
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2385 Session of
2022

INTRODUCED BY LABS, ROWE, THOMAS, FARRY, GROVE, KEEFER,
N. NELSON, ROTHMAN, STAATS, TOPPER AND ZIMMERMAN, MAY 4, 2022

REFERRED TO COMMITTEE ON STATE GOVERNMENT, MAY 4, 2022

AN ACT

1 Establishing the Regulatory Sandbox Program; and providing for
2 agency applications for participation in Regulatory Sandbox
3 Program, for duties of Independent Regulatory Review
4 Commission, for authority of approved agencies and for permit
5 applications by regulated persons for regulatory sandbox
6 permits.

7 The General Assembly of the Commonwealth of Pennsylvania
8 hereby enacts as follows:

9 Section 1. Short title.

10 This act shall be known and may be cited as the Regulatory
11 Sandbox Act.

12 Section 2. Definitions.

13 The following words and phrases when used in this act shall
14 have the meanings given to them in this section unless the
15 context clearly indicates otherwise:

16 "Agency." As defined in section 3 of the Regulatory Review
17 Act.

18 "Agency application." An application made by an agency to
19 the commission under section 4(a).

20 "Alternate protective measure." A measure taken by a holder

1 of a regulatory sandbox permit in lieu of compliance with a
2 regulation which has been waived as applicable to the holder
3 under section 5(b).

4 "Approved agency." An agency which has been approved for
5 participation in the program under section 4(f).

6 "Commission." The Independent Regulatory Review Commission.

7 "Permit." An authorization issued by an agency to perform an
8 activity regulated by the agency. The term does not include a
9 certification, registration or license.

10 "Permit application." An application made by a regulated
11 person to an approved agency under section 6(a).

12 "Program." The Regulatory Sandbox Program established under
13 section 3(a).

14 "Regulated person." A person that engages in an activity or
15 proposes to engage in an activity which is regulated by an
16 approved agency.

17 "Regulation." As defined in section 3 of the Regulatory
18 Review Act.

19 "Regulatory Review Act." The act of June 25, 1982 (P.L.633,
20 No.181), known as the Regulatory Review Act.

21 "Regulatory sandbox permit." A permit, permit modification,
22 supplemental permit or permit amendment issued by an approved
23 agency under the program.

24 Section 3. Regulatory Sandbox Program.

25 (a) Establishment.--The Regulatory Sandbox Program is
26 established within the Independent Regulatory Review Commission.

27 (b) Duties.--The commission shall have the following duties:

28 (1) Receive agency applications to participate in the
29 program under section 4(a).

30 (2) Review agency applications under section 4(e).

1 (3) Approve or disapprove agency applications under
2 section 4(f).

3 (c) Notice.--No later than 45 days after the effective date
4 of this section, the commission shall transmit a notice to the
5 Legislative Reference Bureau for publication in the Pennsylvania
6 Bulletin, which shall include all of the following information:

7 (1) A notification that this act has become a law of
8 this Commonwealth.

9 (2) A summary of the provisions of this act, including a
10 list of the agencies which may submit an agency application
11 under section 4(a).

12 (3) For each agency listed under paragraph (2), the
13 contact information for each agency's point of contact under
14 subsection (d)(2).

15 (4) A notification that an individual or entity may
16 submit a request to an agency under subsection (d)(4) to
17 establish an initiative to issue regulatory sandbox permits.

18 (d) Initial duties.--No later than 30 days after the
19 effective date of this section, an agency shall do all of the
20 following:

21 (1) Designate an official or employee of the agency to
22 serve as the liaison between the agency and the commission
23 for the purposes of this act. The agency shall notify the
24 commission of the name and contact information for the
25 designated liaison.

26 (2) Designate an official or employee of the agency to
27 serve as the point of contact between the agency and
28 regulated persons that are seeking information on a
29 regulatory sandbox permit or apply for a regulatory sandbox
30 permit. A point of contact under this paragraph shall provide

1 support to an individual or entity that is seeking the
2 establishment of a regulatory sandbox program for the agency.

3 (3) Establish an intra-agency task force composed of
4 officials or employees of the agency to receive information
5 from an individual or entity under paragraph (4).

6 (4) Establish a publicly accessible method for an
7 individual or entity to submit a request that an agency
8 establish an initiative to provide regulatory sandbox
9 permits, including supporting information from the individual
10 or entity.

11 (e) Review by agencies.--An agency shall review all permits
12 issued by the agency and consider whether the public interest
13 would be served by the agency submitting an agency application
14 under section 4(a). The agency's review under this subsection
15 shall include a consideration of supporting information
16 submitted by an individual or entity under subsection (d)(4).
17 Section 4. Agency applications for participation in program.

18 (a) Submission of agency application.--An agency may submit
19 an agency application to the commission to participate in the
20 program in accordance with this section.

21 (b) Contents of agency application.--An agency shall include
22 all of the following information in an agency application under
23 subsection (a):

24 (1) The title of the agency and the names, office
25 addresses and telephone numbers of the agency officials
26 responsible for responding to questions regarding the agency
27 application or for receiving comments relating to the agency
28 application.

29 (2) The deputate, division, bureau, office or other
30 division of the agency which will administer the proposed

1 regulatory sandbox permit.

2 (3) A concise and, when possible, nontechnical
3 explanation of the proposed regulatory sandbox permit.

4 (4) A statement of the need for the regulatory sandbox
5 permit.

6 (5) A list of permits which would be eligible for
7 replacement, modification, supplementing or amendment through
8 the proposed regulatory sandbox permit.

9 (6) A list of regulations which would be waived to the
10 extent applicable to a holder of a regulatory sandbox permit.

11 (7) A review of the alternate protective measures which
12 the agency proposed to apply to a holder of a regulatory
13 sandbox permit in lieu of the regulations proposed to be
14 waived under paragraph (6).

15 (8) Whether the agency application is being made as a
16 result of a request under section 3(d)(4).

17 (9) Estimates of any direct costs, indirect costs,
18 direct savings and indirect savings to the Commonwealth, to
19 its political subdivisions and to the private sector as a
20 result of the proposed regulatory sandbox permit.

21 (10) An identification of the types of regulated persons
22 who would be eligible to apply for the proposed regulatory
23 sandbox permit.

24 (11) An identification of the financial, economic and
25 social impact of the proposed regulatory sandbox permit on
26 individuals, small businesses, business and labor communities
27 and other public and private organizations and, when
28 practicable, an evaluation of the benefits expected as a
29 result of the regulation.

30 (12) A description of the plan developed for evaluating

1 the continuing effectiveness of the regulatory sandbox permit
2 after its implementation.

3 (c) Notice of agency application.--

4 (1) On the day that an agency submits an agency
5 application under subsection (a), the agency shall submit a
6 notice of the submission to the standing committee of the
7 Senate and the House of Representatives which is designated
8 as having jurisdiction over the agency under the Regulatory
9 Review Act.

10 (2) If the agency submits an agency application under
11 subsection (a) after the adjournment sine die or expiration
12 of the legislative session in an even-numbered year and
13 before the President pro tempore of the Senate or the Speaker
14 of the House of Representatives designates the jurisdiction
15 of standing committees of the Senate and the House of
16 Representatives under the Regulatory Review Act, the agency
17 shall submit a notice of the submission to each member of the
18 Senate and the House of Representatives on the day that the
19 agency submits an agency application.

20 (d) Public comment period.--The commission shall receive
21 public comments on an agency application beginning with the
22 submission of an agency application under subsection (a).

23 (e) Review of applications by commission.--Upon receipt of
24 an agency application under subsection (a), the commission shall
25 review the agency application and shall consider whether the
26 agency application is sufficient and in the public interest. The
27 commission shall apply the same standards for review under this
28 subsection that are applied for a review of whether a proposed,
29 final-form, final-omitted or existing regulation is in the
30 public interest under section 5.2 of the Regulatory Review Act.

1 (f) Approval or disapproval.--If the commission determines
2 that an agency application under subsection (a) meets the
3 requirements under subsection (e), the commission shall approve
4 the agency application. The commission shall have until its next
5 scheduled meeting which occurs no less than 30 days after
6 receipt of an agency application to approve or disapprove the
7 agency application.

8 (g) Notice of approval.--

9 (1) No later than seven days after the commission's
10 approval of an agency application under subsection (f), the
11 approved agency shall submit a notice of the approval to the
12 standing committee of the Senate and House of Representatives
13 which is designated as having jurisdiction over the agency
14 under the Regulatory Review Act.

15 (2) If the commission approves an agency application
16 under subsection (e) after the adjournment sine die or
17 expiration of the legislative session in an even-numbered
18 year and before the President pro tempore of the Senate or
19 the Speaker of the House of Representatives designates the
20 jurisdiction of standing committees of the Senate and the
21 House of Representatives under the Regulatory Review Act, the
22 approved agency shall submit a notice of the approval to each
23 member of the Senate and the House of Representatives.

24 Section 5. Authority of approved agencies.

25 (a) Issuance of regulatory sandbox permits.--An approved
26 agency may issue a regulatory sandbox permit to an applicant in
27 accordance with the proposed regulatory sandbox permit in the
28 application.

29 (b) Waiver of regulations.--An approved agency may waive
30 regulations of the approved agency as applied to a holder of a

1 regulatory sandbox permit.

2 (c) Alternate protective measures.--An approved agency shall
3 require that a holder of a regulatory sandbox permit meet
4 alternate protective measures which meet the same protective
5 purposes as the regulations waived under subsection (b). A
6 violation of the alternate protective measures under this
7 subsection by the holder of a regulatory sandbox permit shall
8 subject the holder to the same penalties as a violation of the
9 regulations waived under subsection (b).

10 (d) Contents of regulatory sandbox permit.--An approved
11 agency shall include all of the following information in a
12 regulatory sandbox permit:

13 (1) The permit type which the regulatory sandbox permit
14 replaces, modifies, supplements or amends.

15 (2) If applicable, an identification of a permit
16 previously issued by the approved agency which is replaced,
17 modified, supplemented or amended by the regulatory sandbox
18 permit.

19 (3) A list of regulations which are waived as applicable
20 to the holder of the regulatory sandbox permit.

21 (4) The alternate protective measures which the approved
22 agency applies to the holder of the regulatory sandbox permit
23 in lieu of the regulations waived under paragraph (3).

24 (5) The signature of the head of the approved agency or
25 the head of the deputate, division, bureau, office or other
26 division of the approved agency which submitted the agency
27 application under section 4(a).

28 Section 6. Permit applications by regulated persons for
29 regulatory sandbox permits.

30 (a) Submission of permit application.--A regulated person

1 may submit a permit application to an approved agency for a
2 regulatory sandbox permit.

3 (b) Contents of permit application.--A person shall include
4 all of the following in a permit application under subsection

5 (a):

6 (1) The permit which the regulatory sandbox permit
7 replaces, modifies, supplements or amends.

8 (2) The regulations, in whole or in part, that the
9 applicant proposes to be exempt from in the permit
10 application.

11 (3) The benefits of the permit application to the
12 Commonwealth, the entities which engage in the regulated
13 activity and the public.

14 (4) The alternate protective measures that the applicant
15 proposes in the permit application to the Commonwealth.

16 (c) Review of permit application.--An approved agency which
17 receives a permit application under subsection (a) shall review
18 the permit application.

19 (d) Approval or disapproval.--

20 (1) If the deputate, division, bureau, office or other
21 division of the agency which submitted the agency application
22 under section 4(a) determines that a permit application under
23 subsection (a) includes sufficient alternate protective
24 measures to meet the same protective purposes as the
25 regulations waived under section 5(b), the approved agency
26 may approve the permit application under subsection (a) and
27 issue a regulatory sandbox permit to the applicant.

28 (2) If a permit application under subsection (a) does
29 not meet the requirements of paragraph (1), the approved
30 agency shall disapprove the permit application. The approved

1 agency shall notify the applicant of the reasons for the
2 disapproval under this paragraph and shall provide an
3 opportunity for the applicant to resubmit a permit
4 application under subsection (a) for a regulatory sandbox
5 permit.

6 (e) Notice of approval.--No later than seven days after
7 approving a permit application under subsection (d), the
8 approved agency shall submit a notice of the approval to the
9 standing committee of the Senate and House of Representatives
10 which is designated as having jurisdiction over the agency under
11 the Regulatory Review Act.

12 (f) Applicability.--A requirement for notice, public
13 comment, public hearing, appeal, review or expiration which
14 applies to a permit shall apply to a regulatory sandbox permit.

15 (g) Expiration.--An approved agency may not approve a permit
16 application under subsection (a) after October 31, 2024.

17 Section 7. Reports to General Assembly.

18 (a) Monthly reports.--No later than the 15th day of each
19 month, an approved agency shall submit a report to each member
20 of the General Assembly. The approved agency shall include all
21 of the following information in the report:

22 (1) The number of permit applications for regulatory
23 sandbox permits under section 6(a) received by the approved
24 agency in the prior month.

25 (2) The total number of permit applications for
26 regulatory sandbox permits under section 6(a) received by the
27 approved agency since the agency was approved under section
28 4(f).

29 (3) The total number of permit applications for
30 regulatory sandbox permits which were approved by the

1 approved agency under section 6(d)(1) in the prior month.

2 (4) The total number of permit applications for
3 regulatory sandbox permits which were approved by the
4 approved agency under section 6(d)(1) since the agency was
5 approved under section 4(f).

6 (5) The total number of permit applications for
7 regulatory sandbox permits which were denied by the approved
8 agency under section 6(d)(2) in the prior month.

9 (6) The total number of applications for regulatory
10 sandbox permits which were denied by the approved agency
11 under section 6(d)(2) since the agency was approved under
12 section 4(f).

13 (7) For the regulatory sandbox permits under paragraph
14 (3), a list of the regulations waived under section 5(b) and
15 a review of the alternate protective measures which are
16 applicable to each holder of the regulatory sandbox permits.

17 (8) For the regulatory sandbox permits under paragraph
18 (5), a list of the regulations requested to be waived under
19 section 5(b) and a review of the proposed alternate
20 protective measures in each permit application.

21 (b) Final report.--No later than November 30, 2024, an
22 approved agency shall submit a final report to the standing
23 committee of the Senate and House of Representatives which is
24 designated as having jurisdiction over the agency under the
25 Regulatory Review Act. The approved agency shall include all of
26 the following information in the final report:

27 (1) The total number of permit applications for
28 regulatory sandbox permits under section 6(a) received by the
29 approved agency.

30 (2) The total number of permit applications for

1 regulatory sandbox permits which were approved by the
2 approved agency under section 6(d)(1).

3 (3) The total number of permit applications for
4 regulatory sandbox permits which were denied by the approved
5 agency under section 6(d)(2).

6 (4) For the regulatory sandbox permits under paragraph
7 (2), a list of the regulations waived under section 5(b) and
8 a review of the alternate protective measures which are
9 applicable to the holders of each regulatory sandbox permit.

10 (5) For the regulatory sandbox permits under paragraph
11 (3), a list of the regulations requested to be waived under
12 section 5(b) and a review of the proposed alternate
13 protective measures in each permit application.

14 Section 8. Effective date.

15 This act shall take effect immediately.