

SENATE BILL NO. 3

102ND GENERAL ASSEMBLY

INTRODUCED BY SENATOR HOSKINS.

0363S.01I

KRISTINA MARTIN, Secretary

AN ACT

To amend chapter 620, RSMo, by adding thereto seven new sections relating to exemptions from certain regulations for the purposes of economic development.

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

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

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

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

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

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

17 division of professional registration and its boards,
18 commissions, committees and offices;

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

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

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

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

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

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

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

37 (a) Tangible personal property; and

38 (b) The result of a production process;

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

45 (11) "Regulatory relief office", the office
46 responsible for administering the sandbox program within the
47 department;

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

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

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

59 (15) "Service", any commercial activity, duty, or
60 labor performed for another person or business. "Service"
61 shall not include a product or service when its use would
62 impact rates, statutorily authorized service areas, or
63 system safety or reliability of an electrical corporation or
64 gas corporation, as defined in section 386.020, as
65 determined by the public service commission, or of any rural
66 electric cooperative organized or operating under the
67 provisions of chapter 394, or to any corporation organized
68 on a nonprofit or a cooperative basis as described in
69 subsection 1 of section 394.200, or to any electrical
70 corporation operating under a cooperative business plan as
71 described in subsection 2 of section 393.110.

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

7 2. The regulatory relief office shall:

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

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

14 (3) Consult with each applicable agency; and

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

22 3. The regulatory relief office shall:

23 (1) Review state laws and regulations that may
24 unnecessarily inhibit the creation and success of new
25 companies or industries and provide recommendations to the
26 governor and the general assembly on modifying or repealing
27 such state laws and regulations;

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

33 (3) Propose and enter into reciprocity agreements
34 between states that use or are proposing to use similar
35 regulatory sandbox programs as described in sections
36 620.3900 to 620.3930, provided that such reciprocity
37 agreement is supported by a two-thirds majority vote of the
38 advisory committee and the regulatory relief office is

39 directed by an order of the governor to pursue such
40 reciprocity agreement;

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

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

46 (6) In accordance with the provisions of chapter 536
47 and the provisions of sections 620.3900 to 620.3930, make
48 rules regarding the administration of the sandbox program,
49 including making rules regarding the application process and
50 the reporting requirements of sandbox participants. Any
51 rule or portion of a rule, as that term is defined in
52 section 536.010, that is created under the authority
53 delegated in this section shall become effective only if it
54 complies with and is subject to all of the provisions of
55 chapter 536 and, if applicable, section 536.028. This
56 section and chapter 536 are nonseverable, and if any of the
57 powers vested with the general assembly pursuant to chapter
58 536 to review, to delay the effective date, or to disapprove
59 and annul a rule are subsequently held unconstitutional,
60 then the grant of rulemaking authority and any rule proposed
61 or adopted after August 28, 2023, shall be invalid and void.

62 4. (1) The regulatory relief office shall create and
63 maintain on the department's website a web page that invites
64 residents and businesses in the state to make suggestions
65 regarding laws and regulations that could be modified or
66 eliminated to reduce the regulatory burden on residents and
67 businesses in the state.

68 (2) On at least a quarterly basis, the regulatory
69 relief office shall compile the relevant suggestions from
70 the web page created pursuant to subdivision (1) of this

71 subsection and provide a written report to the governor and
72 the general assembly.

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

75 (a) Shall provide the identity of residents and
76 businesses that make suggestions on the web page if those
77 residents and businesses wish to comment publicly, and shall
78 ensure that the private information of residents and
79 businesses that make suggestions on the web page is not made
80 public if they do not wish to comment publicly; and

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

86 5. (1) By October first of each year, the department
87 shall submit an annual report to the governor, the general
88 assembly, and to each state agency which shall include:

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

93 (b) The anticipated or actual benefit to consumers
94 created by each demonstration in the sandbox program;

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

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

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

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

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

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

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

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

9 (4) A member of the public to be appointed by the
10 governor;

11 (5) A member of the public or of an institution of
12 higher education, to be appointed by the governor;

13 (6) A member of an institution of higher education, to
14 be appointed by the director of the department of higher
15 education and workforce development;

16 (7) Two members of the house of representatives, one
17 to be appointed by the speaker of the house of
18 representatives and one to be appointed by the minority
19 leader of the house of representatives;

20 (8) Two members of the senate, one to be appointed by
21 the president pro tempore of the senate and one to be
22 appointed by the minority leader of the senate; and

23 (9) An employee of the office of public counsel, to be
24 appointed by the public counsel.

25 2. (1) Advisory committee members shall be appointed
26 to a four-year term. Members who cease holding elective

27 office shall be replaced by the speaker or minority leader
28 of the house of representatives or the president pro tempore
29 or minority floor leader of the senate, as applicable. The
30 sandbox program director may establish the terms of initial
31 appointments so that approximately half of the advisory
32 committee is appointed every two years.

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

36 (3) No appointee of the governor, speaker of the house
37 of representatives, or president pro tempore of the senate
38 may serve more than two complete terms.

39 3. A majority of the advisory committee shall
40 constitute a quorum for the purpose of conducting business,
41 and the action of a majority of a quorum shall constitute
42 the action of the advisory committee, except as provided in
43 subsection 4 of this section.

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

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

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

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

62 8. Meetings of the advisory committee shall be
63 considered public meetings for the purposes of chapter 610.
64 However, a meeting of the committee shall be a closed
65 meeting if the purpose of the meeting is to discuss an
66 application for participation in the regulatory sandbox and
67 failing to hold a closed meeting would reveal information
68 that constitutes proprietary or confidential trade secrets.
69 Upon approval by a majority vote by members of the advisory
70 committee, the advisory committee shall be allowed to
71 conduct remote meetings, and individual members shall be
72 allowed to attend meetings remotely. The advisory committee
73 shall provide the public the ability to view any such remote
74 meetings.

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

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

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

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

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

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

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

22 (b) Each law or regulation that the applicant seeks to
23 have waived or suspended while participating in the sandbox
24 program;

25 (c) How the innovative offering would benefit
26 consumers;

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

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

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

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

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

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

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

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

47 2. An applicant shall remit to the regulatory relief
48 office an application fee of three hundred dollars per
49 application for each innovative offering. Such application
50 fees shall be used by the regulatory relief office solely
51 for the purpose of implementing the provisions of sections
52 620.3900 to 620.3930.

53 3. An applicant shall file a separate application for
54 each innovative offering that the applicant wishes to
55 demonstrate.

56 4. An applicant for the sandbox program may contact
57 the regulatory relief office to request a consultation
58 regarding the sandbox program before submitting an
59 application. The regulatory relief office may provide
60 assistance to an applicant in preparing an application for
61 submission.

62 5. (1) After an application is filed, the regulatory
63 relief office shall:

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

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

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

72 (a) Review the application and refer the application
73 to each applicable agency that regulates the applicant's
74 business; and

75 (b) Provide to the applicant:

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

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

80 (3) No later than forty-five days after the day on
81 which an applicable agency receives a completed application
82 for review, the applicable agency shall provide a written
83 report to the sandbox program director with the applicable
84 agency's findings. Such report shall:

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

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

92 (4) An applicable agency may request an additional ten
93 business days to deliver the written report required by
94 subdivision (3) of this subsection by providing notice to
95 the sandbox program director, which request shall
96 automatically be granted. An applicable agency may request
97 only one extension per application. The sandbox program
98 director may also provide an additional extension to the
99 applicable agency for cause.

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

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

115 (7) If an applicable agency fails to deliver the
116 written report required by subdivision (3) of this
117 subsection, the sandbox program director shall provide a
118 final notice to the applicable agency for delivery of the
119 written report. If the report is not delivered within five
120 days of such final notice, the sandbox program director
121 shall assume that the applicable agency does not object to
122 the temporary waiver or suspension of the relevant laws or
123 regulations for an applicant seeking to participate in the
124 sandbox program.

125 6. (1) Notwithstanding any provision of this section
126 to the contrary, an applicable agency may, by written notice
127 to the regulatory relief office:

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

136 a. Required by federal rule or regulation; or
137 b. Previously approved for use by a federal agency; or

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

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

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

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

153 7. (1) The sandbox program director shall provide all
154 applications and associated written reports to the advisory
155 committee upon receiving a written report from an applicable
156 agency.

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

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

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

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

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

174 (2) The applicable agency has previously investigated,
175 sanctioned, or pursued legal action against the applicant.

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

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

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

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

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

193 10. An applicant shall become a sandbox participant if
194 the regulatory relief office approves the application for
195 the sandbox program and enters into a written agreement with
196 the applicant describing the specific laws and regulations
197 that are waived or suspended as part of participation in the
198 sandbox program. Notwithstanding any other provision of
199 this section to the contrary, the regulatory relief office
200 shall not enter into a written agreement with an applicant
201 that exempts the applicant from any income, property, or
202 sales tax liability unless such applicant otherwise
203 qualifies for an exemption from such tax.

204 11. (1) The sandbox program director may deny at his
205 or her sole discretion any application submitted under this
206 section for any reason, including if the sandbox program
207 director determines that the preponderance of evidence
208 demonstrates that suspending or waiving enforcement of a law
209 or regulation would cause significant risk of harm to
210 consumers or residents of the state.

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

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

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

228 (5) The sandbox program director shall deny an
229 application for participation in the sandbox program if the
230 applicant or any person who seeks to participate with the
231 applicant in demonstrating an innovative offering has been
232 convicted, entered into a plea of nolo contendere, or
233 entered a plea of guilty or nolo contendere held in
234 abeyance, for any crime involving significant theft, fraud,
235 or dishonesty if the crime bears a significant relationship

236 to the applicant's or other participant's ability to safely
237 and competently participate in the sandbox program.

238 12. When an applicant is approved for participation in
239 the sandbox program, the sandbox program director may
240 provide notice of the approval to competitors of the
241 applicant and to the general public.

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

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

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

14 3. Nothing in sections 620.3900 to 620.3930 shall
15 restrict a sandbox participant that holds a license or other
16 authorization in another jurisdiction from acting in
17 accordance with such license or other authorization in that
18 jurisdiction.

19 4. A sandbox participant shall be deemed to possess an
20 appropriate license or other authorization under the laws of

21 this state for the purposes of any provision of federal law
22 requiring licensure or other authorization by the state.

23 5. (1) During the demonstration period, a sandbox
24 participant shall not be subject to the enforcement of state
25 laws or regulations identified in the written agreement
26 between the regulatory relief office and the sandbox
27 participant.

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

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

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

44 7. By written notice, the regulatory relief office may
45 end a sandbox participant's participation in the sandbox
46 program at any time and for any reason, including if the
47 sandbox program director determines that a sandbox
48 participant is not operating in good faith to bring an
49 innovative offering to market; provided, however, that the
50 sandbox program director's decision may be overridden by an
51 affirmative vote of a two-thirds majority of the members of
52 the advisory committee.

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

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

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

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

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

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

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

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

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

23 (6) A statement that the provider of the innovative
24 offering is not immune from criminal prosecution for

25 violations of state law or regulations that are not
26 suspended or waived as allowed within the sandbox program;

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

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

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

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

42 3. The regulatory relief office may require that a
43 sandbox participant make additional disclosures to a
44 consumer.

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

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

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

11 2. If the regulatory relief office does not receive
12 notification as required by subsection 1 of this section,

13 the demonstration period shall end at the end of the twenty-
14 four-month demonstration period.

15 3. If a demonstration includes an innovative offering
16 that requires ongoing services or duties beyond the twenty-
17 four-month demonstration period, the sandbox participant may
18 continue to demonstrate the innovative offering but shall be
19 subject to enforcement of the laws or regulations that were
20 waived or suspended as part of the sandbox program.

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

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

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

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

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

41 (2) The regulatory relief office may request relevant
42 records, documents, and data from a sandbox participant,
43 and, upon the regulatory relief office's request, the
44 sandbox participant shall make such records, documents, and

45 data available for inspection by the regulatory relief
46 office.

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

53 7. The regulatory relief office shall establish
54 quarterly reporting requirements for each sandbox
55 participant, including information about any consumer
56 complaints.

57 8. (1) The sandbox participant shall notify the
58 regulatory relief office and each applicable agency of any
59 incidents that result in harm to the health, safety, or
60 financial well-being of a consumer. The parameters for such
61 incidents that shall be reported shall be laid out in the
62 written agreement between the applicant and the regulatory
63 relief office. Any incident reports shall be publicly
64 available on the regulatory sandbox webpage provided,
65 however, that any information contained in such reports that
66 constitutes proprietary or confidential trade secrets shall
67 not be subject to disclosure pursuant to chapter 610.

68 (2) If a sandbox participant fails to notify the
69 regulatory relief office and each applicable agency of any
70 incidents required to be reported, or the regulatory relief
71 office or an applicable agency has evidence that significant
72 harm to a consumer has occurred, the regulatory relief
73 office may immediately remove the sandbox participant from
74 the sandbox program.

75 9. No later than thirty days after the day on which a
76 sandbox participant exits the sandbox program, the sandbox

77 participant shall submit a written report to the regulatory
78 relief office and each applicable agency describing an
79 overview of the sandbox participant's demonstration.

80 Failure to submit such a report shall result in the sandbox
81 participant and any entity that later employs a member of
82 the leadership team of the sandbox participant being
83 prohibited from future participation in the sandbox
84 program. Such report shall include any:

85 (1) Incidents of harm to consumers;

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

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

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

98 10. No later than thirty days after the day on which
99 an applicable agency receives the quarterly report required
100 by subsection 7 of this section or a written report from a
101 sandbox participant as required by subsection 9 of this
102 section, the applicable agency shall provide a written
103 report to the regulatory relief office on the demonstration,
104 which describes any statutory or regulatory reform the
105 applicable agency recommends as a result of the
106 demonstration.

107 11. The regulatory relief office may remove a sandbox
108 participant from the sandbox program at any time if the
109 regulatory relief office determines that a sandbox
110 participant has engaged in, is engaging in, or is about to
111 engage in any practice or transaction that is in violation
112 of sections 620.3900 to 620.3930 or that constitutes a
113 violation of a law or regulation for which suspension or
114 waiver has not been granted pursuant to the sandbox
115 program. Information on any removal of a sandbox
116 participant for engaging in any practice or transaction that
117 constitutes a violation of law or regulation for which
118 suspension or waiver has not been granted pursuant to the
119 sandbox program shall be made publicly available on the
120 regulatory sandbox webpage provided, however, that any
121 information that constitutes proprietary or confidential
122 trade secrets shall not be subject to disclosure pursuant to
123 chapter 610.

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