can be approved.

Recommendation 3: Consider additional sources of budget for program operation. At present, the $500 program application fee is the only program-specific revenue directly available to offset administrative or other costs. This limits the program's ability to market itself, acquire staff or consulting support, and generally provide for prospective demands of the program in the future, particularly if increased participation rates are desired.

Recommendation 4: Revisit statutory approach to money transmittal limits. The current NRS 657A limits on money transmittals are too low (and therefore a barrier to application) for fintech firms whose current or prospective clientele includes very large banks and financial institutions. Increasing the limits or, preferably, providing the Department with greater flexibility to set them on a test-by-test basis could incentivize more advanced fintech firms to consider Nevada as a place for business.

Recommendation 5: Consider increasing program flexibility. To incentivize program interest and create greater administrative flexibility in negotiating tests that meet both applicant and state objectives, program disclosure and compliance requirements (for example, NRS 657A.330) should be revisited with the goal of reducing or eliminating mandates and providing the Department and program with greater flexibility to assign specific requirements based on the proposed product/service test.

This completes the Department of Business and Industry's annual report on the Regulatory Experimentation Program for Product Innovation for CY 2022.

Appendix

The following bullets highlight the blockchain and/or cryptocurrency policy related efforts tracked by REPPI administrative staff during CY 2022:

- The Utah Legal Sandbox, which is overseen by the Utah Supreme Court's Office of Legal Services Innovation, permits entities to offer new and innovative ideas, methods, and models of legal practice "that cannot otherwise be offered under the present Rules of Professional Conduct or are considered the unauthorized practice of law." Originally intended to expire in August 2022, the sandbox was extended by the court to 2027 given its performance to date. At time of writing, 48 authorized entities were in the program.

- The Utah Office of Regulatory Relief, which is under the Utah Governor's Office of Economic Opportunity, administers a general regulatory sandbox that, at time of writing, has two authorized entities in the program, along with three pending applicants. Exemptions approved thus far involve relatively esoteric aspects of state legal and administrative code; as a result, initial operation of the general sandbox has met with some public criticism. The office is advised by a General Regulatory Sandbox Program Advisory Committee.

- Utah bills SB182, HB335, and HB456, all three of which were signed into law by Utah Governor Spencer Cox in March 2022. SB182 establishes a framework for the ownership of digital assets. HB335 establishes a Blockchain and Digital Innovation Task Force. HB456 provides for the use of digital user assets to make payments to participating government agencies and political subdivisions of the state.

- The Utah Blockchain and Digital Innovation Task Force authorized by Utah HB335 was organized in July 2022, began meeting, and submitted its first annual report to the Utah Business and Labor Interim Committee on November 14, 2022.[8] The task force worked on several issues, including HB456 implementation, a prospective state act on decentralized autonomous organizations, prospective legislation to establish a framework for blockchain and cryptocurrency arbitration in Utah, and potential amendments to the state's Money Transmitters Act.

- The proposed federal Lummis-Gillibrand Responsible Financial Innovation Act, or S.4356, which was introduced in June and would create a regulatory framework for cryptocurrency markets.

- A white paper issued in November by Bank Indonesia, which discusses Indonesia's plan to implement a digital rupiah, or Central Bank Digital Currency (CBDC). Bank Indonesia has been working to advance digital transformation efforts in the payments space, particularly

[8] A copy of the report can be accessed under the "Meeting Material List" for the November 16, 2022, meeting of the interim committee at https://le.utah.gov/committee/committee.jsp?year=2022&com=INTBUS.

during Indonesia’s presidency of the G20, and the white paper effectively covers the key issues, rationales, and technologies involved in deployment of a CBDC, and provides the road map for Indonesia’s work on the digital rupiah.

- The Arizona Blockchain and Cryptocurrency Study Committee, which was required by statute to submit an annual report by December 31, 2022. The committee did not meet during the year and, at time of writing, its annual report was pending completion.

- The Arizona FinTech Sandbox, located in the Arizona Attorney General’s Office, remains one of the more active sandboxes in the nation. At writing, it had two active participants and eleven completed tests (“alumni”). It saw limited use in 2022 with only two admissions. The Arizona PropTech Sandbox, located in the Arizona Commerce Authority, remains unused since inception and had no admissions in 2022. In April 2022, Arizona Governor Doug Ducey signed HB2731 into law, which expands the scope of the fintech sandbox to more general business areas (“other innovations”), similar to the current Utah program.

- *Amendments to the Uniform Commercial Code (2022)* by the Uniform Law Commission, which the commission approved in July. The text includes an annex of transition provisions pertaining to emerging technologies, which is relevant to blockchain and cryptocurrency activities. On December 7, 2022, a bill draft request to adopt the amendments (BDR 8-604) was submitted by Nevada Assemblywoman Shea Backus for the 2023 Nevada Legislature.

- Colorado bill SB22-025, which was signed into law by Colorado Governor Jared Polis in June. The bill directs the state treasurer to study the feasibility of using security token offerings for state capital financing. It defines a security token as “a digital, liquid contract made verifiable and secure through the use of blockchain technology that establishes its owner's right to a fraction of a financial asset such as a stock, bond, or certificate of participation” and a security token offering as “a capital financing method in which security tokens representing fractional interests in a financial asset are sold to investors in lieu of selling the actual financial asset to investors.”

- California bill AB2781, which passed the Assembly and two Senate committees unanimously, but ultimately was placed on the suspense file in the Senate, where it died. The bill would have required the Office of Digital Innovation within the state’s Government Operations Agency to study the feasibility and appropriateness of utilizing blockchain technology for the purposes of identity verification and fraud prevention in employment claims handled by the Employment Development Department within the Labor & Workforce Development Agency. The bill defined blockchain as “a mathematically secured, chronological, and decentralized ledger or database.”

- California bill AB2269, which would have added a Digital Financial Assets Law under the state’s existing Financial Code and required persons engaged in “digital financial asset business activity” to be licensed with the state’s Department of Financial Protection and

Innovation, effective January 2025. The bill was passed by the Legislature, but vetoed by California Governor Gavin Newsom in late September, principally because of costs to implement and ongoing uncertainty over the timing and direction of applicable regulatory standards at the federal level.

- Interim activities of the Wyoming Select Committee on Blockchain, which worked on bill drafts concerning open banking, DAOs, public benefit corporations, stable tokens, digital asset registration, insurance, and disclosure of private cryptographic keys, among other topics, for prospective submission to the 2023 Wyoming Legislature. During the hearings, the committee heard concerns over the stable tokens bill and insurance bill from Wyoming Governor Mark Gordon and Wyoming Insurance Commissioner Jeffrey Rude, respectively. The stable token bill draft was approved for submission with substantial amendments, but the insurance bill draft was held for review during the next interim.

- A study from the Competitive Enterprise Institute providing a history of sandbox programs and the status of their performance to November 2021. Nevada's program is cited briefly on page 6 of the study report as an example of participation challenges facing most state-level sandboxes.

- Michigan bill SB0888, which would establish a 16-member commission to investigate a wide range of blockchain and cryptocurrency issues and develop recommendation reports on each topic. By year end, the bill had passed the Senate and was awaiting action in the House Financial Services Committee.

- New York bills A7389 and A9275, which would put a moratorium on cryptocurrency mining operations that use proof-of-work methods and set up a cryptocurrency and blockchain study task force, respectively. In November, New York Governor Kathy Hochul signed A7389 into law, but vetoed A9275 – one of 39 bills to create commissions/task forces the Governor vetoed because of concerns tied to the budget process and overall cost to the state.

- New Jersey bills A2371, A1975, and A3288 to establish a Digital Asset and Blockchain Technology Act, Virtual Currency and Blockchain Regulation Act, and a Blockchain Promotion and Integration Program, respectively. The New Jersey Assembly passed all three bills in late October 2022, along with A3287 that prohibits public officials from accepting virtual currency and non-fungible tokens as gifts, but the bills have yet to be heard in the Senate.

- Virginia bills HB80, HB208, and HB922 to establish a Healthcare Regulatory Sandbox, Department of Regulatory Innovation, and Fintech Regulatory Sandbox, respectively, in the state. HB80 passed the House by a small margin, but was defeated in the Senate, while the other bills were held or died in committee.

- Florida bills HB273, HB389, and SB546, which were signed into law by Florida Governor Ron DeSantis in May 2022. The bills made changes to laws covering licensees for money services businesses and consumer finance loans, which resulted in minor changes to the statute covering the Florida Financial Technology Sandbox. HB273 became effective on January 1, 2023, while HB389 and SB546 took effect on October 1, 2022.

- The North Carolina Innovation Council, which began meeting in 2022 to oversee North Carolina's Financial and Insurance Regulatory Sandbox established in late 2021. Council appointments were completed in early 2022. Of interest was the member appointed by North Carolina Lt. Governor Mark Robison: Agnes Gambill West has served as one of the co-chairs of the North Carolina Blockchain Initiative since 2019 and was recently appointed to the Federal Reserve Bank of Richmond's Business and Consumer Payments Advisory Council, which advises the Fifth District on payments policy, strategy, and trends. She writes frequently on blockchain policy and regulatory issues, and testified on November 16, 2022 in support of SB249, Ohio's proposed regulatory sandbox program.

- Washington bill SB5544, which was signed into law by Washington Governor Jay Inslee on March 30, 2022. The bill establishes the Washington Blockchain Work Group to study potential applications in computing, financial services, real estate transactions, supply chain management, health care, higher education, and public recordkeeping. It also required the group to begin meeting by end of 2022 and submit a report to the Governor and Legislature by December 1, 2023.

- Tennessee bills HB2644, HB2643, and HB2645. HB2644 authorizes a county, municipality, or the state to invest in cryptocurrency, blockchains, and non-fungible tokens, while HB2643 creates a study committee on blockchain and cryptocurrency; both bills remain in committee. HB2645 enacts provisions governing decentralized organizations and was signed into law by Tennessee Governor Bill Lee in April 2022.

- Ohio bill SB249, which was signed into law by Ohio Governor Mike DeWine on December 13, 2022. The bill establishes a regulatory sandbox program for the state, effective March 14, 2023. Ohio's sandbox will be under the authority of the Superintendent of Financial Institutions and generally have the same requirements and standards of original sandbox programs found in states like Arizona and Nevada.

- The Freightwaves Supply Chain FinTech event in August 2022, which involved presentations and discussions by companies representing various fintech tools or innovations tied to logistics, payment processing, inventory, and other supply chain elements.

About This Report

This annual report on the Regulatory Experimentation Program for Product Innovation is a requirement of NRS 657A.530. It is prepared each year by the Office of the Director, Nevada Department of Business and Industry, and submitted on or before March 1 to the Director of the Legislative Counsel Bureau for transmittal to the Nevada Legislature.

The relevant statute is as follows:

> **NRS 657A.530. Report by Director to Legislature.**
>
> ***1. On or before March 1 of each year, the Director of the Department of Business and Industry shall prepare and submit to the Director of the Legislative Counsel Bureau, for transmittal to the Legislature, a report on the operation and status of the Program.***
>
> ***2. The report must include, for the immediately preceding calendar year:***
>
> ***(a) The number of applications submitted to participate in the Program, and the number of applications that were approved or denied;***
>
> ***(b) With respect to the applications that were denied, a description of the reasons for denial; and***
>
> ***(c) With respect to the applications that were approved:***
>
> ***(1) A description of each financial product or service provided by each participant in the Program;***
>
> ***(2) A statement of the number of participants providing each product or service; and***
>
> ***(3) An estimate of the number of consumers using each product or service.***
>
> ***3. The report may include any recommendations for legislation relating to the Program and any other information that the Director of the Department of Business and Industry deems relevant.***

Please go online to **http://business.nv.gov/Programs/Nevada_Sandbox_Program/** for more information on the program, including frequently asked questions, the Department's policy and procedure, a downloadable application form, and list of current program participants and tests.