

UTAH OFFICE OF REGULATORY RELIEF AMENDMENTS

2024 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: A. Cory Maloy

Senate Sponsor: Wayne A. Harper

LONG TITLE

General Description:

This bill amends provisions related to the Utah Office of Regulatory Relief.

Highlighted Provisions:

This bill:

- ▶ requires the Utah Office of Regulatory Relief to:
 - review laws and regulations each year affecting different industries to determine if there are laws or regulations that are unnecessarily burdensome to those industries; and
 - submit a report to the Legislature; and
- ▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

63N-16-103, as last amended by Laws of Utah 2022, Chapter 332

63N-16-104, as last amended by Laws of Utah 2022, Chapter 332

63N-16-105, as enacted by Laws of Utah 2021, Chapter 373

ENACTS:



28 **63N-16-302**, Utah Code Annotated 1953

29 REPEALS:

30 **63N-16-101**, as enacted by Laws of Utah 2021, Chapter 373



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

33 Section 1. Section **63N-16-103** is amended to read:

34 **63N-16-103. Creation of the regulatory relief office and appointment of director**
35 **-- Responsibilities of the regulatory relief office.**

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

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

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

41 (3) The regulatory relief office shall:

42 (a) administer the provisions of this chapter;

43 (b) administer the regulatory sandbox program; and

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

47 (4) The regulatory relief office may:

48 ~~[(a) review state laws and regulations that may unnecessarily inhibit the creation and~~
49 ~~success of new companies or industries and provide recommendations to the governor and the~~
50 ~~Legislature on modifying such state laws and regulations;]~~

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

54 ~~[(c)]~~ (a) propose potential reciprocity agreements between states that use or are
55 proposing to use similar programs to the regulatory sandbox ~~[programs as described in this~~
56 ~~chapter]; and~~

57 ~~[(d)]~~ (b) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking
58 Act, and the provisions of this chapter, make rules regarding:

- 59 (i) administering the regulatory sandbox, including making rules regarding the
60 application process and the reporting requirements of sandbox participants; and
61 (ii) cooperating and consulting with other agencies in the state that administer sandbox
62 programs.

63 Section 2. Section **63N-16-104** is amended to read:

64 **63N-16-104. Creation and duties of advisory committee.**

65 (1) There is created the General Regulatory Sandbox Program Advisory Committee.

66 (2) The advisory committee shall have 11 members as follows:

67 (a) six members appointed by the director who represent businesses interests and are
68 selected from a variety of industry clusters;

69 (b) three members appointed by the director who represent state agencies that regulate
70 businesses;

71 (c) one member of the Senate, appointed by the president of the Senate; and

72 (d) one member of the House of Representatives, appointed by the speaker of the
73 House of Representatives.

74 (3) (a) Subject to Subsection (3)(b), members of the advisory committee who are not
75 legislators shall be appointed to a four-year term.

76 (b) Notwithstanding the requirements of Subsection (3)(a), the director may adjust the
77 length of terms of appointments and reappointments to the advisory committee so that
78 approximately half of the advisory committee is appointed every two years.

79 (4) The director shall select a chair of the advisory committee on an annual basis.

80 (5) A majority of the advisory committee constitutes a quorum for the purpose of
81 conducting advisory committee business, and the action of the majority of a quorum constitutes
82 the action of the advisory committee.

83 (6) The advisory committee shall:

84 (a) advise and make recommendations to the regulatory relief office as described in this
85 chapter; and

86 (b) designate the laws and regulations of an industry for potential study by the
87 regulatory relief office as described in Section [63N-16-105](#).

88 (7) The regulatory relief office shall provide administrative staff support for the
89 advisory committee.

90 (8) (a) A member may not receive compensation or benefits for the member's service,
91 but a member appointed under Subsection (2)(a) may receive per diem and travel expenses in
92 accordance with:

93 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

94 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
95 [63A-3-107](#).

96 (b) Compensation and expenses of a member who is a legislator are governed by
97 Section [36-2-2](#) and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.

98 Section 3. Section [63N-16-105](#) is amended to read:

99 **[63N-16-105. Annual report.](#)**

100 (1) [~~The executive director shall include in the annual report described in Section~~
101 ~~[63N-1a-306](#) a written report from the director on the activities of the regulatory relief office,~~
102 ~~which report shall include:]~~ On or before October 1 of each year, the regulatory relief office
103 shall prepare and submit an annual written report to the governor, the Business and Labor
104 Interim Committee, and the Economic Development and Workforce Services Interim
105 Committee for the preceding fiscal year.

106 (2) The annual report described in Subsection (1) shall include:

107 (a) information regarding each participant in the regulatory sandbox created in Section
108 [63N-16-201](#), including which industries each participant represents and the anticipated or
109 actual cost savings that each participant experienced;

110 (b) recommendations regarding any laws or regulations that should be permanently
111 modified;

112 (c) information regarding outcomes for consumers; [~~and~~]

113 (d) recommendations for changes to the regulatory sandbox program or other duties of
114 the regulatory relief office[-]; and

115 (e) the information described in Subsection [63N-16-302](#)(5).

116 [~~(2) By October 1 of each year, the executive director shall provide the written report~~
117 ~~from the director on the activities of the regulatory relief office described in Subsection (1) to~~
118 ~~the Business and Labor Interim Committee.]~~

119 Section 4. Section [63N-16-302](#) is enacted to read:

120 **Part 3. Regulatory Relief**

- 121 **63N-16-302. Proactive regulatory relief efforts.**
- 122 (1) As used in this section:
- 123 (a) "Regulatory framework" means a framework for determining the risk level to the
- 124 public if a law or regulation that inhibits the creation or success of new and existing companies
- 125 or industries were to be permanently removed or temporarily waived.
- 126 (b) "Risk level" means a level of risk categorized from low, medium, and high.
- 127 (2) The regulatory relief office may:
- 128 (a) review, at any time, any existing state laws or regulations that may unnecessarily
- 129 inhibit the creation or success of companies or industries; and
- 130 (b) provide recommendations to the governor and the Legislature on modifying those
- 131 state laws and regulations described in Subsection (2)(a).
- 132 (3) The regulatory relief office shall:
- 133 (a) create a regulatory framework; and
- 134 (b) annually study the laws and regulations of at least two industries selected from:
- 135 (i) an industry targeted for economic development by the Unified Economic
- 136 Opportunity Commission as described in Section [63N-1a-202](#); or
- 137 (ii) an industry designated by the General Regulatory Sandbox Program Advisory
- 138 Committee for study by the regulatory relief office.
- 139 (4) In undertaking the review described in Subsection (3), the regulatory relief office
- 140 shall:
- 141 (a) identify any law or regulation that the regulatory relief office determines inhibits the
- 142 creation or success of new and existing companies or industries;
- 143 (b) apply the regulatory framework to the identified law or regulation; and
- 144 (c) consider:
- 145 (i) the history of the identified regulation or law, including the reasons why the
- 146 regulation or law was originally enacted;
- 147 (ii) whether the identified regulation or law:
- 148 (A) creates an unnecessary barrier to industry for businesses; or
- 149 (B) imposes an unnecessary cost to businesses or consumers;
- 150 (iii) whether the penalty for violation of the regulation or law, if any, is proportional to
- 151 the potential harm; and

152 (iv) if there are potentially less burdensome alternatives to the existing regulation or
153 law and apply the regulatory framework to that alternative.

154 (5) The regulatory relief office shall submit as part of the report described in Section
155 63N-16-105:

156 (a) a detailed overview of the regulatory relief office's study of the laws and regulations
157 as described in this section, including the reasons why the laws and regulations of a particular
158 industry were selected for study and the strategy the office implemented to study the laws and
159 regulations of that industry; and

160 (b) recommended changes to a law or regulation identified by the regulatory relief
161 office in Subsection (4) that the regulatory relief office determines:

162 (i) is inhibiting the success of businesses, companies, or industries; and

163 (ii) would not present a high risk level to the public if the law or regulation were
164 permanently removed or temporarily waived.

165 Section 5. **Repealer.**

166 This bill repeals:

167 Section **63N-16-101, Title.**

168 Section 6. **Effective date.**

169 This bill takes effect on May 1, 2024.