

Effective 5/5/2021

Part 1 General Provisions

63N-16-102 Definitions.

As used in this chapter:

- (1) "Advisory committee" means the General Regulatory Sandbox Program Advisory Committee created in Section 63N-16-104.
- (2) "Applicable agency" means a department or agency of the state that by law regulates a business activity and persons engaged in such business activity, including the issuance of licenses or other types of authorization, which the office determines would otherwise regulate a sandbox participant.
- (3) "Applicant" means a person that applies to participate in the regulatory sandbox.
- (4) "Blockchain technology" means the use of a digital database containing records of financial transactions, which can be simultaneously used and shared within a decentralized, publicly accessible network and can record transactions between two parties in a verifiable and permanent way.
- (5) "Consumer" means a person that purchases or otherwise enters into a transaction or agreement to receive an offering pursuant to a demonstration by a sandbox participant.
- (6) "Demonstrate" or "demonstration" means to temporarily provide an offering in accordance with the provisions of the regulatory sandbox program described in this chapter.
- (7) "Director" means the director of the Utah Office of Regulatory Relief created in Section 63N-16-103.
- (8) "Executive director" means the executive director of the Governor's Office of Economic Opportunity.
- (9) "Financial product or service" means:
 - (a) a financial product or financial service that requires state licensure or registration; or
 - (b) a financial product, financial service, or banking business that includes a business model, delivery mechanism, offering of deposit accounts, or element that may require a license or other authorization to act as a financial institution, enterprise, or other entity that is regulated by Title 7, Financial Institutions Act, or other related provisions.
- (10) "Health, safety, and financial well-being" includes protecting against physical injury, property damage, or financial harm.
- (11) "Innovation" means the use or incorporation of a new or existing idea, a new or emerging technology, or a new use of existing technology, including blockchain technology, to address a problem, provide a benefit, or otherwise offer a product, production method, or service.
- (12) "Insurance product or service" means an insurance product or insurance service that requires state licensure, registration, or other authorization as regulated by Title 31A, Insurance Code, including an insurance product or insurance service that includes a business model, delivery mechanism, or element that requires a license, registration, or other authorization to do an insurance business, act as an insurance producer or consultant, or engage in insurance adjusting as regulated by Title 31A, Insurance Code.
- (13)
 - (a) "Offering" means a product, production method, or service, including a financial product or service or an insurance product or service, that includes an innovation.
 - (b) "Offering" does not include a product, production method, or service that is governed by Title 61, Chapter 1, Utah Uniform Securities Act.

- (14) "Product" means a commercially distributed good that is:
 - (a) tangible personal property;
 - (b) the result of a production process; and
 - (c) passed through the distribution channel before consumption.
- (15) "Production" means the method or process of creating or obtaining a good, which may include assembling, breeding, capturing, collecting, extracting, fabricating, farming, fishing, gathering, growing, harvesting, hunting, manufacturing, mining, processing, raising, or trapping a good.
- (16) "Regulatory relief office" means the Utah Office of Regulatory Relief created in Section 63N-16-103.
- (17) "Regulatory sandbox" means the General Regulatory Sandbox Program created in Section 63N-16-201, which allows a person to temporarily demonstrate an offering under a waiver or suspension of one or more state laws or regulations.
- (18) "Sandbox participant" means a person whose application to participate in the regulatory sandbox is approved in accordance with the provisions of this chapter.
- (19) "Service" means any commercial activity, duty, or labor performed for another person.

Amended by Chapter 400, 2024 General Session

63N-16-103 Creation of regulatory relief office and appointment of director -- Responsibilities of regulatory relief office.

- (1) There is created within the Governor's Office of Economic Opportunity the Utah Office of Regulatory Relief.
- (2)
 - (a) The regulatory relief office shall be administered by a director.
 - (b) The director shall report to the executive director or the executive director's designee and may appoint staff subject to the approval of the executive director.
- (3) The regulatory relief office shall:
 - (a) administer the provisions of this chapter;
 - (b) administer the regulatory sandbox program; and
 - (c) act as a liaison between private businesses and applicable agencies to identify state laws or regulations that could potentially be waived or suspended under the regulatory sandbox program, or amended.
- (4) The regulatory relief office may:
 - (a) propose potential reciprocity agreements between states that use or are proposing to use similar programs to the regulatory sandbox; and
 - (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and the provisions of this chapter, make rules regarding:
 - (i) administering the regulatory sandbox, including making rules regarding the application process and the reporting requirements of sandbox participants; and
 - (ii) cooperating and consulting with other agencies in the state that administer sandbox programs.

Amended by Chapter 157, 2024 General Session

Amended by Chapter 400, 2024 General Session

63N-16-104 Creation and duties of advisory committee.

- (1) There is created the General Regulatory Sandbox Program Advisory Committee.
- (2) The advisory committee shall have 9 members as follows:

- (a) four members appointed by the director who represent business interests and are selected from a variety of industry clusters;
 - (b) three members appointed by the director who represent state agencies that regulate businesses;
 - (c) one member of the Senate, appointed by the president of the Senate; and
 - (d) one member of the House of Representatives, appointed by the speaker of the House of Representatives.
- (3)
- (a) Subject to Subsection (3)(b), members of the advisory committee who are not legislators shall be appointed to a four-year term.
 - (b) Notwithstanding the requirements of Subsection (3)(a), the director may adjust the length of terms of appointments and reappointments to the advisory committee so that approximately half of the advisory committee is appointed every two years.
- (4) Notwithstanding the requirements in Subsection (2), the director may temporarily appoint up to three additional members to the advisory committee who represent business interests, industry, or regulatory or compliance interests to which an application for participation in the regulatory sandbox relates.
- (5) A majority of the advisory committee constitutes a quorum for the purpose of conducting advisory committee business, and the action of the majority of a quorum constitutes the action of the advisory committee.
- (6) The advisory committee shall:
- (a) advise and make recommendations to the regulatory relief office as described in this chapter;
 - (b) designate the laws and regulations of an industry for potential study by the regulatory relief office as described in Section 63N-16-105; and
 - (c) annually select a chair of the advisory committee.
- (7) The regulatory relief office shall provide administrative staff support for the advisory committee.
- (8)
- (a) A member may not receive compensation or benefits for the member's service, but a member appointed under Subsection (2)(a) may receive per diem and travel expenses in accordance with:
 - (i) Sections 63A-3-106 and 63A-3-107; and
 - (ii) rules made by the Division of Finance pursuant to Sections 63A-3-106 and 63A-3-107.
 - (b) Compensation and expenses of a member who is a legislator are governed by Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.

Amended by Chapter 157, 2024 General Session

Amended by Chapter 400, 2024 General Session

63N-16-105 Annual report.

- (1) On or before October 1 of each year, the regulatory relief office shall prepare and submit an annual written report to the governor, the Business and Labor Interim Committee, and the Economic Development and Workforce Services Interim Committee for the preceding fiscal year.
- (2) The annual report described in Subsection (1) shall include:
 - (a) information regarding each participant in the regulatory sandbox created in Section 63N-16-201, including which industries each participant represents and the anticipated or actual cost savings that each participant experienced;
 - (b) recommendations regarding any laws or regulations that should be permanently modified;

- (c) information regarding outcomes for consumers;
- (d) recommendations for changes to the regulatory sandbox program or other duties of the regulatory relief office; and
- (e) the information described in Subsection 63N-16-302(5).

Amended by Chapter 157, 2024 General Session