

House _____ Amendment NO. _____

Offered By _____

1 AMEND House Committee Substitute for Senate Substitute for Senate Bill No. 23, Page 33, Section 407.828,
2 Line 121, by inserting after all of said section and line the following:
3

4 "620.3900. 1. Sections 620.3900 to 620.3930 shall be known and may be cited as the "Regulatory
5 Sandbox Act".

6 2. For the purposes of sections 620.3900 to 620.3930, the following terms shall mean:

7 (1) "Advisory committee", the general regulatory sandbox program advisory committee created in
8 section 620.3910;

9 (2) "Applicable agency", a department or agency of the state that by law regulates a business activity
10 and persons engaged in such business activity, including the issuance of licenses or other types of
11 authorization, and which the regulatory relief office determines would otherwise regulate a sandbox
12 participant. A participant may fall under multiple applicable agencies if multiple agencies regulate the
13 business activity that is subject to the sandbox program application. "Applicable agency" shall not include
14 the division of professional registration and its boards, commissions, committees, and offices;

15 (3) "Applicant" or "sandbox applicant", a person or business that applies to participate in the
16 sandbox program;

17 (4) "Consumer", a person who purchases or otherwise enters into a transaction or agreement to
18 receive a product or service offered through the sandbox program pursuant to a demonstration by a program
19 participant;

20 (5) "Demonstrate" or "demonstration", to temporarily provide an offering of an innovative product or
21 service in accordance with the provisions of the sandbox program;

22 (6) "Department", the department of economic development;

23 (7) "Innovation", the use or incorporation of a new idea, a new or emerging technology, or a new use
24 of existing technology to address a problem, provide a benefit, or otherwise offer a product, production
25 method, or service;

26 (8) "Innovative offering", an offering of a product or service that includes an innovation;

27 (9) "Product", a commercially distributed good that is:

28 (a) Tangible personal property; and

29 (b) The result of a production process;

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1 (10) "Production", the method or process of creating or obtaining a good, which may include
2 assembling, breeding, capturing, collecting, extracting, fabricating, farming, fishing, gathering, growing,
3 harvesting, hunting, manufacturing, mining, processing, raising, or trapping a good;

4 (11) "Regulatory relief office", the office responsible for administering the sandbox program within
5 the department;

6 (12) "Sandbox participant" or "participant", a person or business whose application to participate in
7 the sandbox program is approved in accordance with the provisions of section 620.3915;

8 (13) "Sandbox program", the general regulatory sandbox program created in sections 620.3900 to
9 620.3930 that allows a person to temporarily demonstrate an innovative offering of a product or service under
10 a waiver or suspension of one or more state regulations;

11 (14) "Sandbox program director", the director of the regulatory relief office;

12 (15) "Service", any commercial activity, duty, or labor performed for another person or business.
13 "Service" shall not include a product or service when its use would impact rates, statutorily authorized service
14 areas, or system safety or reliability of an electrical corporation or gas corporation, as defined in section
15 386.020, as determined by the public service commission, or of any rural electric cooperative organized or
16 operating under the provisions of chapter 394, or to any corporation organized on a nonprofit or a cooperative
17 basis as described in subsection 1 of section 394.200, or to any electrical corporation operating under a
18 cooperative business plan as described in subsection 2 of section 393.110, or of any municipally owned utility
19 organized or operating under the provisions of chapter 91, or of any joint municipal utility commission
20 organized or operating under the provisions of sections 393.700 to 393.770.

21 620.3905. 1. There is hereby created within the department of economic development the
22 "Regulatory Relief Office", which shall be administered by the sandbox program director. The sandbox
23 program director shall report to the director of the department and may appoint staff, subject to the approval
24 of the director of the department.

25 2. The regulatory relief office shall:

26 (1) Administer the sandbox program pursuant to sections 620.3900 to 620.3930;

27 (2) Act as a liaison between private businesses and applicable agencies that regulate such businesses
28 to identify state regulations that could potentially be waived or suspended under the sandbox program;

29 (3) Consult with each applicable agency; and

30 (4) Establish a program to enable a person to obtain monitored access to the market in the state along
31 with legal protections for a product or service related to the regulations that are being waived as a part of
32 participation in the sandbox program, in order to demonstrate an innovative product or service without
33 obtaining a license or other authorization that might otherwise be required.

34 3. The regulatory relief office shall:

35 (1) Review state laws and regulations that may unnecessarily inhibit the creation and success of new
36 companies or industries and provide recommendations to the governor and the general assembly on
37 modifying or repealing such state laws and regulations;

1 (2) Create a framework for analyzing the risk level of the health, safety, and financial well-being of
2 consumers related to permanently removing or temporarily waiving regulations inhibiting the creation or
3 success of new and existing companies or industries;

4 (3) Propose and enter into reciprocity agreements between states that use or are proposing to use
5 similar regulatory sandbox programs as described in sections 620.3900 to 620.3930, provided that such
6 reciprocity agreement is supported by a majority vote of the advisory committee and the regulatory relief
7 office is directed by an order of the governor to pursue such reciprocity agreement;

8 (4) Enter into agreements with or adopt best practices of corresponding federal regulatory agencies
9 or other states that are administering similar programs;

10 (5) Consult with businesses in the state about existing or potential proposals for the sandbox
11 program; and

12 (6) In accordance with the provisions of chapter 536 and the provisions of sections 620.3900 to
13 620.3930, make rules regarding the administration of the sandbox program, including making rules regarding
14 the application process and the reporting requirements of sandbox participants. Any rule or portion of a rule,
15 as that term is defined in section 536.010, that is created under the authority delegated in this section shall
16 become effective only if it complies with and is subject to all of the provisions of chapter 536 and, if
17 applicable, section 536.028. This section and chapter 536 are nonseverable and if any of the powers vested
18 with the general assembly pursuant to chapter 536 to review, to delay the effective date, or to disapprove and
19 annul a rule are subsequently held unconstitutional, then the grant of rulemaking authority and any rule
20 proposed or adopted after August 28, 2023, shall be invalid and void.

21 4. (1) The regulatory relief office shall create and maintain on the department's website a web page
22 that invites residents and businesses in the state to make suggestions regarding laws and regulations that
23 could be modified or eliminated to reduce the regulatory burden on residents and businesses in the state.

24 (2) On at least a quarterly basis, the regulatory relief office shall compile the relevant suggestions
25 from the web page created pursuant to subdivision (1) of this subsection and provide a written report to the
26 governor and the general assembly.

27 (3) In creating the report described in subdivision (2) of this subsection, the regulatory relief office:

28 (a) Shall provide the identity of residents and businesses that make suggestions on the web page if
29 those residents and businesses wish to comment publicly, and shall ensure that the private information of
30 residents and businesses that make suggestions on the web page is not made public if they do not wish to
31 comment publicly; and

32 (b) May evaluate the suggestions and provide analysis and suggestions regarding which state laws
33 and regulations could be modified or eliminated to reduce the regulatory burden on residents and businesses
34 in the state while still protecting consumers.

35 5. (1) By October first of each year, the department shall submit an annual report to the governor,
36 the general assembly, and to each state agency which shall include:

37 (a) Information regarding each participant in the sandbox program, including industries represented
38 by each participant and the anticipated or actual cost savings that each participant experienced;

1 **(b) The anticipated or actual benefit to consumers created by each demonstration in the sandbox**
 2 **program;**

3 **(c) Recommendations regarding any laws or regulations that should be permanently modified or**
 4 **repealed;**

5 **(d) Information regarding any health and safety events related to the activities of a participant in the**
 6 **sandbox program;**

7 **(e) Recommendations for changes to the sandbox program or other duties of the regulatory relief**
 8 **office;**

9 **(f) Concerns raised by consumers and stakeholders regarding demonstrations; and**

10 **(g) Harms and benefits to the state as a result of current demonstrations.**

11 **(2) The department may provide an interim report from the sandbox program director to the**
 12 **governor and general assembly on specific, time-sensitive issues for the functioning of the sandbox program,**
 13 **for the health and safety of consumers, for the success of participants in the program, and for other issues of**
 14 **urgent need.**

15 **620.3910. 1. There is hereby created within the department of economic development the "General**
 16 **Regulatory Sandbox Program Advisory Committee", to be composed of the following members:**

17 **(1) The director of the department of economic development or his or her designee;**

18 **(2) The director of the department of commerce and insurance or his or her designee;**

19 **(3) The attorney general or his or her designee;**

20 **(4) A member of an institution of higher education, to be appointed by the director of the department**
 21 **of higher education and workforce development;**

22 **(5) Two members of the house of representatives, one to be appointed by the speaker of the house of**
 23 **representatives and one to be appointed by the minority leader of the house of representatives; and**

24 **(6) Two members of the senate, one to be appointed by the president pro tempore of the senate and**
 25 **one to be appointed by the minority leader of the senate.**

26 **2. (1) Advisory committee members shall be appointed to a four-year term. Members who cease**
 27 **holding elective office shall be replaced by the speaker or minority leader of the house of representatives or**
 28 **the president pro tempore or minority floor leader of the senate, as applicable. The sandbox program director**
 29 **may establish the terms of initial appointments so that approximately half of the advisory committee is**
 30 **appointed every two years.**

31 **(2) The sandbox program director shall select a chair of the advisory committee every two years in**
 32 **consultation with the members of the advisory committee.**

33 **(3) No appointee of the speaker of the house of representatives or president pro tempore of the**
 34 **senate may serve more than two consecutive complete terms.**

35 **3. A majority of the advisory committee shall constitute a quorum for the purpose of conducting**
 36 **business, and the action of a majority of a quorum shall constitute the action of the advisory committee,**
 37 **except as provided in subsection 4 of this section.**

38 **4. The advisory committee may, at its own discretion, meet to override a decision of the regulatory**
 39 **relief office on the admission or denial of an applicant to the sandbox program, provided such override is**

1 decided with a two-thirds majority vote of the members of the advisory committee, and further provided that
 2 such vote shall be taken within fifteen business days of the regulatory relief office's decision, and further
 3 provided that the risks posed to consumer health and safety do not outweigh the intended benefits.

4 5. The advisory committee shall advise and make recommendations to the regulatory relief office on
 5 whether to approve applications to the sandbox program pursuant to section 620.3915.

6 6. The regulatory relief office shall provide administrative staff support for the advisory committee.

7 7. The members of the advisory committee shall serve without compensation, but may be reimbursed
 8 for any actual and necessary expenses incurred in the performance of the advisory committee's official duties.

9 8. Meetings of the advisory committee shall be considered public meetings for the purposes of
 10 chapter 610. However, a meeting of the committee shall be a closed meeting if the purpose of the meeting is
 11 to discuss an application for participation in the regulatory sandbox program and failing to hold a closed
 12 meeting would reveal information that constitutes proprietary or confidential trade secrets. Upon approval by
 13 a majority vote by members of the advisory committee, the advisory committee shall be allowed to conduct
 14 remote meetings, and individual members shall be allowed to attend meetings remotely. The advisory
 15 committee shall provide the public the ability to view any such remote meetings.

16 620.3915. 1. An applicant for the sandbox program shall provide to the regulatory relief office an
 17 application in a form prescribed by the regulatory relief office that:

18 (1) Confirms the applicant is subject to the jurisdiction of the state;

19 (2) Confirms the applicant has established physical residence or a virtual location in the state from
 20 which the demonstration of an innovative offering will be developed and performed, and where all required
 21 records, documents, and data will be maintained;

22 (3) Contains relevant personal and contact information for the applicant, including legal names,
 23 addresses, telephone numbers, email addresses, website addresses, and other information required by the
 24 regulatory relief office;

25 (4) Discloses criminal convictions of the applicant or other participating personnel, if any; and

26 (5) Contains a description of the innovative offering to be demonstrated, including statements
 27 regarding:

28 (a) How the innovative offering is subject to licensing, legal prohibition, or other authorization
 29 requirements outside of the sandbox program;

30 (b) Each regulation that the applicant seeks to have waived or suspended while participating in the
 31 sandbox program;

32 (c) How the innovative offering would benefit consumers;

33 (d) How the innovative offering is different from other innovative offerings available in the state;

34 (e) The risks that might exist for consumers who use or purchase the innovative offering;

35 (f) How participating in the sandbox program would enable a successful demonstration of the
 36 innovative offering of an innovative product or service;

37 (g) A description of the proposed demonstration plan, including estimated time periods for beginning
 38 and ending the demonstration;

1 (h) Recognition that the applicant will be subject to all laws and regulations pertaining to the
 2 applicant's innovative offering after the conclusion of the demonstration;

3 (i) How the applicant will end the demonstration and protect consumers if the demonstration fails;

4 (j) A list of each applicable agency, if any, that the applicant knows regulates the applicant's
 5 business; and

6 (k) Any other required information as determined by the regulatory relief office.

7 2. An applicant shall remit to the regulatory relief office an application fee of three hundred dollars
 8 per application for each innovative offering. Such application fees shall be used by the regulatory relief
 9 office solely for the purpose of implementing the provisions of sections 620.3900 to 620.3930.

10 3. An applicant shall file a separate application for each innovative offering that the applicant wishes
 11 to demonstrate.

12 4. An applicant for the sandbox program may contact the regulatory relief office to request a
 13 consultation regarding the sandbox program before submitting an application. The regulatory relief office
 14 may provide assistance to an applicant in preparing an application for submission.

15 5. (1) After an application is filed, the regulatory relief office shall:

16 (a) Consult with each applicable agency that regulates the applicant's business regarding whether
 17 more information is needed from the applicant; and

18 (b) Seek additional information from the applicant that the regulatory relief office determines is
 19 necessary.

20 (2) No later than fifteen business days after the day on which a completed application is received by
 21 the regulatory relief office, the regulatory relief office shall:

22 (a) Review the application and refer the application to each applicable agency that regulates the
 23 applicant's business; and

24 (b) Provide to the applicant:

25 a. An acknowledgment of receipt of the application; and

26 b. The identity and contact information of each applicable agency to which the application has been
 27 referred for review.

28 (3) No later than sixty days after the day on which an applicable agency receives a completed
 29 application for review, the applicable agency shall provide a written report to the sandbox program director
 30 with the applicable agency's findings. Such report shall:

31 (a) Describe any identifiable, likely, and significant harm to the health, safety, or financial well-being
 32 of consumers that the relevant regulation protects against; and

33 (b) Make a recommendation to the regulatory relief office that the applicant either be admitted or
 34 denied entrance into the sandbox program.

35 (4) An applicable agency may request an additional ten business days to deliver the written report
 36 required by subdivision (3) of this subsection by providing notice to the sandbox program director, which
 37 request shall automatically be granted. An applicable agency may request only one extension per application.
 38 The sandbox program director may also provide an additional extension to the applicable agency for cause.

1 (5) If an applicable agency recommends an applicant under this section be denied entrance into the
 2 sandbox program, the written report required by subdivision (3) of this subsection shall include a description
 3 of the reasons for such recommendation, including the reason a temporary waiver or suspension of the
 4 relevant regulations would potentially significantly harm the health, safety, or financial well-being of
 5 consumers or the public and the assessed likelihood of such harm occurring.

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

9 (7) If an applicable agency fails to deliver the written report required by subdivision (3) of this
 10 subsection, the sandbox program director shall provide a final notice to the applicable agency for delivery of
 11 the written report. If the report is not delivered within five days of such final notice, the sandbox program
 12 director shall assume that the applicable agency does not object to the temporary waiver or suspension of the
 13 relevant regulations for an applicant seeking to participate in the sandbox program.

14 6. (1) Notwithstanding any provision of this section to the contrary, an applicable agency may, by
 15 written notice to the regulatory relief office:

16 (a) Reject an application, provided such rejection occurs within forty-five days after the day on
 17 which the applicable agency receives a complete application for review, or within fifty days if an extension
 18 has been requested by the applicable agency, if the applicable agency determines, in the applicable agency's
 19 sole discretion, that the applicant's offering fails to comply with standards or specifications:

20 a. Required by federal rule or regulation;

21 b. Previously approved for use by a federal agency; or

22 c. In which the rule or regulation is supported by way of federal funding; or

23 (b) Reject an application preliminarily approved by the regulatory relief office, if the applicable
 24 agency:

25 a. Recommends rejection of the application in the applicable agency's written report submitted
 26 pursuant to subdivision (3) of subsection 5 of this section; and

27 b. Provides in the written report submitted pursuant to subdivision (3) of subsection 5 of this section
 28 a description of the applicable agency's reasons approval of the application would create a substantial risk of
 29 harm to the health or safety of the public, or create unreasonable expenses for taxpayers in the state.

30 (2) If any applicable agency rejects an application on a nonpreliminary basis pursuant to subdivision
 31 (1) of this subsection, the regulatory relief office shall not approve the application.

32 7. (1) The sandbox program director shall provide all applications and associated written reports to
 33 the advisory committee upon receiving a written report from an applicable agency.

34 (2) The sandbox program director may call the advisory committee to meet as needed, but not less
 35 than once per quarter if applications are available for review.

36 (3) After receiving and reviewing the application and each associated written report, the advisory
 37 committee shall provide to the sandbox program director the advisory committee's recommendation as to
 38 whether the applicant should be admitted as a sandbox participant.

1 (4) As part of the advisory committee's review of each report, the advisory committee shall use
2 criteria used by applicable agencies to evaluate applications.

3 8. The regulatory relief office shall consult with each applicable agency and the advisory committee
4 before admitting an applicant into the sandbox program. Such consultation may include seeking information
5 and giving consideration to whether:

6 (1) The applicable agency has previously issued a license or other authorization to the applicant; and

7 (2) The applicable agency has previously investigated, sanctioned, or pursued legal action against
8 the applicant and the reasons for such actions.

9 9. In reviewing an application under this section, the regulatory relief office and applicable agencies
10 shall consider whether:

11 (1) A competitor to the applicant is or has been a sandbox participant and, if so, weigh that as a
12 factor in favor of allowing the applicant to also become a sandbox participant;

13 (2) The applicant's plan will adequately protect consumers from potential harm identified by an
14 applicable agency in the applicable agency's written report;

15 (3) The risk of harm to consumers is outweighed by the potential benefits to consumers from the
16 applicant's participation in the sandbox program; and

17 (4) Certain state regulations that regulate an innovative offering should not be waived or suspended
18 even if the applicant is approved as a sandbox participant, including applicable anti-fraud or disclosure
19 provisions.

20 10. An applicant shall become a sandbox participant if the regulatory relief office approves the
21 application for the sandbox program and enters into a written agreement with the applicant describing the
22 specific regulations that are waived or suspended as part of participation in the sandbox program.

23 Notwithstanding any other provision of this section to the contrary, the regulatory relief office shall not enter
24 into a written agreement with an applicant that exempts the applicant from any income, property, or sales tax
25 liability unless such applicant otherwise qualifies for an exemption from such tax.

26 11. (1) The sandbox program director may deny at his or her sole discretion any application
27 submitted under this section for any reason, including if the sandbox program director determines that the
28 preponderance of evidence demonstrates that suspending or waiving enforcement of a regulation would cause
29 significant risk of harm to consumers or residents of the state.

30 (2) If the sandbox program director denies an application submitted under this section, the regulatory
31 relief office shall provide to the applicant a written description of the reasons for not allowing the applicant to
32 become a sandbox participant.

33 (3) The denial of an application submitted under this section shall not be subject to judicial or
34 administrative review.

35 (4) The acceptance or denial of an application submitted under this section may be overridden by an
36 affirmative vote of a two-thirds majority of the advisory committee at the discretion of the advisory
37 committee, provided such vote shall take place within fifteen business days of the sandbox program director's
38 decision. Notwithstanding any other provision of this section to the contrary, the advisory committee shall
39 not override a rejection made by an applicable agency.

1 (5) The sandbox program director shall deny an application for participation in the sandbox program
2 if the applicant or any person who seeks to participate with the applicant in demonstrating an innovative
3 offering has been convicted, entered into a plea of nolo contendere, or entered a plea of guilty or nolo
4 contendere held in abeyance for any crime involving significant theft, fraud, or dishonesty if the crime bears a
5 significant relationship to the applicant's or other participant's ability to safely and competently participate in
6 the sandbox program.

7 12. When an applicant is approved for participation in the sandbox program, the sandbox program
8 director shall provide notice of the approval on the department's website.

9 13. Applications to participate in the sandbox program shall be considered public records for the
10 purposes of chapter 610, provided, however, that any information contained in such applications that
11 constitutes proprietary or confidential trade secrets shall not be subject to disclosure pursuant to chapter 610.

12 620.3920. 1. If the regulatory relief office approves an application pursuant to section 620.3915, the
13 sandbox participant shall have twenty-four months after the day on which the application was approved to
14 demonstrate the innovative offering described in the sandbox participant's application.

15 2. An innovative offering that is demonstrated within the sandbox program shall be available only to
16 consumers who are residents of Missouri or of another state. No regulation shall be waived or suspended if
17 waiving or suspending such regulation would prevent a consumer from seeking restitution in the event that
18 the consumer is harmed.

19 3. Nothing in sections 620.3900 to 620.3930 shall restrict a sandbox participant that holds a license
20 or other authorization in another jurisdiction from acting in that jurisdiction in accordance with such license
21 or other authorization.

22 4. A sandbox participant shall be deemed to possess an appropriate license or other authorization
23 under the laws of this state for the purposes of any provision of federal law requiring licensure or other
24 authorization by the state.

25 5. (1) During the demonstration period, a sandbox participant shall not be subject to the enforcement
26 of state regulations identified in the written agreement between the regulatory relief office and the sandbox
27 participant.

28 (2) A prosecutor shall not file or pursue charges for failing to comply with the regulation identified
29 in the written agreement between the regulatory relief office and the sandbox participant that occurs during an
30 approved demonstration period.

31 (3) A state agency shall not file or pursue any punitive action against a sandbox participant,
32 including a fine or license suspension or revocation, for the violation of a regulation that is identified as being
33 waived or suspended in the written agreement between the regulatory relief office and the sandbox participant
34 that occurs during the demonstration period.

35 6. Notwithstanding any provision of this section to the contrary, a sandbox participant shall not have
36 immunity related to any criminal offense committed during the sandbox participant's participation in the
37 sandbox program.

38 7. By written notice, the regulatory relief office may end a sandbox participant's participation in the
39 sandbox program at any time and for any reason, including if the sandbox program director determines that a

sandbox participant is not operating in good faith to bring an innovative offering to market; provided, however, that the sandbox program director's decision may be overridden by an affirmative vote of a two-thirds majority of the members of the advisory committee.

8. The regulatory relief office and regulatory relief office's employees shall not be liable for any business losses or the recouping of application expenses or other expenses related to the sandbox program, including for:

(1) Denying an applicant's application to participate in the sandbox program for any reason; or

(2) Ending a sandbox participant's participation in the sandbox program at any time and for any reason.

620.3925. 1. Before demonstrating an innovative offering to a consumer, a sandbox participant shall disclose the following information to the consumer:

(1) The name and contact information of the sandbox participant;

(2) A statement that the innovative offering is authorized pursuant to the sandbox program and, if applicable, that the sandbox participant does not have a license or other authorization to provide an innovative offering under state laws that regulate offerings outside of the sandbox program;

(3) A statement that specific regulations have been waived for the sandbox participant for the duration of its demonstration in the sandbox program, with a summary of such waived regulations;

(4) A statement that the innovative 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;

(5) A statement that the provider of the innovative offering is not immune from civil liability for any losses or damages caused by the innovative offering;

(6) A statement that the provider of the innovative offering is not immune from criminal prosecution for violations of state regulations that are not suspended or waived as allowed within the sandbox program;

(7) A statement that the innovative offering is a temporary demonstration that may be discontinued at the end of the demonstration period;

(8) The expected end date of the demonstration period; and

(9) A statement that a consumer may contact the regulatory relief office and file a complaint regarding the innovative offering being demonstrated, providing the regulatory relief office's telephone number, email address, and website address where a complaint may be filed.

2. The disclosures required by subsection 1 of this section shall be provided to a consumer in a clear and conspicuous form and, for an internet- or application-based innovative 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.

620.3930. 1. At least forty-five days before the end of the twenty-four-month demonstration period, a sandbox participant shall:

(1) Notify the regulatory relief office that the sandbox participant will exit the sandbox program and discontinue the sandbox participant's demonstration after the day on which the twenty-four-month demonstration period ends; or

1 (2) Seek an extension pursuant to subsection 4 of this section.

2 2. If the regulatory relief office does not receive notification as required by subsection 1 of this
3 section, the demonstration period shall end at the end of the twenty-four-month demonstration period.

4 3. If a demonstration includes an innovative offering that requires ongoing services or duties beyond
5 the twenty-four-month demonstration period, the sandbox participant may continue to demonstrate the
6 innovative offering but shall be subject to enforcement of the regulations that were waived or suspended as
7 part of the sandbox program. If the sandbox participant is granted an extension under subsection 4 of this
8 section beyond the twenty-four-month demonstration period, the demonstration shall not be subject to
9 enforcement of the regulations that were waived or suspended as part of the sandbox program until the end of
10 the extended demonstration period.

11 4. (1) No later than forty-five days before the end of the twenty-four-month demonstration period, a
12 sandbox participant may request an extension of the demonstration period.

13 (2) The regulatory relief office shall grant or deny a request for an extension by the end of the
14 twenty-four-month demonstration period.

15 (3) The regulatory relief office may grant an extension for not more than twelve months after the end
16 of the demonstration period.

17 (4) Sandbox participants may apply for additional extensions in accordance with the criteria used to
18 assess their initial application, up to a cumulative maximum of seven years inclusive of the original twenty-
19 four-month demonstration period.

20 (5) Notwithstanding the provisions of subsection 3 of this section to the contrary, if a sandbox
21 participant is granted an extension pursuant to this subsection beyond the twenty-four-month demonstration
22 period, the demonstration shall not be subject to enforcement of the regulations that were waived or
23 suspended as part of the sandbox program until the end of the extended demonstration period.

24 5. (1) A sandbox participant shall retain records, documents, and data produced in the ordinary
25 course of business regarding an innovative offering demonstrated in the sandbox program for twenty-four
26 months after exiting the sandbox program.

27 (2) The regulatory relief office may request relevant records, documents, and data from a sandbox
28 participant, and, upon the regulatory relief office's request, the sandbox participant shall make such records,
29 documents, and data available for inspection by the regulatory relief office.

30 (3) Failure to timely provide such records, documents, and data will result in removal from the
31 program.

32 6. If a sandbox participant ceases to provide an innovative offering before the end of a demonstration
33 period, the sandbox participant shall notify the regulatory relief office and each applicable agency and report
34 on actions taken by the sandbox participant to ensure consumers have not been harmed as a result.

35 7. The regulatory relief office shall establish quarterly reporting requirements for each sandbox
36 participant, including information about any consumer complaints.

37 8. (1) The sandbox participant shall notify the regulatory relief office and each applicable agency of
38 any incidents that result in harm to the health, safety, or financial well-being of a consumer. The parameters
39 for such incidents that shall be reported shall be laid out in the written agreement between the applicant and

1 the regulatory relief office. Any incident reports shall be publicly available on the regulatory sandbox
 2 webpage provided, however, that any information contained in such reports that constitutes proprietary or
 3 confidential trade secrets shall not be subject to disclosure pursuant to chapter 610.

4 (2) If a sandbox participant fails to notify the regulatory relief office and each applicable agency of
 5 any incidents required to be reported, or the regulatory relief office or an applicable agency has evidence that
 6 significant harm to a consumer has occurred, the regulatory relief office may immediately remove the
 7 sandbox participant from the sandbox program.

8 9. No later than thirty days after the day on which a sandbox participant exits the sandbox program,
 9 the sandbox participant shall submit a written report to the regulatory relief office and each applicable agency
 10 describing an overview of the sandbox participant's demonstration. Failure to submit such a report shall
 11 result in the sandbox participant and any entity that later employs a member of the leadership team of the
 12 sandbox participant being prohibited from future participation in the sandbox program. Such report shall
 13 include any:

14 (1) Incidents of harm to consumers;

15 (2) Legal action filed against the sandbox participant as a result of the participant's demonstration; or

16 (3) Complaint filed with an applicable agency as a result of the sandbox participant's demonstration.

17
 18 Any incident reports of harm to consumers, legal actions filed against a sandbox participant, or complaints
 19 filed with an applicable agency shall be compiled and made publicly available on the regulatory sandbox
 20 webpage provided, however, that any information contained in such reports or complaints that constitutes
 21 proprietary or confidential trade secrets shall not be subject to disclosure pursuant to chapter 610.

22 10. No later than thirty days after the day on which an applicable agency receives the quarterly
 23 report required by subsection 7 of this section or a written report from a sandbox participant as required by
 24 subsection 9 of this section, the applicable agency shall provide a written report to the regulatory relief office
 25 on the demonstration, which describes any statutory or regulatory reform the applicable agency recommends
 26 as a result of the demonstration.

27 11. The regulatory relief office may remove a sandbox participant from the sandbox program at any
 28 time if the regulatory relief office determines that a sandbox participant has engaged in, is engaging in, or is
 29 about to engage in any practice or transaction that is in violation of sections 620.3900 to 620.3930 or that
 30 constitutes a violation of a law or regulation for which suspension or waiver has not been granted pursuant to
 31 the sandbox program. Information on any removal of a sandbox participant for engaging in any practice or
 32 transaction that constitutes a violation of law or regulation for which suspension or waiver has not been
 33 granted pursuant to the sandbox program shall be made publicly available on the regulatory sandbox
 34 webpage, provided, however, that any information that constitutes proprietary or confidential trade secrets
 35 shall not be subject to disclosure pursuant to chapter 610."; and

36
 37 Further amend said bill by amending the title, enacting clause, and intersectional references accordingly.