

EXECUTIVE SUMMARY

H.7413: Rhode Island Economic Growth Blockchain Act

Session	2026 Legislative Session
Status	In Committee
Builds On	2025 Session H.5564
Key Features	Regulatory Sandbox, Special Purpose Depository Institutions

What This Bill Does

Regulatory Sandbox: Allows blockchain and digital asset companies to test innovative financial products under temporary regulatory exemptions, with oversight from the Department of Business Regulation (DBR). Companies can operate for up to two years with reduced regulatory burden while DBR monitors for consumer protection concerns.

Special Purpose Depository Institutions (SPDIs): Creates a new state-chartered bank category specifically designed for digital asset businesses, requiring 100% liquid reserves. SPDIs can hold digital assets in custody, process digital asset transactions, and provide banking services to blockchain companies that are currently underserved by traditional financial institutions.

Fiscal Impact Assessment

Revenue Considerations	Economic Offset Potential
• DBR sandbox oversight: \$200K-\$400K/year	• SPDI charter application fees: \$50K-\$100K each
• SPDI charter/examination staff: \$150K-\$300K	• Annual SPDI examination fees
• Initial rulemaking and guidance: \$50K-\$100K	• Sandbox application fees from participants
• Ongoing compliance monitoring	• New corporate income tax from relocating businesses

Budget Note: Wyoming's SPDI framework has attracted \$20 billion in digital assets and generates \$4 million annually in custodial and examination fees. Rhode Island's smaller scale would likely generate \$500K-\$2M in annual fee revenue within 3-5 years, potentially offsetting initial regulatory costs.

Rhode Island as an Innovation Leader

This bill positions Rhode Island to compete for the growing blockchain economy. Key advantages:

- **Competitive advantage:** Only Wyoming and Nebraska currently offer SPDI — RI would be first in New England
- **Job creation:** Wyoming’s framework has created an estimated 300+ direct blockchain jobs since 2019
- **Controlled innovation:** Sandbox approach allows testing with consumer protection guardrails
- **Banking access:** Solves the critical “debanking” problem facing legitimate blockchain businesses

Key Provisions

Provision	Details
Regulatory Sandbox	Temporary exemptions for up to 2 years; DBR oversight; consumer protections maintained
SPDI Requirements	100% liquid reserves; state-chartered; subject to annual examination
Eligible Participants	Blockchain and digital asset companies meeting DBR qualifications
Consumer Protection	DBR retains enforcement authority; mandatory disclosure requirements
Precedent	Wyoming HB74 (2019), Nebraska LB648 (2021)

Questions for Fiscal Review

- What staffing does DBR require to administer the sandbox program and SPDI examinations?
- Should the sandbox have a cap on the number of simultaneous participants?
- What are the insurance and bonding requirements for SPDI applicants?
- How does this interact with federal banking regulation and OCC guidance on digital assets?