

FIRST REGULAR SESSION
[PERFECTED]
HOUSE COMMITTEE SUBSTITUTE FOR
HOUSE BILL NO. 268
102ND GENERAL ASSEMBLY

0551H.03P

DANA RADEMAN MILLER, Chief Clerk

AN ACT

To amend chapter 620, RSMo, by adding thereto seven new sections relating to the regulatory sandbox act.

Be it enacted by the General Assembly of the state of Missouri, as follows:

Section A. Chapter 620, RSMo, is amended by adding thereto seven new sections, to
2 be known as sections 620.3900, 620.3905, 620.3910, 620.3915, 620.3920, 620.3925, and
3 620.3930, to read as follows:

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

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

**5 (1) "Advisory committee", the general regulatory sandbox program advisory
6 committee created in section 620.3910;**

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

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

EXPLANATION — Matter enclosed in bold-faced brackets ~~thus~~ in the above bill is not enacted and is intended to be omitted from the law. Matter in **bold-face** type in the above bill is proposed language.

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

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

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

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

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

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

30 (a) Tangible personal property; and

31 (b) The result of a production process;

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

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

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

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

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

46 (15) "Service", any commercial activity, duty, or labor performed for another
47 person or business. "Service" shall not include a product or service when its use would
48 impact rates, statutorily authorized service areas, or system safety or reliability of an
49 electrical corporation or gas corporation, as defined in section 386.020, as determined
50 by the public service commission, or of any rural electric cooperative organized or
51 operating under the provisions of chapter 394, or to any corporation organized on a
52 nonprofit or a cooperative basis as described in subsection 1 of section 394.200, or to any
53 electrical corporation operating under a cooperative business plan as described in

54 subsection 2 of section 393.110, or of any municipally owned utility organized or
55 operating under the provisions of chapter 91, or of any joint municipal utility
56 commission organized or operating under the provisions of sections 393.700 to 393.770.

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

6 2. The regulatory relief office shall:

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

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

11 (3) Consult with each applicable agency; and

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

17 3. The regulatory relief office shall:

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

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

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

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

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

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

46 **4. (1) The regulatory relief office shall create and maintain on the department's**
47 **website a web page that invites residents and businesses in the state to make suggestions**
48 **regarding laws and regulations that could be modified or eliminated to reduce the**
49 **regulatory burden on residents and businesses in the state.**

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

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

55 **(a) Shall provide the identity of residents and businesses that make suggestions**
56 **on the web page if those residents and businesses wish to comment publicly, and shall**
57 **ensure that the private information of residents and businesses that make suggestions on**
58 **the web page is not made public if they do not wish to comment publicly; and**

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

63 **5. (1) By October first of each year, the department shall submit an annual**
64 **report to the governor, the general assembly, and to each state agency which shall**
65 **include:**

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

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

71 (c) Recommendations regarding any laws or regulations that should be
72 permanently modified or repealed;

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

75 (e) Recommendations for changes to the sandbox program or other duties of the
76 regulatory relief office.

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

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

4 (1) The director of the department of economic development or his or her
5 designee;

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

8 (3) The attorney general or his or her designee;

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

11 (5) Two members of the house of representatives, one to be appointed by the
12 speaker of the house of representatives and one to be appointed by the minority leader
13 of the house of representatives; and

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

16 2. (1) Advisory committee members shall be appointed to a four-year term.
17 Members who cease holding elective office shall be replaced by the speaker or minority
18 leader of the house of representatives or the president pro tempore or minority floor
19 leader of the senate, as applicable. The sandbox program director may establish the
20 terms of initial appointments so that approximately half of the advisory committee is
21 appointed every two years.

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

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

26 3. A majority of the advisory committee shall constitute a quorum for the
27 purpose of conducting business, and the action of a majority of a quorum shall

28 constitute the action of the advisory committee, except as provided in subsection 4 of
29 this section.

30 4. The advisory committee may, at its own discretion, meet to override a decision
31 of the regulatory relief office on the admission or denial of an applicant to the sandbox
32 program, provided such override is decided with a two-thirds majority vote of the
33 members of the advisory committee, and further provided that such vote shall be taken
34 within fifteen business days of the regulatory relief office's decision.

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

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

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

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

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

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

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

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

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

14 **(5) Contains a description of the innovative offering to be demonstrated,**
15 **including statements regarding:**

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

18 **(b) Each law or regulation that the applicant seeks to have waived or suspended**
19 **while participating in the sandbox program;**

20 **(c) How the innovative offering would benefit consumers;**

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

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

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

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

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

32 **(i) How the applicant will end the demonstration and protect consumers if the**
33 **demonstration fails;**

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

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

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

41 **3. An applicant shall file a separate application for each innovative offering that**
42 **the applicant wishes to demonstrate.**

43 **4. An applicant for the sandbox program may contact the regulatory relief office**
44 **to request a consultation regarding the sandbox program before submitting an**
45 **application. The regulatory relief office may provide assistance to an applicant in**
46 **preparing an application for submission.**

47 **5. (1) After an application is filed, the regulatory relief office shall:**

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

50 **(b) Seek additional information from the applicant that the regulatory relief**
51 **office determines is necessary.**

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

54 **(a) Review the application and refer the application to each applicable agency**
55 **that regulates the applicant's business; and**

56 **(b) Provide to the applicant:**

57 **a. An acknowledgment of receipt of the application; and**

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

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

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

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

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

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

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

85 **(7) If an applicable agency fails to deliver the written report required by**
86 **subdivision (3) of this subsection, the sandbox program director shall provide a final**

87 notice to the applicable agency for delivery of the written report. If the report is not
88 delivered within five days of such final notice, the sandbox program director shall
89 assume that the applicable agency does not object to the temporary waiver or
90 suspension of the relevant laws or regulations for an applicant seeking to participate in
91 the sandbox program.

92 6. (1) Notwithstanding any provision of this section to the contrary, an
93 applicable agency may, by written notice to the regulatory relief office:

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

99 a. Required by federal rule or regulation; or

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

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

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

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

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

112 7. (1) The sandbox program director shall provide all applications and
113 associated written reports to the advisory committee upon receiving a written report
114 from an applicable agency.

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

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

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

123 **8. The regulatory relief office shall consult with each applicable agency and the**
124 **advisory committee before admitting an applicant into the sandbox program. Such**
125 **consultation may include seeking information about whether:**

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

128 **(2) The applicable agency has previously investigated, sanctioned, or pursued**
129 **legal action against the applicant.**

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

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

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

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

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

142 **10. An applicant shall become a sandbox participant if the regulatory relief**
143 **office approves the application for the sandbox program and enters into a written**
144 **agreement with the applicant describing the specific laws and regulations that are**
145 **waived or suspended as part of participation in the sandbox program. Notwithstanding**
146 **any other provision of this section to the contrary, the regulatory relief office shall not**
147 **enter into a written agreement with an applicant that exempts the applicant from any**
148 **income, property, or sales tax liability unless such applicant otherwise qualifies for an**
149 **exemption from such tax.**

150 **11. (1) The sandbox program director may deny at his or her sole discretion any**
151 **application submitted under this section for any reason, including if the sandbox**
152 **program director determines that the preponderance of evidence demonstrates that**
153 **suspending or waiving enforcement of a law or regulation would cause significant risk of**
154 **harm to consumers or residents of the state.**

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

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

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

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

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

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

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

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

10 **3. Nothing in sections 620.3900 to 620.3930 shall restrict a sandbox participant**
11 **that holds a license or other authorization in another jurisdiction from acting in that**
12 **jurisdiction in accordance with such license or other authorization.**

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

16 **5. (1) During the demonstration period, a sandbox participant shall not be**
17 **subject to the enforcement of state laws or regulations identified in the written**
18 **agreement between the regulatory relief office and the sandbox participant.**

19 **(2) A prosecutor shall not file or pursue charges pertaining to any action related**
20 **to a law or regulation identified in the written agreement between the regulatory relief**
21 **office and the sandbox participant that occurs during the demonstration period.**

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

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

30 **7. By written notice, the regulatory relief office may end a sandbox participant's**
31 **participation in the sandbox program at any time and for any reason, including if the**
32 **sandbox program director determines that a sandbox participant is not operating in**
33 **good faith to bring an innovative offering to market; provided, however, that the**
34 **sandbox program director's decision may be overridden by an affirmative vote of a two-**
35 **thirds majority of the members of the advisory committee.**

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

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

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

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

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

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

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

11 **(4) A statement that the innovative offering is undergoing testing and may not**
12 **function as intended and may expose the consumer to certain risks as identified by the**
13 **applicable agency's written report;**

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

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

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

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

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

26 **2. The disclosures required by subsection 1 of this section shall be provided to a**
27 **consumer in a clear and conspicuous form and, for an internet- or application-based**
28 **innovative offering, a consumer shall acknowledge receipt of the disclosure before any**
29 **transaction may be completed.**

30 **3. The regulatory relief office may require that a sandbox participant make**
31 **additional disclosures to a consumer.**

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

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

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

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

10 **3. If a demonstration includes an innovative offering that requires ongoing**
11 **services or duties beyond the twenty-four-month demonstration period, the sandbox**
12 **participant may continue to demonstrate the innovative offering but shall be subject to**
13 **enforcement of the laws or regulations that were waived or suspended as part of the**
14 **sandbox program. If the sandbox participant is granted an extension under subsection**
15 **4 of this section beyond the twenty-four-month demonstration period, the**
16 **demonstration shall not be subject to enforcement of the laws or regulations that**

17 were waived or suspended as part of the sandbox program until the end of the extended
18 demonstration period.

19 4. (1) No later than forty-five days before the end of the twenty-four-month
20 demonstration period, a sandbox participant may request an extension of the
21 demonstration period.

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

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

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

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

34 5. (1) A sandbox participant shall retain records, documents, and data produced
35 in the ordinary course of business regarding an innovative offering demonstrated in the
36 sandbox program for twenty-four months after exiting the sandbox program.

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

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

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

47 8. (1) The sandbox participant shall notify the regulatory relief office and each
48 applicable agency of any incidents that result in harm to the health, safety, or financial
49 well-being of a consumer. The parameters for such incidents that shall be reported shall
50 be laid out in the written agreement between the applicant and the regulatory relief
51 office. Any incident reports shall be publicly available on the regulatory sandbox
52 webpage provided, however, that any information contained in such reports that

53 constitutes proprietary or confidential trade secrets shall not be subject to disclosure
54 pursuant to chapter 610.

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

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

67 (1) Incidents of harm to consumers;

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

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

72

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

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

84 11. The regulatory relief office may remove a sandbox participant from the
85 sandbox program at any time if the regulatory relief office determines that a sandbox
86 participant has engaged in, is engaging in, or is about to engage in any practice or
87 transaction that is in violation of sections 620.3900 to 620.3930 or that constitutes a
88 violation of a law or regulation for which suspension or waiver has not been granted
89 pursuant to the sandbox program. Information on any removal of a sandbox

90 **participant for engaging in any practice or transaction that constitutes a violation of law**
91 **or regulation for which suspension or waiver has not been granted pursuant to the**
92 **sandbox program shall be made publicly available on the regulatory sandbox webpage,**
93 **provided, however, that any information that constitutes proprietary or confidential**
94 **trade secrets shall not be subject to disclosure pursuant to chapter 610.**

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