

Effective 5/5/2021

Chapter 16
Utah Office of Regulatory Relief

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

Part 2

General Regulatory Sandbox Program

63N-16-201 General Regulatory Sandbox Program -- Application requirements.

- (1) There is created in the regulatory relief office the General Regulatory Sandbox Program.
- (2) In administering the regulatory sandbox, the regulatory relief office:
 - (a) shall consult with each applicable agency;
 - (b) shall establish a program to enable a person to obtain legal protections and limited access to the market in the state to demonstrate an offering without obtaining a license or other authorization that might otherwise be required;
 - (c) may enter into agreements with or adopt the best practices of corresponding federal regulatory agencies or other states that are administering similar programs; and
 - (d) may consult with businesses in the state about existing or potential proposals for the regulatory sandbox.
- (3)
 - (a) An applicant for the regulatory sandbox may contact the regulatory relief office to request a consultation regarding the regulatory sandbox before submitting an application.
 - (b) The regulatory relief office shall provide relevant information regarding the regulatory sandbox program.
 - (c) The regulatory relief office may provide assistance to an applicant in preparing an application for submission.
- (4) An applicant for the regulatory sandbox shall provide to the regulatory relief office an application in a form prescribed by the regulatory relief office that:
 - (a) confirms the applicant is subject to the jurisdiction of the state;
 - (b) confirms the applicant has established a physical or virtual location in the state, from which the demonstration of an offering will be developed and performed and where all required records, documents, and data will be maintained;
 - (c) contains relevant personal and contact information for the applicant, including legal names, addresses, telephone numbers, email addresses, website addresses, and other information required by the regulatory relief office;
 - (d) discloses criminal convictions of the applicant or other participating personnel, if any;
 - (e) contains a description of the offering to be demonstrated, including statements regarding:
 - (i) how the offering is subject to licensing, legal prohibition, or other authorization requirements outside of the regulatory sandbox;

- (ii) each law or regulation, accompanied by their statutory reference or citation, that the applicant seeks to have waived or suspended while participating in the regulatory sandbox program;
 - (iii) how the offering would benefit consumers;
 - (iv) how the offering is different from other offerings available in the state;
 - (v) any identifiable, likely, and significant harm to the health, safety, or financial well-being of consumers that each law or regulation described in Subsection (4)(e)(ii) protects against;
 - (vi) what risks might exist for consumers who use or purchase the offering;
 - (vii) how participating in the regulatory sandbox would enable a successful demonstration of the offering;
 - (viii) a description of the proposed demonstration plan, including estimated time periods for beginning and ending the demonstration;
 - (ix) recognition that the applicant will be subject to all laws and regulations pertaining to the applicant's offering after conclusion of the demonstration; and
 - (x) how the applicant will end the demonstration and protect consumers if the demonstration fails;
- (f) lists each government agency, if any, that the applicant knows regulates the applicant's business; and
- (g) provides any other required information as determined by the regulatory relief office.
- (5) The regulatory relief office may collect an application fee from an applicant that is set in accordance with Section 63J-1-504.
- (6) An applicant shall file a separate application for each offering that the applicant wishes to demonstrate.
- (7) After an application is filed, the regulatory relief office shall:
- (a) classify, as a protected record, any part of the application that the office determines is nonpublic, confidential information that if disclosed would result in actual economic harm to the applicant in accordance with Subsection 63G-2-305(82);
 - (b) consult with each applicable government agency that regulates the applicant's business regarding whether more information is needed from the applicant; and
 - (c) seek additional information from the applicant that the regulatory relief office determines is necessary.
- (8) No later than five business days after the day on which a complete application is received by the regulatory relief office, the regulatory relief office shall:
- (a) review the application and refer the application to each applicable government agency that regulates the applicant's business;
 - (b) provide to the applicant:
 - (i) an acknowledgment of receipt of the application; and
 - (ii) the identity and contact information of each regulatory agency to which the application has been referred for review; and
 - (c) provide public notice, on the office's website and through other appropriate means, of each law or regulation that the office is considering to suspend or waive under the application.
- (9)
- (a) Subject to Subsections (9)(c) and (9)(g), no later than 30 days after the day on which an applicable agency receives a complete application for review, the applicable agency shall provide a written report to the director of the applicable agency's findings.
 - (b) The report shall:
 - (i) describe any identifiable, likely, and significant harm to the health, safety, or financial well-being of consumers that the relevant law or regulation protects against; and

- (ii) make a recommendation to the regulatory relief office that the applicant either be admitted or denied entrance into the regulatory sandbox.
- (c)
 - (i) The applicable agency may request an additional five business days to deliver the written report by providing notice to the director, which request shall automatically be granted.
 - (ii) The applicable agency may only request one extension per application.
- (d) If the applicable agency recommends an applicant under this section be denied entrance into the regulatory sandbox, the written report shall include a description of the reasons for the recommendation, including why a temporary waiver or suspension of the relevant laws or regulations would potentially significantly harm the health, safety, or financial well-being of consumers or the public and the likelihood of such harm occurring.
- (e) If the agency determines that the consumer's or public's health, safety, and financial well-being can be protected through less restrictive means than the existing relevant laws or regulations, then the applicable agency shall provide a recommendation of how that can be achieved.
- (f) If an applicable agency fails to deliver a written report as described in this Subsection (9), the director shall assume that the applicable agency does not object to the temporary waiver or suspension of the relevant laws or regulations for an applicant seeking to participate in the regulatory sandbox.
- (g) Notwithstanding any other provision of this section, an applicable agency may by written notice to the regulatory relief office:
 - (i) within the 30 days after the day on which the applicable agency receives a complete application for review, or within 35 days if an extension has been requested by the applicable agency, reject an application if the applicable agency determines, in the applicable agency's discretion, that the applicant's offering fails to comply with standards or specifications:
 - (A) required by federal law or regulation; or
 - (B) previously approved for use by a federal agency; or
 - (ii) reject an application that is preliminarily approved by the regulatory relief office, if the applicable agency:
 - (A) recommended rejection of the application in accordance with Subsection (9)(d) in the agency's written report; and
 - (B) provides in the written notice under this Subsection (9)(g), a description of the applicable agency's reasons why approval of the application would create a substantial risk of harm to the health, safety, or financial well-being of the public, or create unreasonable expenses for taxpayers in the state.
- (h) If an applicable agency rejects an application under Subsection (9)(g), the regulatory relief office may not approve the application.
 - (i) If the applicable agency rejects an application under Subsection (9)(g), the applicable agency shall provide the rejection on a form created by the agency and signed by the director of the applicable agency.
 - (ii) The form shall document the reason for the rejection and show every reasonable effort was made to meet with the applicant.
- (10)
 - (a) Upon receiving a written report described in Subsection (9), the director shall provide the application and the written report to the advisory committee.
 - (b) The director may call the advisory committee to meet as needed, but not less than once per quarter if applications are available for review.

- (c) After receiving and reviewing the application and each written report, the advisory committee shall provide to the director the advisory committee's recommendation as to whether or not the applicant should be admitted as a sandbox participant under this chapter.
 - (d) As part of the advisory committee's review of each written report, the advisory committee shall use the criteria required for an applicable agency as described in Subsection (9).
- (11)
- (a) In reviewing an application and each applicable agency's written report, the regulatory relief office shall consult with each applicable agency before admitting an applicant into the regulatory sandbox.
 - (b) The consultation with each applicable agency may include seeking information about whether:
 - (i) the applicable agency has previously issued a license or other authorization to the applicant; and
 - (ii) the applicable agency has previously investigated, sanctioned, or pursued legal action against the applicant.
- (12) In reviewing an application under this section, the regulatory relief office and each applicable agency shall consider whether a competitor to the applicant is or has been a sandbox participant and, if so, weigh that as a factor in favor of allowing the applicant to also become a sandbox participant.
- (13) In reviewing an application under this section, the regulatory relief office shall consider whether:
- (a) the applicant's plan will adequately protect consumers from potential harm identified by an applicable agency in the applicable agency's written report;
 - (b) the risk of harm to consumers is outweighed by the potential benefits to consumers from the applicant's participation in the regulatory sandbox; and
 - (c) certain state laws or regulations that regulate an offering should not be waived or suspended even if the applicant is approved as a sandbox participant, including applicable antifraud or disclosure provisions.
- (14)
- (a) An applicant becomes a sandbox participant if the regulatory relief office approves the application for the regulatory sandbox and the regulatory relief office enters into a written agreement with the applicant describing the specific laws and regulations that are waived or suspended as part of participation in the regulatory sandbox.
 - (b) Notwithstanding any other provision of this chapter, the regulatory relief office may not enter into a written agreement with an applicant and related parties that waives or suspends a tax, fee, or charge that is administered by the State Tax Commission or that is described in Title 59, Revenue and Taxation.
- (15)
- (a) The director may deny at the director's sole discretion any application submitted under this section for any reason, including if the director determines that the preponderance of evidence demonstrates that suspending or waiving enforcement of a law or regulation would cause a significant risk of harm to consumers or residents of the state.
 - (b) If the director denies an application submitted under this section, the regulatory relief office shall provide to the applicant a written description of the reasons for not allowing the applicant to be a sandbox participant.
 - (c) The denial of an application submitted under this section is not subject to:
 - (i) agency or judicial review; or
 - (ii) the provisions of Title 63G, Chapter 4, Administrative Procedures Act.

- (16) The director shall deny an application for participation in the regulatory sandbox described by this section if the applicant or any person who seeks to participate with the applicant in demonstrating an offering has been convicted, entered a plea of nolo contendere, or entered a plea of guilty or nolo contendere held in abeyance, for any crime involving significant theft, fraud, or dishonesty if the crime bears a significant relationship to the applicant's or other participant's ability to safely and competently participate in the regulatory sandbox program.
- (17)
- (a) When an applicant is approved for participation in the regulatory sandbox, the director shall provide public notice of the approval on the office's website and through other appropriate means.
- (b) The public notice described in Subsection (17)(a) shall state:
- (i) the name of the sandbox participant;
 - (ii) the industries the sandbox participant represents; and
 - (iii) each law or regulation that is suspended or waived for the sandbox participant as allowed by the regulatory sandbox.
- (18) In addition to the information described in Subsection (17), the office shall make the following information available on the office's website and through other appropriate means:
- (a) documentation regarding the office's determination and grounds for approving each sandbox participant; and
 - (b) public notice regarding any sandbox participant's revocation to participate in the regulatory sandbox.

Amended by Chapter 135, 2024 General Session

Amended by Chapter 400, 2024 General Session

63N-16-202 Scope of the regulatory sandbox.

- (1) If the regulatory relief office approves an application under this part, the sandbox participant has 12 months after the day on which the application was approved to demonstrate the offering described in the sandbox participant's application.
- (2) An offering that is demonstrated within the regulatory sandbox is subject to the following:
- (a) each consumer shall be a resident of the state; and
 - (b) no law or regulation may be waived or suspended if waiving or suspending the law or regulation would prevent a consumer from seeking restitution in the event that the consumer is harmed.
- (3) This part does not restrict a sandbox participant who holds a license or other authorization in another jurisdiction from acting in accordance with that license or other authorization.
- (4) A sandbox participant is deemed to possess an appropriate license or other authorization under the laws of the state for the purposes of any provision of federal law requiring licensure or other authorization by the state.
- (5) Subject to Subsection (6):
- (a) during the demonstration period, a sandbox participant is not subject to the enforcement of state laws or regulations identified in the written agreement between the regulatory relief office and the sandbox participant described in Subsection 63N-16-201(14);
 - (b) a prosecutor may not file or pursue charges pertaining to a law or regulation identified in the written agreement between the regulatory relief office and the sandbox participant described in Subsection 63N-16-201(14) that occurs during the demonstration period; and

- (c) a state agency may not file or pursue any punitive action against a sandbox participant, including a fine or license suspension or revocation, for the violation of a law or regulation that:
 - (i) is identified as being waived or suspended in the written agreement between the regulatory relief office and the sandbox participant described in Subsection 63N-16-201(14); and
 - (ii) occurs during the demonstration period.
- (6) Notwithstanding any other provision of this part:
 - (a) a sandbox participant does not have immunity related to any criminal offense committed during the sandbox participant's participation in the regulatory sandbox; and
 - (b) a sandbox participant that provides an offering that is a financial product or service shall comply with all applicable federal laws and regulations governing consumer protection.
- (7) By written notice, the regulatory relief office may end a sandbox participant's participation in the regulatory sandbox at any time and for any reason, including if the director determines that a sandbox participant is not operating in good faith to bring an offering to market.
- (8) The regulatory relief office and the regulatory relief office's employees are not liable for any business losses or the recouping of application expenses or other expenses related to the regulatory sandbox, including for:
 - (a) denying an applicant's application to participate in the regulatory sandbox for any reason; or
 - (b) ending a sandbox participant's participation in the regulatory sandbox at any time and for any reason.

Amended by Chapter 332, 2022 General Session

63N-16-203 Consumer protection for regulatory sandbox.

- (1) Before demonstrating an offering to a consumer, a sandbox participant shall disclose the following to the consumer:
 - (a) the name and contact information of the sandbox participant;
 - (b) that the offering is authorized pursuant to the regulatory sandbox and, if applicable, that the sandbox participant does not have a license or other authorization to provide an offering under state laws that regulate offerings outside of the regulatory sandbox;
 - (c) that the offering is undergoing testing and may not function as intended and may expose the consumer to certain risks as identified by the applicable agency's written report;
 - (d) that the provider of the offering is not immune from civil liability for any losses or damages caused by the offering;
 - (e) that the provider of the offering is not immune from criminal prosecution for violations of state law or regulations that are not suspended or waived as allowed by the regulatory sandbox;
 - (f) that the offering is a temporary demonstration that may be discontinued at the end of the demonstration period;
 - (g) the expected end date of the demonstration period; and
 - (h) that a consumer may contact the regulatory relief office and file a complaint regarding the offering being demonstrated and provide the regulatory relief office's telephone number and website address where a complaint may be filed.
- (2) The disclosures required by Subsection (1) shall be provided to a consumer in a clear and conspicuous form and, for an Internet or application-based offering, a consumer shall acknowledge receipt of the disclosure before any transaction may be completed.
- (3) The regulatory relief office may require that a sandbox participant make additional disclosures to a consumer.

Enacted by Chapter 373, 2021 General Session

63N-16-204 Requirements for exiting regulatory sandbox.

- (1) At least 30 days before the end of the 12-month regulatory sandbox demonstration period, a sandbox participant shall:
 - (a) notify the regulatory relief office that the sandbox participant will exit the regulatory sandbox and discontinue the sandbox participant's demonstration after the day on which the 12-month demonstration period ends; or
 - (b) seek an extension in accordance with Section 63N-16-205.
- (2) Subject to Subsection (3), if the regulatory relief office does not receive notification as required by Subsection (1), the regulatory sandbox demonstration period ends at the end of the 12-month testing period.
- (3) If a demonstration includes an offering that requires ongoing duties, the sandbox participant may continue to do so but will be subject to enforcement of the laws or regulations that were waived or suspended as part of the regulatory sandbox.

Enacted by Chapter 373, 2021 General Session

63N-16-205 Extensions.

- (1) Not later than 30 days before the end of the 12-month regulatory sandbox demonstration period, a sandbox participant may request an extension of the regulatory sandbox demonstration period.
- (2) The regulatory relief office shall grant or deny a request for an extension in accordance with Subsection (1) by the end of the 12-month regulatory sandbox testing period.
- (3) The regulatory relief office may grant an extension in accordance with this section for not more than 12 months after the end of the initial regulatory sandbox demonstration period.

Amended by Chapter 400, 2024 General Session

63N-16-206 Record keeping and reporting requirements.

- (1) A sandbox participant shall retain records, documents, and data produced in the ordinary course of business regarding an offering demonstrated in the regulatory sandbox.
- (2) If a sandbox participant ceases to provide an offering before the end of a demonstration period, the sandbox participant shall notify the regulatory relief office and each applicable agency and report on actions taken by the sandbox participant to ensure consumers have not been harmed as a result.
- (3)
 - (a) The regulatory relief office shall establish quarterly reporting requirements for a sandbox participant, including information about any consumer complaints.
 - (b) No later than 14 days after the day on which a sandbox participant submits the sandbox participant's second quarterly report to the regulatory relief office, the regulatory relief office shall provide the sandbox participant's first and second quarterly reports to each applicable agency.
 - (c) No later than 30 days after the day on which an applicable agency receives the reports as described in Subsection (3)(b), the applicable agency shall provide a written report to the regulatory relief office on the demonstration that describes any statutory or regulatory reform the applicable agency recommends as a result of the demonstration.

- (4) The regulatory relief office may request records, documents, and data from a sandbox participant and, upon the regulatory relief office's request, the sandbox participant shall make such records, documents, and data available for inspection by the regulatory relief office.
- (5)
 - (a) The sandbox participant shall notify the regulatory relief office and each applicable agency of any incidents that result in harm to the health, safety, or financial well-being of a consumer.
 - (b) If a sandbox participant fails to notify the regulatory relief office and each applicable agency of any incidents as described in Subsection (5)(a), or the regulatory relief office or an applicable agency has evidence that significant harm to a consumer has occurred, the regulatory relief office may immediately remove the sandbox participant from the regulatory sandbox.
- (6)
 - (a) No later than 30 days after the day on which a sandbox participant exits the regulatory sandbox, the sandbox participant shall submit a written report to the regulatory relief office and each applicable agency describing an overview of the sandbox participant's demonstration, including any:
 - (i) incidents of harm to consumers;
 - (ii) legal action filed against the participant as a result of the participant's demonstration; and
 - (iii) complaints filed with an applicable agency as a result of the participant's demonstration.
 - (b) No later than 30 days after the day on which an applicable agency receives a written report from a sandbox participant as described in Subsection (6)(a), the applicable agency shall provide a written report to the regulatory relief office on the demonstration that describes any statutory or regulatory reform the applicable agency recommends as a result of the demonstration.
- (7) The regulatory relief office may remove a sandbox participant from the regulatory sandbox at any time if the regulatory relief office determines that a sandbox participant has engaged in, is engaging in, or is about to engage in any practice or transaction that is in violation of this chapter or that constitutes a violation of a law or regulation for which suspension or waiver has not been granted.

Amended by Chapter 400, 2024 General Session

Part 3 Regulatory Relief

63N-16-301 Regulatory relief web page.

- (1) The regulatory relief office shall create and maintain on GOEO's website a web page that invites residents and businesses in the state to make suggestions regarding laws and regulations that could be modified or eliminated to reduce the regulatory burden of residents and businesses in the state.
- (2) On at least a quarterly basis, the regulatory relief office shall compile the results of suggestions from the web page and provide a written report to the governor, the Business and Labor Interim Committee, and the Economic Development and Workforce Services Interim Committee that describes the most common suggestions.
- (3) In creating the report described in Subsection (2), the regulatory relief office and the advisory committee:

- (a) shall ensure that private information of residents and businesses that make suggestions on the web page is not made public; and
- (b) may evaluate the suggestions and provide analysis and suggestions regarding which state laws and regulations could be modified or eliminated to reduce the regulatory burden of residents and businesses in the state while still protecting consumers.

Amended by Chapter 159, 2024 General Session

63N-16-302 Proactive regulatory relief efforts.

- (1) As used in this section:
 - (a) "Regulatory framework" means a framework for determining the risk level to the public if a law or regulation that inhibits the creation or success of new and existing companies or industries were to be permanently removed or temporarily waived.
 - (b) "Risk level" means a level of risk categorized from low, medium, and high.
- (2) The regulatory relief office may:
 - (a) review, at any time, any existing state laws or regulations that may unnecessarily inhibit the creation or success of companies or industries other than the occupational regulations of individuals reviewed by the Office of Professional Licensure Review under Title 13, Chapter 1b, Office of Professional Licensure Review; and
 - (b) provide recommendations to the governor and the Legislature on modifying those state laws and regulations described in Subsection (2)(a).
- (3) The regulatory relief office shall:
 - (a) create a regulatory framework; and
 - (b) annually study the laws and regulations of at least two industries selected from:
 - (i) an industry targeted for economic development by the Unified Economic Opportunity Commission as described in Section 63N-1a-202; or
 - (ii) an industry designated by the General Regulatory Sandbox Program Advisory Committee for study by the regulatory relief office.
- (4) In undertaking the review described in Subsection (3), the regulatory relief office shall:
 - (a) identify any law or regulation that the regulatory relief office determines inhibits the creation or success of new and existing companies or industries;
 - (b) apply the regulatory framework to the identified law or regulation; and
 - (c) consider:
 - (i) the history of the identified regulation or law, including the reasons why the regulation or law was originally enacted;
 - (ii) whether the identified regulation or law:
 - (A) creates an unnecessary barrier to industry for businesses; or
 - (B) imposes an unnecessary cost to businesses or consumers;
 - (iii) whether the penalty for violation of the regulation or law, if any, is proportional to the potential harm; and
 - (iv) if there are potentially less burdensome alternatives to the existing regulation or law and apply the regulatory framework to that alternative.
- (5) The regulatory relief office shall submit as part of the report described in Section 63N-16-105:
 - (a) a detailed overview of the regulatory relief office's study of the laws and regulations as described in this section, including the reasons why the laws and regulations of a particular industry were selected for study and the strategy the office implemented to study the laws and regulations of that industry; and

- (b) recommended changes to a law or regulation identified by the regulatory relief office in Subsection (4) that the regulatory relief office determines:
 - (i) is inhibiting the success of businesses, companies, or industries; and
 - (ii) would not present a high risk level to the public if the law or regulation were permanently removed or temporarily waived.

Enacted by Chapter 157, 2024 General Session

Part 4 Noncustodial Blockchain Registry

63N-16-401 Definitions.

- (1) "Blockchain company" means an entity that uses blockchain technology to facilitate financial transactions between users.
- (2) "Noncustodial blockchain company" means a blockchain company that does not have possession or control of a user's private key.
- (3) "Private key" means the same as that term is defined in Section 13-62-101.
- (4) "Registry" means the Noncustodial Blockchain Registry described in Section 63N-16-402.
- (5) "User" means a person who engages in a financial transaction through a blockchain company.

Enacted by Chapter 77, 2023 General Session

63N-16-402 Noncustodial Blockchain Registry -- Contents -- Rulemaking.

- (1) The regulatory relief office shall maintain a Noncustodial Blockchain Registry that lists noncustodial blockchain companies conducting business in the state.
- (2) For each registered noncustodial blockchain company, the regulatory relief office shall include on the registry:
 - (a) the name of the noncustodial blockchain company; and
 - (b) the noncustodial blockchain company's authorized agents in the state, if any.
- (3) The regulatory relief office may make rules in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to administer the registry.

Enacted by Chapter 77, 2023 General Session

63N-16-403 Registry application -- Certificate -- Renewal -- Removal -- Notice.

- (1)
 - (a) Subject to Subsection (1)(b), an applicant for placement on the registry shall provide to the regulatory relief office:
 - (i) an application in a form prescribed by the regulatory relief office; and
 - (ii) a fee established by the regulatory relief office in accordance with Section 63J-1-504.
 - (b) The application shall include:
 - (i) a place for the name of the applicant, including any trade name used by the applicant in the conduct of the applicant's business;
 - (ii) a place for a description of the activities conducted by the applicant in the state;
 - (iii) a place for the applicant to list the applicant's:
 - (A) authorized agents in the state, if any; and

- (B) website URL;
 - (iv) a description of general noncustodial blockchain company activities;
 - (v) a place for the applicant to acknowledge that the applicant is a noncustodial blockchain company; and
 - (vi) a statement notifying the applicant that the applicant may be removed from the registry if the applicant:
 - (A) ceases to operate as a noncustodial blockchain company; or
 - (B) engages in unlawful activity.
- (2)
- (a) Upon receipt of the application and fee described in Subsection (1), the regulatory relief office shall:
 - (i) place the applicant on the registry; and
 - (ii) issue a certificate of registration to the applicant.
 - (b) A noncustodial blockchain company's registration expires one year after the day on which the noncustodial blockchain company is placed on the registry.
 - (c) A noncustodial blockchain company may renew the noncustodial blockchain company's registration by providing to the regulatory relief office:
 - (i) a renewal application in a form prescribed by the regulatory relief office; and
 - (ii) a renewal fee established by the regulatory relief office in accordance with Section 63J-1-504.
- (3) A registered noncustodial blockchain company:
- (a) shall immediately provide written notice to the regulatory relief office upon ceasing to operate as a noncustodial blockchain company; and
 - (b) may request removal from the registry in writing.
- (4) The regulatory relief office shall remove a registered noncustodial blockchain company from the registry if:
- (a) the noncustodial blockchain company's registration expires without renewal;
 - (b) the noncustodial blockchain company provides the notice or request described in Subsection (3); or
 - (c) the regulatory relief office knows or has reason to know the noncustodial blockchain company is engaging in unlawful activity.

Enacted by Chapter 77, 2023 General Session