

Representative A. Cory Maloy proposes the following substitute bill:

REGULATORY SANDBOX PROGRAM AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: A. Cory Maloy

Senate Sponsor: Ann Millner

LONG TITLE

General Description:

This bill consolidates state regulatory sandbox programs.

Highlighted Provisions:

This bill:

▶ expands the regulatory sandbox program administered by the Governor's Office of Economic Opportunity by allowing a person who offers an innovative financial or insurance product or service to participate in the program;

▶ repeals the regulatory sandbox programs administered by the Department of Commerce and the Department of Insurance; and

▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63N-16-102, as enacted by Laws of Utah 2021, Chapter 373

63N-16-103, as enacted by Laws of Utah 2021, Chapter 373



- 26 [63N-16-201](#), as enacted by Laws of Utah 2021, Chapter 373
- 27 [63N-16-202](#), as enacted by Laws of Utah 2021, Chapter 373
- 28 [63N-16-203](#), as enacted by Laws of Utah 2021, Chapter 373
- 29 [63N-16-204](#), as enacted by Laws of Utah 2021, Chapter 373
- 30 [63N-16-206](#), as enacted by Laws of Utah 2021, Chapter 373

31 REPEALS:

- 32 [13-55-101](#), as enacted by Laws of Utah 2019, Chapter 243
- 33 [13-55-102](#), as last amended by Laws of Utah 2021, Chapter 373
- 34 [13-55-103](#), as last amended by Laws of Utah 2020, Chapter 143
- 35 [13-55-104](#), as enacted by Laws of Utah 2019, Chapter 243
- 36 [13-55-105](#), as enacted by Laws of Utah 2019, Chapter 243
- 37 [13-55-106](#), as enacted by Laws of Utah 2019, Chapter 243
- 38 [13-55-107](#), as enacted by Laws of Utah 2019, Chapter 243
- 39 [13-55-108](#), as enacted by Laws of Utah 2019, Chapter 243
- 40 [31A-47-101](#), as enacted by Laws of Utah 2020, Chapter 141
- 41 [31A-47-102](#), as last amended by Laws of Utah 2021, Chapter 373
- 42 [31A-47-103](#), as enacted by Laws of Utah 2020, Chapter 141
- 43 [31A-47-104](#), as enacted by Laws of Utah 2020, Chapter 141
- 44 [31A-47-105](#), as enacted by Laws of Utah 2020, Chapter 141
- 45 [31A-47-106](#), as enacted by Laws of Utah 2020, Chapter 141
- 46 [31A-47-107](#), as enacted by Laws of Utah 2020, Chapter 141
- 47 [31A-47-108](#), as enacted by Laws of Utah 2020, Chapter 141

48

49 *Be it enacted by the Legislature of the state of Utah:*

50 Section 1. Section [63N-16-102](#) is amended to read:

51 **[63N-16-102. Definitions.](#)**

52 As used in this chapter:

53 (1) "Advisory committee" means the General Regulatory Sandbox Program Advisory
54 Committee created in Section [63N-16-104](#).

55 (2) "Applicable agency" means a department or agency of the state that by law
56 regulates a business activity and persons engaged in such business activity, including the

57 issuance of licenses or other types of authorization, which the office determines would
58 otherwise regulate a sandbox participant.

59 (3) "Applicant" means a person that applies to participate in the regulatory sandbox.

60 (4) "Blockchain technology" means the use of a digital database containing records of
61 financial transactions, which can be simultaneously used and shared within a decentralized,
62 publicly accessible network and can record transactions between two parties in a verifiable and
63 permanent way.

64 [(4)] (5) "Consumer" means a person that purchases or otherwise enters into a
65 transaction or agreement to receive an innovative offering pursuant to a demonstration by a
66 sandbox participant.

67 [(5)] (6) "Demonstrate" or "demonstration" means to temporarily provide an innovative
68 offering in accordance with the provisions of the regulatory sandbox program described in this
69 chapter.

70 [(6)] (7) "Director" means the director of the Utah Office of Regulatory Relief created
71 in Section [63N-16-103](#).

72 [(7)] (8) "Executive director" means the executive director of the Governor's Office of
73 Economic Opportunity.

74 (9) "Financial product or service" means:

75 (a) a financial product or financial service that requires state licensure or registration;
76 or

77 (b) a financial product, financial service, or banking business that includes a business
78 model, delivery mechanism, offering of deposit accounts, or element that may require a license
79 or other authorization to act as a financial institution, enterprise, or other entity that is regulated
80 by Title 7, Financial Institutions Act, or other related provisions.

81 [(8)] (10) "Innovation" means the use or incorporation of a new idea, a new or
82 emerging technology, or a new use of existing technology, including blockchain technology, to
83 address a problem, provide a benefit, or otherwise offer a product, production method, or
84 service.

85 [(9)] (11) (a) "Innovative offering" means [~~an offering that includes~~] a product,
86 production method, or service, including a financial product or service or an insurance product
87 or service, that provides an innovation.

88 (b) "Innovative offering" does not include a product, production method, or service that
89 is governed by Title 61, Chapter 1, Utah Uniform Securities Act.

90 (12) "Insurance product or service" means an insurance product or insurance service
91 that requires state licensure, registration, or other authorization as regulated by Title 31A,
92 Insurance Code, including an insurance product or insurance service that includes a business
93 model, delivery mechanism, or element that requires a license, registration, or other
94 authorization to do an insurance business, act as an insurance producer or consultant, or engage
95 in insurance adjusting as regulated by Title 31A, Insurance Code.

96 [~~10~~](a) "Offering" means a product, production method, or service.]

97 [~~(b) "Offering" does not include a product, production method, or service that is~~
98 ~~governed by:~~(i) ~~Title~~ 31A, Insurance Code, as determined by the insurance commissioner; or
99 (ii) ~~Title~~ 61, Chapter 1, Utah Uniform Securities Act.]

100 [~~11~~] (13) "Product" means a commercially distributed good that is:

- 101 (a) tangible personal property;
- 102 (b) the result of a production process; and
- 103 (c) passed through the distribution channel before consumption.

104 [~~12~~] (14) "Production" means the method or process of creating or obtaining a good,
105 which may include assembling, breeding, capturing, collecting, extracting, fabricating, farming,
106 fishing, gathering, growing, harvesting, hunting, manufacturing, mining, processing, raising, or
107 trapping a good.

108 [~~13~~] (15) "Regulatory relief office" means the Utah Office of Regulatory Relief
109 created in Section 63N-16-103.

110 [~~14~~] (16) "Regulatory sandbox" means the General Regulatory Sandbox Program
111 created in Section 63N-16-201, which allows a person to temporarily demonstrate an
112 innovative offering under a waiver or suspension of one or more state laws or regulations.

113 [~~15~~] (17) "Sandbox participant" means a person whose application to participate in
114 the regulatory sandbox is approved in accordance with the provisions of this chapter.

115 [~~16~~] (18) "Service" means any commercial activity, duty, or labor performed for
116 another person.

117 Section 2. Section 63N-16-103 is amended to read:

118 **63N-16-103. Creation of regulatory relief office and appointment of director --**

119 **Responsibilities of regulatory relief office.**

120 (1) There is created within the Governor's Office of Economic Opportunity the Utah
121 Office of Regulatory Relief.

122 (2) (a) The regulatory relief office shall be administered by a director.

123 (b) The director shall report to the executive director and may appoint staff subject to
124 the approval of the executive director.

125 (3) The regulatory relief office shall:

126 (a) administer the provisions of this chapter;

127 (b) administer the regulatory sandbox program; and

128 (c) act as a liaison between private businesses and applicable agencies to identify state
129 laws or regulations that could potentially be waived or suspended under the regulatory sandbox
130 program.

131 (4) The regulatory relief office may:

132 (a) review state laws and regulations that may unnecessarily inhibit the creation and
133 success of new companies or industries and provide recommendations to the governor and the
134 Legislature on modifying such state laws and regulations;

135 (b) create a framework for analyzing the risk level to the health, safety, and financial
136 well-being of consumers related to permanently removing or temporarily waiving laws and
137 regulations inhibiting the creation or success of new and existing companies or industries;

138 (c) propose potential reciprocity agreements between states that use or are proposing to
139 use similar regulatory sandbox programs as described in this chapter[, ~~Section 13-55-103~~, or
140 ~~Section 31A-47-103~~]; and

141 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
142 the provisions of this chapter, make rules regarding:

143 (i) administering the regulatory sandbox, including making rules regarding the
144 application process and the reporting requirements of sandbox participants; and

145 (ii) cooperating and consulting with other agencies in the state that administer sandbox
146 programs.

147 Section 3. Section **63N-16-201** is amended to read:

148 **63N-16-201. General Regulatory Sandbox Program -- Application requirements.**

149 (1) There is created in the regulatory relief office the General Regulatory Sandbox

150 Program.

151 (2) In administering the regulatory sandbox, the regulatory relief office:

152 (a) shall consult with each applicable agency;

153 (b) shall establish a program to enable a person to obtain legal protections and limited
154 access to the market in the state to demonstrate an innovative offering without obtaining a
155 license or other authorization that might otherwise be required;

156 (c) may enter into agreements with or adopt the best practices of corresponding federal
157 regulatory agencies or other states that are administering similar programs; and

158 (d) may consult with businesses in the state about existing or potential proposals for
159 the regulatory sandbox.

160 (3) (a) An applicant for the regulatory sandbox may contact the regulatory relief office
161 to request a consultation regarding the regulatory sandbox before submitting an application.

162 (b) The regulatory relief office shall provide relevant information regarding the
163 regulatory sandbox program~~[, including informing an applicant whether it would be better to
164 apply for the programs described in Section 13-55-103 or Section 31A-47-103].~~

165 (c) The regulatory relief office may provide assistance to an applicant in preparing an
166 application for submission.

167 (4) An applicant for the regulatory sandbox shall provide to the regulatory relief office
168 an application in a form prescribed by the regulatory relief office that:

169 (a) confirms the applicant is subject to the jurisdiction of the state;

170 (b) confirms the applicant has established a physical or virtual location in the state,
171 from which the demonstration of an innovative offering will be developed and performed and
172 where all required records, documents, and data will be maintained;

173 (c) contains relevant personal and contact information for the applicant, including legal
174 names, addresses, telephone numbers, email addresses, website addresses, and other
175 information required by the regulatory relief office;

176 (d) discloses criminal convictions of the applicant or other participating personnel, if
177 any;

178 (e) contains a description of the innovative offering to be demonstrated, including
179 statements regarding:

180 (i) how the innovative offering is subject to licensing, legal prohibition, or other

181 authorization requirements outside of the regulatory sandbox;

182 (ii) each law or regulation that the applicant seeks to have waived or suspended while
183 participating in the regulatory sandbox program;

184 (iii) how the innovative offering would benefit consumers;

185 (iv) how the innovative offering is different from other offerings available in the state;

186 (v) what risks might exist for consumers who use or purchase the innovative offering;

187 (vi) how participating in the regulatory sandbox would enable a successful
188 demonstration of the innovative offering;

189 (vii) a description of the proposed demonstration plan, including estimated time
190 periods for beginning and ending the demonstration;

191 (viii) recognition that the applicant will be subject to all laws and regulations
192 pertaining to the applicant's innovative offering after conclusion of the demonstration; and

193 (ix) how the applicant will end the demonstration and protect consumers if the
194 demonstration fails;

195 (f) lists each government agency, if any, that the applicant knows regulates the
196 applicant's business; and

197 (g) provides any other required information as determined by the regulatory relief
198 office.

199 (5) The regulatory relief office may collect an application fee from an applicant that is
200 set in accordance with Section [63J-1-504](#).

201 (6) An applicant shall file a separate application for each innovative offering that the
202 applicant wishes to demonstrate.

203 (7) After an application is filed, the regulatory relief office:

204 (a) shall classify the application and any related information provided by the applicant
205 as a protected record in accordance with Subsection [63G-2-305](#)(82);

206 (b) consult with each applicable government agency that regulates the applicant's
207 business regarding whether more information is needed from the applicant; and

208 (c) seek additional information from the applicant that the regulatory relief office
209 determines is necessary.

210 (8) No later than five business days after the day on which a complete application is
211 received by the regulatory relief office, the regulatory relief office shall:

212 (a) review the application and refer the application to each applicable government
213 agency that regulates the applicant's business; and

214 (b) provide to the applicant:

215 (i) an acknowledgment of receipt of the application; and

216 (ii) the identity and contact information of each regulatory agency to which the
217 application has been referred for review.

218 (9) (a) Subject to Subsections (9)(c) and (9)(g), no later than 30 days after the day on
219 which an applicable agency receives a complete application for review, the applicable agency
220 shall provide a written report to the director of the applicable agency's findings.

221 (b) The report shall:

222 (i) describe any identifiable, likely, and significant harm to the health, safety, or
223 financial well-being of consumers that the relevant law or regulation protects against; and

224 (ii) make a recommendation to the regulatory relief office that the applicant either be
225 admitted or denied entrance into the regulatory sandbox.

226 (c) (i) The applicable agency may request an additional five business days to deliver
227 the written report by providing notice to the director, which request shall automatically be
228 granted.

229 (ii) The applicable agency may only request one extension per application.

230 (d) If the applicable agency recommends an applicant under this section be denied
231 entrance into the regulatory sandbox, the written report shall include a description of the
232 reasons for the recommendation, including why a temporary waiver or suspension of the
233 relevant laws or regulations would potentially significantly harm the health, safety, or financial
234 well-being of consumers or the public and the likelihood of such harm occurring.

235 (e) If the agency determines that the consumer's or public's health, safety, or financial
236 well-being can be protected through less restrictive means than the existing relevant laws or
237 regulations, then the applicable agency shall provide a recommendation of how that can be
238 achieved.

239 (f) If an applicable agency fails to deliver a written report as described in this
240 Subsection (9), the director shall assume that the applicable agency does not object to the
241 temporary waiver or suspension of the relevant laws or regulations for an applicant seeking to
242 participate in the regulatory sandbox.

243 (g) Notwithstanding any other provision of this section, an applicable agency may by
244 written notice to the regulatory relief office:

245 (i) within the 30 days after the day on which the applicable agency receives a complete
246 application for review, or within 35 days if an extension has been requested by the applicable
247 agency, reject an application if the applicable agency determines, in the applicable agency's
248 sole discretion, that the applicant's innovative offering fails to comply with standards or
249 specifications:

250 (A) required by federal law or regulation; or

251 (B) previously approved for use by a federal agency; or

252 (ii) reject an application preliminarily approved by the regulatory relief office, if the
253 applicable agency:

254 (A) recommended rejection of the application in accordance with Subsection (9)(d) in
255 the agency's written report; and

256 (B) provides in the written notice under this Subsection (9)(g), a description of the
257 applicable agency's reasons why approval of the application would create a substantial risk of
258 harm to the health or safety of the public, or create unreasonable expenses for taxpayers in the
259 state.

260 (h) If an applicable agency rejects an application under Subsection (9)(g), the
261 regulatory relief office may not approve the application.

262 (10) (a) Upon receiving a written report described in Subsection (9), the director shall
263 provide the application and the written report to the advisory committee.

264 (b) The director may call the advisory committee to meet as needed, but not less than
265 once per quarter if applications are available for review.

266 (c) After receiving and reviewing the application and each written report, the advisory
267 committee shall provide to the director the advisory committee's recommendation as to whether
268 or not the applicant should be admitted as a sandbox participant under this chapter.

269 (d) As part of the advisory committee's review of each written report, the advisory
270 committee shall use the criteria required for an applicable agency as described in Subsection
271 (9).

272 (11) (a) In reviewing an application and each applicable agency's written report, the
273 regulatory relief office shall consult with each applicable agency and the advisory committee

274 before admitting an applicant into the regulatory sandbox.

275 (b) The consultation with each applicable agency and the consultation with the
276 advisory committee may include seeking information about whether:

277 (i) the applicable agency has previously issued a license or other authorization to the
278 applicant; and

279 (ii) the applicable agency has previously investigated, sanctioned, or pursued legal
280 action against the applicant.

281 (12) In reviewing an application under this section, the regulatory relief office and each
282 applicable agency shall consider whether a competitor to the applicant is or has been a sandbox
283 participant and, if so, weigh that as a factor in favor of allowing the applicant to also become a
284 sandbox participant.

285 (13) In reviewing an application under this section, the regulatory relief office shall
286 consider whether:

287 (a) the applicant's plan will adequately protect consumers from potential harm
288 identified by an applicable agency in the applicable agency's written report;

289 (b) the risk of harm to consumers is outweighed by the potential benefits to consumers
290 from the applicant's participation in the regulatory sandbox; and

291 (c) certain state laws or regulations that regulate an innovative offering should not be
292 waived or suspended even if the applicant is approved as a sandbox participant, including
293 applicable antifraud or disclosure provisions.

294 (14) (a) An applicant becomes a sandbox participant if the regulatory relief office
295 approves the application for the regulatory sandbox and enters into a written agreement with
296 the applicant describing the specific laws and regulations that are waived or suspended as part
297 of participation in the regulatory sandbox.

298 (b) Notwithstanding any other provision of this chapter, the regulatory relief office may
299 not enter into a written agreement with an applicant that waives or suspends a tax, fee, or
300 charge that is administered by the State Tax Commission or that is described in Title 59,
301 Revenue and Taxation.

302 (15) (a) The director may deny at the director's sole discretion any application
303 submitted under this section for any reason, including if the director determines that the
304 preponderance of evidence demonstrates that suspending or waiving enforcement of a law or

305 regulation would cause a significant risk of harm to consumers or residents of the state.

306 (b) If the director denies an application submitted under this section, the regulatory
307 relief office shall provide to the applicant a written description of the reasons for not allowing
308 the applicant to be a sandbox participant.

309 (c) The denial of an application submitted under this section is not subject to:

310 (i) agency or judicial review; or

311 (ii) the provisions of Title 63G, Chapter 4, Administrative Procedures Act.

312 (16) The director shall deny an application for participation in the regulatory sandbox
313 described by this section if [~~:(a) the director determines that the applicant should instead apply~~
314 ~~for the Regulatory Sandbox Program created in Section 13-55-103 for a financial product or~~
315 ~~service or the Insurance Regulatory Sandbox Program created in Section 31A-47-103 for an~~
316 ~~insurance product or service; or (b)] the applicant or any person who seeks to participate with
317 the applicant in demonstrating an innovative offering has been convicted, entered a plea of nolo
318 contendere, or entered a plea of guilty or nolo contendere held in abeyance, for any crime
319 involving significant theft, fraud, or dishonesty if the crime bears a significant relationship to
320 the applicant's or other participant's ability to safely and competently participate in the
321 regulatory sandbox program.~~

322 (17) When an applicant is approved for participation in the regulatory sandbox, the
323 director may provide notice of the approval to competitors of the applicant and to the public.

324 Section 4. Section **63N-16-202** is amended to read:

325 **63N-16-202. Scope of the regulatory sandbox.**

326 (1) If the regulatory relief office approves an application under this part, the sandbox
327 participant has 12 months after the day on which the application was approved to demonstrate
328 the innovative offering described in the sandbox participant's application.

329 (2) An innovative offering that is demonstrated within the regulatory sandbox is
330 subject to the following:

331 (a) each consumer shall be a resident of the state; and

332 (b) no law or regulation may be waived or suspended if waiving or suspending the law
333 or regulation would prevent a consumer from seeking restitution in the event that the consumer
334 is harmed.

335 (3) This part does not restrict a sandbox participant who holds a license or other

336 authorization in another jurisdiction from acting in accordance with that license or other
337 authorization.

338 (4) A sandbox participant is deemed to possess an appropriate license or other
339 authorization under the laws of the state for the purposes of any provision of federal law
340 requiring licensure or other authorization by the state.

341 (5) Subject to Subsection (6):

342 (a) during the demonstration period, a sandbox participant is not subject to the
343 enforcement of state laws or regulations identified in the written agreement between the
344 regulatory relief office and the sandbox participant described in Subsection 63N-16-201(14);

345 (b) a prosecutor may not file or pursue charges pertaining to a law or regulation
346 identified in the written agreement between the regulatory relief office and the sandbox
347 participant described in Subsection 63N-16-201(14) that occurs during the demonstration
348 period; and

349 (c) a state agency may not file or pursue any punitive action against a sandbox
350 participant, including a fine or license suspension or revocation, for the violation of a law or
351 regulation that:

352 (i) is identified as being waived or suspended in the written agreement between the
353 regulatory relief office and the sandbox participant described in Subsection 63N-16-201(14);
354 and

355 (ii) occurs during the demonstration period.

356 (6) Notwithstanding any other provision of this part[7]:

357 (a) a sandbox participant does not have immunity related to any criminal offense
358 committed during the sandbox participant's participation in the regulatory sandbox[7]; and

359 (b) a sandbox participant that provides an innovative offering that is a financial product
360 or service shall comply with all applicable federal laws and regulations governing consumer
361 protection.

362 (7) By written notice, the regulatory relief office may end a sandbox participant's
363 participation in the regulatory sandbox at any time and for any reason, including if the director
364 determines that a sandbox participant is not operating in good faith to bring an innovative
365 offering to market.

366 (8) The regulatory relief office and the regulatory relief office's employees are not

367 liable for any business losses or the recouping of application expenses or other expenses related
368 to the regulatory sandbox, including for:

369 (a) denying an applicant's application to participate in the regulatory sandbox for any
370 reason; or

371 (b) ending a sandbox participant's participation in the regulatory sandbox at any time
372 and for any reason.

373 Section 5. Section **63N-16-203** is amended to read:

374 **63N-16-203. Consumer protection for regulatory sandbox.**

375 (1) Before demonstrating an innovative offering to a consumer, a sandbox participant
376 shall disclose the following to the consumer:

377 (a) the name and contact information of the sandbox participant;

378 (b) that the innovative offering is authorized pursuant to the regulatory sandbox and, if
379 applicable, that the sandbox participant does not have a license or other authorization to
380 provide an offering under state laws that regulate offerings outside of the regulatory sandbox;

381 (c) that the innovative offering is undergoing testing and may not function as intended
382 and may expose the consumer to certain risks as identified by the applicable agency's written
383 report;

384 (d) that the provider of the innovative offering is not immune from civil liability for
385 any losses or damages caused by the innovative offering;

386 (e) that the provider of the innovative offering is not immune from criminal
387 prosecution for violations of state law or regulations that are not suspended or waived as
388 allowed by the regulatory sandbox;

389 (f) that the innovative offering is a temporary demonstration that may be discontinued
390 at the end of the demonstration period;

391 (g) the expected end date of the demonstration period; and

392 (h) that a consumer may contact the regulatory relief office and file a complaint
393 regarding the innovative offering being demonstrated and provide the regulatory relief office's
394 telephone number and website address where a complaint may be filed.

395 (2) The disclosures required by Subsection (1) shall be provided to a consumer in a
396 clear and conspicuous form and, for an Internet or application-based innovative offering, a
397 consumer shall acknowledge receipt of the disclosure before any transaction may be completed.

398 (3) The regulatory relief office may require that a sandbox participant make additional
399 disclosures to a consumer.

400 Section 6. Section **63N-16-204** is amended to read:

401 **63N-16-204. Requirements for exiting regulatory sandbox.**

402 (1) At least 30 days before the end of the 12-month regulatory sandbox demonstration
403 period, a sandbox participant shall:

404 (a) notify the regulatory relief office that the sandbox participant will exit the
405 regulatory sandbox and discontinue the sandbox participant's demonstration after the day on
406 which the 12-month demonstration period ends; or

407 (b) seek an extension in accordance with Section [63N-16-205](#).

408 (2) Subject to Subsection (3), if the regulatory relief office does not receive notification
409 as required by Subsection (1), the regulatory sandbox demonstration period ends at the end of
410 the 12-month testing period.

411 (3) If a demonstration includes an innovative offering that requires ongoing duties, the
412 sandbox participant may continue to do so but will be subject to enforcement of the laws or
413 regulations that were waived or suspended as part of the regulatory sandbox.

414 Section 7. Section **63N-16-206** is amended to read:

415 **63N-16-206. Record keeping and reporting requirements.**

416 (1) A sandbox participant shall retain records, documents, and data produced in the
417 ordinary course of business regarding an innovative offering demonstrated in the regulatory
418 sandbox.

419 (2) If a sandbox participant ceases to provide an innovative offering before the end of a
420 demonstration period, the sandbox participant shall notify the regulatory relief office and each
421 applicable agency and report on actions taken by the sandbox participant to ensure consumers
422 have not been harmed as a result.

423 (3) The regulatory relief office shall establish quarterly reporting requirements for a
424 sandbox participant, including information about any consumer complaints.

425 (4) The regulatory relief office may request records, documents, and data from a
426 sandbox participant and, upon the regulatory relief office's request, the sandbox participant
427 shall make such records, documents, and data available for inspection by the regulatory relief
428 office.

429 (5) (a) The sandbox participant shall notify the regulatory relief office and each
430 applicable agency of any incidents that result in harm to the health, safety, or financial
431 well-being of a consumer.

432 (b) If a sandbox participant fails to notify the regulatory relief office and each
433 applicable agency of any incidents as described in Subsection (5)(a), or the regulatory relief
434 office or an applicable agency has evidence that significant harm to a consumer has occurred,
435 the regulatory relief office may immediately remove the sandbox participant from the
436 regulatory sandbox.

437 (6) (a) No later than 30 days after the day on which a sandbox participant exits the
438 regulatory sandbox, the sandbox participant shall submit a written report to the regulatory relief
439 office and each applicable agency describing an overview of the sandbox participant's
440 demonstration, including any:

441 (i) incidents of harm to consumers;

442 (ii) legal action filed against the participant as a result of the participant's
443 demonstration; and

444 (iii) complaints filed with an applicable agency as a result of the participant's
445 demonstration.

446 (b) No later than 30 days after the day on which an applicable agency receives the
447 quarterly reporting described in Subsection (3) or a written report from a sandbox participant as
448 described in Subsection [~~(5)~~] (6)(a), the applicable agency shall provide a written report to the
449 regulatory relief office on the demonstration that describes any statutory or regulatory reform
450 the applicable agency recommends as a result of the demonstration.

451 (7) The regulatory relief office may remove a sandbox participant from the regulatory
452 sandbox at any time if the regulatory relief office determines that a sandbox participant has
453 engaged in, is engaging in, or is about to engage in any practice or transaction that is in
454 violation of this chapter or that constitutes a violation of a law or regulation for which
455 suspension or waiver has not been granted.

456 Section 8. **Repealer.**

457 This bill repeals:

458 Section 13-55-101, Title.

459 Section 13-55-102, Definitions.

- 460 Section **13-55-103**, Regulatory Sandbox Program -- Application requirements.
- 461 Section **13-55-104**, Scope of the regulatory sandbox.
- 462 Section **13-55-105**, Consumer protection for regulatory sandbox.
- 463 Section **13-55-106**, Requirements for exiting regulatory sandbox.
- 464 Section **13-55-107**, Extensions.
- 465 Section **13-55-108**, Record keeping and reporting requirements.
- 466 Section **31A-47-101**, Title.
- 467 Section **31A-47-102**, Definitions.
- 468 Section **31A-47-103**, Insurance Regulatory Sandbox Program -- Application
- 469 **requirements.**
- 470 Section **31A-47-104**, Scope of the insurance regulatory sandbox.
- 471 Section **31A-47-105**, Consumer protection for insurance regulatory sandbox.
- 472 Section **31A-47-106**, Requirements for exiting insurance regulatory sandbox.
- 473 Section **31A-47-107**, Extensions.
- 474 Section **31A-47-108**, Record keeping and reporting requirements.