

ALABAMA SECURITIES COMMISSION

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Alabama Lawmakers Advance the Financial Innovation Market Expansion Act

Montgomery, Alabama (March 4, 2026) - Today, the Alabama House Financial Services Committee advanced proposed legislation to create a stablecoin issuer license in Alabama. Sponsored by Representative Mike Shaw (House District 47), the Financial Innovation Market Expansion Act (Market Expansion Act) was introduced to provide a pathway for companies seeking to issue stablecoins pursuant to the state of Alabama's oversight. House Bill 259 aims to enable growth within Alabama's financial industry, expand capital markets, provide high-tech job opportunities, clear guidance for the industry, and solidify Alabama's reputation as a hub for digital finance innovation. According to industry analysts, stablecoin transactions have significantly grown in recent years, underscoring the need for clear legislation that promotes market stability and public confidence. This bill balances the growth of digital payment systems to accountability. Stablecoin is a digital currency pegged 1:1 to stable assets backed by liquid assets, often the U.S. Dollar, which allows immediate transfers of funds at a known value.

"The federal GENIUS Act created major opportunities for Alabama, and HB259 will put our state at the forefront of financial innovation. By establishing clear standards and strong oversight, this framework will give Alabama businesses and families the confidence to embrace emerging financial technology safely and responsibly," said Representative Mike Shaw.

"Digital assets are transforming the way money moves. In advancing the Financial Innovation Market Expansion Act, Alabama's policymakers are ensuring that Alabamians have access to newer digital assets, but with the safeguards that underpin established financial markets," said Alabama Securities Commission (ASC) Director Amanda Senn. "The Act ensures innovation happens safely, transparently, and with strong consumer protections. We are sending a clear message: we support financial technology innovation, but within a framework that protects the public and preserves the integrity of our capital markets and our financial industry participants."

Last year and in furtherance of this commitment, ASC established the Financial Innovation Division to proactively engage with emerging technologies and financial industry participants. The Division's mission is to help responsibly integrate and deploy financial technology designed to better serve investors and businesses, including supporting Innovate Alabama's mission to grow Alabama's economy through technology, innovation and entrepreneurship. Consistent with ASC's goals, the Division will promote responsible fintech development and regulatory guidance to ensure industry participants operate on a solid foundation.

"We want to ensure the continued success of Alabama's financial industry and that both market participants and investors have the information they need to be successful. To that end, our office has

always had an open door for those seeking guidance in these technical areas, and we look forward to continuing to serve as a resource for those seeking to enter the stablecoin market,” said Senn.

The Market Expansion Act is being introduced pursuant to and consistent with the requirements of the Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act, which authorizes states to issue licenses and provide oversight for financial industry participants seeking to issue up to \$10 billion in stablecoin. State qualified payment stablecoin issuers, as set forth and defined in the GENUIS Act, will be required to maintain one-to-one reserve backing in high-quality liquid assets; provide monthly public attestations by an independent certified public accountant; adhere to robust consumer protection and disclosure standards; and comply fully with applicable anti-money laundering, sanctions, and cybersecurity requirements. ASC will be responsible for the enforcement of the Market Expansion Act and will continue to monitor emerging federal guidance and best practices from financial regulators nationwide to fully develop the regulatory scheme in which Alabama’s stablecoin issuers will operate.

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