

REGULATORY SANDBOX PROGRAM AMENDMENTS

2022 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: A. Cory Maloy

Senate Sponsor: _____

LONG TITLE

General Description:

This bill consolidates state regulatory sandbox programs.

Highlighted Provisions:

This bill:

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

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

▶ makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

None

Utah Code Sections Affected:

AMENDS:

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

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

63N-16-201, as enacted by Laws of Utah 2021, Chapter 373

63N-16-202, as enacted by Laws of Utah 2021, Chapter 373



28 63N-16-203, as enacted by Laws of Utah 2021, Chapter 373

29 63N-16-204, as enacted by Laws of Utah 2021, Chapter 373

30 63N-16-206, as enacted by Laws of Utah 2021, Chapter 373

31 REPEALS:

32 13-55-101, as enacted by Laws of Utah 2019, Chapter 243

33 13-55-102, as last amended by Laws of Utah 2021, Chapter 373

34 13-55-103, as last amended by Laws of Utah 2020, Chapter 143

35 13-55-104, as enacted by Laws of Utah 2019, Chapter 243

36 13-55-105, as enacted by Laws of Utah 2019, Chapter 243

37 13-55-106, as enacted by Laws of Utah 2019, Chapter 243

38 13-55-107, as enacted by Laws of Utah 2019, Chapter 243

39 13-55-108, as enacted by Laws of Utah 2019, Chapter 243

40 31A-47-101, as enacted by Laws of Utah 2020, Chapter 141

41 31A-47-102, as last amended by Laws of Utah 2021, Chapter 373

42 31A-47-103, as enacted by Laws of Utah 2020, Chapter 141

43 31A-47-104, as enacted by Laws of Utah 2020, Chapter 141

44 31A-47-105, as enacted by Laws of Utah 2020, Chapter 141

45 31A-47-106, as enacted by Laws of Utah 2020, Chapter 141

46 31A-47-107, as enacted by Laws of Utah 2020, Chapter 141

47 31A-47-108, as enacted by Laws of Utah 2020, Chapter 141

48

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

50 Section 1. Section 63N-16-102 is amended to read:

51 **63N-16-102. Definitions.**

52 As used in this chapter:

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

55 (2) "Applicable agency" means a department or agency of the state that by law
56 regulates a business activity and persons engaged in such business activity, including the
57 issuance of licenses or other types of authorization, which the office determines would
58 otherwise regulate a sandbox participant.

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

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

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

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

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

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

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

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

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

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

85 [~~(9)~~] (11) "Innovative offering" means an offering that includes an innovation.

86 (12) "Insurance product or service" means an insurance product or insurance service
87 that requires state licensure, registration, or other authorization as regulated by Title 31A,
88 Insurance Code, including an insurance product or insurance service that includes a business
89 model, delivery mechanism, or element that requires a license, registration, or other

90 authorization to do an insurance business, act as an insurance producer or consultant, or engage
 91 in insurance adjusting as regulated by Title 31A, Insurance Code.

92 ~~[(10)]~~ (13) (a) "Offering" means a product, production method, or service.

93 (b) "Offering" includes:

94 (i) a financial product or service; and

95 (ii) an insurance product or service.

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

99 ~~[(11)]~~ (14) "Product" means a commercially distributed good that is:

100 (a) tangible personal property;

101 (b) the result of a production process; and

102 (c) passed through the distribution channel before consumption.

103 ~~[(12)]~~ (15) "Production" means the method or process of creating or obtaining a good,
 104 which may include assembling, breeding, capturing, collecting, extracting, fabricating, farming,
 105 fishing, gathering, growing, harvesting, hunting, manufacturing, mining, processing, raising, or
 106 trapping a good.

107 ~~[(13)]~~ (16) "Regulatory relief office" means the Utah Office of Regulatory Relief
 108 created in Section ~~63N-16-103~~.

109 ~~[(14)]~~ (17) "Regulatory sandbox" means the General Regulatory Sandbox Program
 110 created in Section ~~63N-16-201~~, which allows a person to temporarily demonstrate an
 111 innovative offering under a waiver or suspension of one or more state laws or regulations.

112 ~~[(15)]~~ (18) "Sandbox participant" means a person whose application to participate in
 113 the regulatory sandbox is approved in accordance with the provisions of this chapter.

114 ~~[(16)]~~ (19) "Service" means any commercial activity, duty, or labor performed for
 115 another person.

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

117 **~~63N-16-103. Creation of regulatory relief office and appointment of director --~~**

118 **~~Responsibilities of regulatory relief office.~~**

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

- 121 (2) (a) The regulatory relief office shall be administered by a director.
- 122 (b) The director shall report to the executive director and may appoint staff subject to
- 123 the approval of the executive director.
- 124 (3) The regulatory relief office shall:
- 125 (a) administer the provisions of this chapter;
- 126 (b) administer the regulatory sandbox program; and
- 127 (c) act as a liaison between private businesses and applicable agencies to identify state
- 128 laws or regulations that could potentially be waived or suspended under the regulatory sandbox
- 129 program.
- 130 (4) The regulatory relief office may:
- 131 (a) review state laws and regulations that may unnecessarily inhibit the creation and
- 132 success of new companies or industries and provide recommendations to the governor and the
- 133 Legislature on modifying such state laws and regulations;
- 134 (b) create a framework for analyzing the risk level to the health, safety, and financial
- 135 well-being of consumers related to permanently removing or temporarily waiving laws and
- 136 regulations inhibiting the creation or success of new and existing companies or industries;
- 137 (c) propose potential reciprocity agreements between states that use or are proposing to
- 138 use similar regulatory sandbox programs as described in this chapter[, Section 13-55-103, or
- 139 Section 31A-47-103]; and
- 140 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
- 141 the provisions of this chapter, make rules regarding:
- 142 (i) administering the regulatory sandbox, including making rules regarding the
- 143 application process and the reporting requirements of sandbox participants; and
- 144 (ii) cooperating and consulting with other agencies in the state that administer sandbox
- 145 programs.
- 146 Section 3. Section **63N-16-201** is amended to read:
- 147 **63N-16-201. General Regulatory Sandbox Program -- Application requirements.**
- 148 (1) There is created in the regulatory relief office the General Regulatory Sandbox
- 149 Program.
- 150 (2) In administering the regulatory sandbox, the regulatory relief office:
- 151 (a) shall consult with each applicable agency;

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

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

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

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

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

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

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

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

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

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

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

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

179 (i) how the innovative offering is subject to licensing, legal prohibition, or other
180 authorization requirements outside of the regulatory sandbox;

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

- 183 (iii) how the innovative offering would benefit consumers;
- 184 (iv) how the innovative offering is different from other offerings available in the state;
- 185 (v) what risks might exist for consumers who use or purchase the innovative offering;
- 186 (vi) how participating in the regulatory sandbox would enable a successful
- 187 demonstration of the innovative offering;
- 188 (vii) a description of the proposed demonstration plan, including estimated time
- 189 periods for beginning and ending the demonstration;
- 190 (viii) recognition that the applicant will be subject to all laws and regulations
- 191 pertaining to the applicant's innovative offering after conclusion of the demonstration; and
- 192 (ix) how the applicant will end the demonstration and protect consumers if the
- 193 demonstration fails;
- 194 (f) lists each government agency, if any, that the applicant knows regulates the
- 195 applicant's business; and
- 196 (g) provides any other required information as determined by the regulatory relief
- 197 office.
- 198 (5) The regulatory relief office may collect an application fee from an applicant that is
- 199 set in accordance with Section [63J-1-504](#).
- 200 (6) An applicant shall file a separate application for each innovative offering that the
- 201 applicant wishes to demonstrate.
- 202 (7) After an application is filed, the regulatory relief office:
- 203 (a) shall classify the application and any related information provided by the applicant
- 204 as a protected record in accordance with Subsection [63G-2-305](#)(82);
- 205 (b) consult with each applicable government agency that regulates the applicant's
- 206 business regarding whether more information is needed from the applicant; and
- 207 (c) seek additional information from the applicant that the regulatory relief office
- 208 determines is necessary.
- 209 (8) No later than five business days after the day on which a complete application is
- 210 received by the regulatory relief office, the regulatory relief office shall:
- 211 (a) review the application and refer the application to each applicable government
- 212 agency that regulates the applicant's business; and
- 213 (b) provide to the applicant:

- 214 (i) an acknowledgment of receipt of the application; and
- 215 (ii) the identity and contact information of each regulatory agency to which the
- 216 application has been referred for review.
- 217 (9) (a) Subject to Subsections (9)(c) and (9)(g), no later than 30 days after the day on
- 218 which an applicable agency receives a complete application for review, the applicable agency
- 219 shall provide a written report to the director of the applicable agency's findings.
- 220 (b) The report shall:
- 221 (i) describe any identifiable, likely, and significant harm to the health, safety, or
- 222 financial well-being of consumers that the relevant law or regulation protects against; and
- 223 (ii) make a recommendation to the regulatory relief office that the applicant either be
- 224 admitted or denied entrance into the regulatory sandbox.
- 225 (c) (i) The applicable agency may request an additional five business days to deliver
- 226 the written report by providing notice to the director, which request shall automatically be
- 227 granted.
- 228 (ii) The applicable agency may only request one extension per application.
- 229 (d) If the applicable agency recommends an applicant under this section be denied
- 230 entrance into the regulatory sandbox, the written report shall include a description of the
- 231 reasons for the recommendation, including why a temporary waiver or suspension of the
- 232 relevant laws or regulations would potentially significantly harm the health, safety, or financial
- 233 well-being of consumers or the public and the likelihood of such harm occurring.
- 234 (e) If the agency determines that the consumer's or public's health, safety, or financial
- 235 well-being can be protected through less restrictive means than the existing relevant laws or
- 236 regulations, then the applicable agency shall provide a recommendation of how that can be
- 237 achieved.
- 238 (f) If an applicable agency fails to deliver a written report as described in this
- 239 Subsection (9), the director shall assume that the applicable agency does not object to the
- 240 temporary waiver or suspension of the relevant laws or regulations for an applicant seeking to
- 241 participate in the regulatory sandbox.
- 242 (g) Notwithstanding any other provision of this section, an applicable agency may by
- 243 written notice to the regulatory relief office:
- 244 (i) within the 30 days after the day on which the applicable agency receives a complete

245 application for review, or within 35 days if an extension has been requested by the applicable
246 agency, reject an application if the applicable agency determines, in the applicable agency's
247 sole discretion, that the applicant's innovative offering fails to comply with standards or
248 specifications:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

301 (15) (a) The director may deny at the director's sole discretion any application
302 submitted under this section for any reason, including if the director determines that the
303 preponderance of evidence demonstrates that suspending or waiving enforcement of a law or
304 regulation would cause a significant risk of harm to consumers or residents of the state.

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

307 the applicant to be a sandbox participant.

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

309 (i) agency or judicial review; or

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

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

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

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

324 **63N-16-202. Scope of the regulatory sandbox.**

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

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

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

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

334 (3) This part does not restrict a sandbox participant who holds a license or other
335 authorization in another jurisdiction from acting in accordance with that license or other
336 authorization.

337 (4) A sandbox participant is deemed to possess an appropriate license or other

338 authorization under the laws of the state for the purposes of any provision of federal law
339 requiring licensure or other authorization by the state.

340 (5) Subject to Subsection (6):

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

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

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

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

354 (ii) occurs during the demonstration period.

355 (6) Notwithstanding any other provision of this part, a sandbox participant does not
356 have immunity related to any criminal offense committed during the sandbox participant's
357 participation in the regulatory sandbox.

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

362 (8) The regulatory relief office and the regulatory relief office's employees are not
363 liable for any business losses or the recouping of application expenses or other expenses related
364 to the regulatory sandbox, including for:

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

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

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

370 **63N-16-203. Consumer protection for regulatory sandbox.**

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

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

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

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

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

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

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

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

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

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

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

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

397 **63N-16-204. Requirements for exiting regulatory sandbox.**

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

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

403 (b) seek an extension in accordance with Section 63N-16-205.

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

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

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

411 **63N-16-206. Record keeping and reporting requirements.**

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

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

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

421 (4) The regulatory relief office may request records, documents, and data from a
422 sandbox participant and, upon the regulatory relief office's request, the sandbox participant
423 shall make such records, documents, and data available for inspection by the regulatory relief
424 office.

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

428 (b) If a sandbox participant fails to notify the regulatory relief office and each
429 applicable agency of any incidents as described in Subsection (5)(a), or the regulatory relief
430 office or an applicable agency has evidence that significant harm to a consumer has occurred,

431 the regulatory relief office may immediately remove the sandbox participant from the
432 regulatory sandbox.

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

437 (i) incidents of harm to consumers;

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

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

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

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

452 Section 8. **Repealer.**

453 This bill repeals:

454 Section 13-55-101, Title.

455 Section 13-55-102, Definitions.

456 Section 13-55-103, Regulatory Sandbox Program -- Application requirements.

457 Section 13-55-104, Scope of the regulatory sandbox.

458 Section 13-55-105, Consumer protection for regulatory sandbox.

459 Section 13-55-106, Requirements for exiting regulatory sandbox.

460 Section 13-55-107, Extensions.

461 Section 13-55-108, Record keeping and reporting requirements.

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