

HOUSE BILL No. 1165

DIGEST OF INTRODUCED BILL

Citations Affected: IC 5-35; IC 5-36; IC 23-0.5-9-1.

Synopsis: Regulatory sandbox program and right to start act. Establishes a regulatory sandbox program. Creates the regulatory relief office within the Indiana economic development corporation. Creates, and establishes duties for, an advisory council within the regulatory sandbox program. Directs that the secretary of commerce, who serves as executive director of the regulatory relief office, to prepare an annual report on the activities of the regulatory relief office. Provides for regulatory sandbox program application requirements and describes the scope of the regulatory sandbox program. Makes consumer protection provisions. Describes requirements for exiting the regulatory sandbox program and for extensions to remain in the regulatory sandbox program. Makes record keeping and reporting requirements. Provides requirements for the creation and maintenance of a regulatory relief office web page. Establishes a right to start act. Requires the secretary of state, the department of administration, and the department of workforce development to annually file reports with the general assembly. Requires the state to encourage 5% of the total number of state contracts to be awarded to businesses that have been in operation for fewer than five years and whose principal place of business is in Indiana. Requires the state to encourage 5% of workforce development funding, including funding allocated by workforce development boards across Indiana, to be used to support organizations or programs for individuals starting new businesses or to those organizations or programs that provide services to businesses established within the previous five years and whose principal place of business is located within Indiana. Beginning July 1, 2025, requires the secretary of state to eliminate the fees for filing the articles of incorporation of a domestic business corporation. Repeals the provision requiring the secretary of state to collect those fees.

Effective: July 1, 2024; July 1, 2025.

Teshka, Miller D

January 8, 2024, read first time and referred to Committee on Government and Regulatory Reform.



Second Regular Session of the 123rd General Assembly (2024)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2023 Regular Session of the General Assembly.

HOUSE BILL No. 1165

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 5-35 IS ADDED TO THE INDIANA CODE AS A
2 **NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,**
3 **2024]:**

4 **ARTICLE 35. REGULATORY SANDBOX PROGRAM**

5 **Chapter 1. Definitions**

6 **Sec. 1. The definitions in this chapter apply throughout this**
7 **article.**

8 **Sec. 2. "Advisory council" means the regulatory sandbox**
9 **program advisory council established by IC 5-35-3-1.**

10 **Sec. 3. "Applicable agency" means a department or agency of**
11 **the state that by law regulates a business activity and persons**
12 **engaged in such business activity, including the issuance of licenses**
13 **or other types of authorization, which the corporation determines**
14 **would otherwise regulate a sandbox participant.**

15 **Sec. 4. "Applicant" means a person that applies to participate**
16 **in the regulatory sandbox program.**

17 **Sec. 5. "Consumer" means a person that purchases or otherwise**



1 enters into a transaction or agreement to receive an offering
2 pursuant to a demonstration by a sandbox participant.

3 Sec. 6. "Corporation" means the Indiana economic development
4 corporation established by IC 5-28-3-1.

5 Sec. 7. "Demonstrate" or "demonstration" means to
6 temporarily provide an offering in accordance with the provisions
7 of the regulatory sandbox program described in this article.

8 Sec. 8. "Executive director" means the secretary of commerce
9 appointed under IC 5-28-3-4.

10 Sec. 9. "Innovation" means the use or incorporation of a new
11 idea, a new or emerging technology, or a new use of existing
12 technology to address a problem, provide a benefit, or otherwise
13 offer a product, production method, or service.

14 Sec. 10. "Innovative offering" means an offering that includes
15 an innovation.

16 Sec. 11. "Person" means an individual, a proprietorship, a
17 partnership, a joint venture, a firm, an association, a corporation,
18 or other legal entity.

19 Sec. 12. "Product" means a commercially distributed good that
20 is:

- 21 (1) tangible personal property;
- 22 (2) the result of a production process; and
- 23 (3) passed through the distribution channel before
24 consumption.

25 Sec. 13. "Production" means the method or process of creating
26 or obtaining a good, which may include assembling, breeding,
27 capturing, collecting, extracting, fabricating, farming, fishing,
28 gathering, growing, harvesting, hunting, manufacturing, mining,
29 processing, raising, or trapping a good.

30 Sec. 14. "Regulatory relief office" means the regulatory relief
31 office established by IC 5-35-2-1.

32 Sec. 15. "Regulatory sandbox program" means the regulatory
33 sandbox program established by IC 5-35-5-1, which allows a
34 person to temporarily demonstrate an offering under a waiver or
35 suspension of one (1) or more state laws or regulations.

36 Sec. 16. "Sandbox participant" means a person whose
37 application to participate in the regulatory sandbox program is
38 approved in accordance with the provisions of this article.

39 Sec. 17. "Service" means any commercial activity, duty, or
40 labor performed for another person.

41 Chapter 2. Creation of Regulatory Relief Office

42 Sec. 1. The regulatory relief office is established within the



- 1 corporation.
- 2 **Sec. 2. The regulatory relief office shall be administered by an**
- 3 **executive director.**
- 4 **Sec. 3. The regulatory relief office shall:**
- 5 (1) administer the provisions of this article;
- 6 (2) administer the regulatory sandbox program; and
- 7 (3) act as a liaison between businesses and applicable agencies
- 8 to identify state laws or regulations that could potentially be
- 9 waived or suspended under the regulatory sandbox program.
- 10 **Sec. 4. The regulatory relief office may:**
- 11 (1) review state laws and regulations that may unnecessarily
- 12 inhibit the creation and success of new companies or
- 13 industries and provide recommendations to the general
- 14 assembly on modifying such state laws and regulations;
- 15 (2) create a framework for analyzing the risk level to the
- 16 health, safety, and financial well-being of consumers related
- 17 to permanently removing or temporarily waiving laws and
- 18 regulations inhibiting the creation or success of new and
- 19 existing companies or industries;
- 20 (3) propose potential reciprocity agreements between states
- 21 that use or are proposing to use similar regulatory sandbox
- 22 programs as described in this article; and
- 23 (4) make rules necessary to:
- 24 (A) administer the regulatory sandbox program, including
- 25 making rules regarding the application process and the
- 26 reporting requirements of sandbox participants; and
- 27 (B) cooperate and consult with other agencies in the state
- 28 that administer sandbox programs.
- 29 **Chapter 3. Creation and Duties of Advisory Council**
- 30 **Sec. 1. The regulatory sandbox program advisory council is**
- 31 **established as a continuing advisory council under the executive**
- 32 **branch of state government.**
- 33 **Sec. 2. The advisory council consists of eleven (11) members**
- 34 **appointed as follows:**
- 35 (1) Six (6) members appointed by the executive director who
- 36 represent business interests and are selected from a variety of
- 37 industry clusters.
- 38 (2) Three (3) members appointed by the executive director
- 39 who represent state agencies that regulate businesses.
- 40 (3) One (1) member of the senate, appointed by the president
- 41 pro tempore of the senate.
- 42 (4) One (1) member of the house of representatives, appointed



- 1 by the speaker of the house of representatives.
- 2 **Sec. 3. (a) Subject to subsection (c), members of the advisory**
- 3 **council who are not legislators shall be appointed to a four (4) year**
- 4 **term ending on June 30.**
- 5 **(b) The term of a member of the advisory council who is a**
- 6 **member of the general assembly expires June 30 of an**
- 7 **odd-numbered year.**
- 8 **(c) Notwithstanding the requirements of subsection (a), the**
- 9 **executive director may adjust the length of terms of appointments**
- 10 **and reappointments to the advisory council so that approximately**
- 11 **half of the advisory council is appointed every two (2) years.**
- 12 **(d) A vacancy on the advisory council shall be filled by the**
- 13 **original appointing authority.**
- 14 **Sec. 4. The executive director shall select a chair of the advisory**
- 15 **council on an annual basis. The advisory council shall meet at the**
- 16 **call of the chair. The chair serves at the will of the executive**
- 17 **director.**
- 18 **Sec. 5. A majority of the advisory council constitutes a quorum**
- 19 **for the purpose of conducting advisory council business, and the**
- 20 **action of the majority of a quorum constitutes the action of the**
- 21 **advisory council.**
- 22 **Sec. 6. The advisory council shall advise and make**
- 23 **recommendations to the regulatory relief office.**
- 24 **Sec. 7. The regulatory relief office shall provide administrative**
- 25 **staff support for the advisory council. The expenses of the advisory**
- 26 **council shall be paid by the corporation. However, per diem,**
- 27 **mileage, and travel allowances paid to members of the advisory**
- 28 **council who are members of the general assembly shall be paid**
- 29 **from appropriations made to the legislative council or the**
- 30 **legislative services agency.**
- 31 **Sec. 8. (a) Members of the advisory council who are not**
- 32 **legislators may not receive compensation or benefits for their**
- 33 **service, but a member appointed under section 2(1) of this chapter**
- 34 **may receive per diem and travel expenses.**
- 35 **(b) Compensation and expenses of members of the advisory**
- 36 **council who are legislators are governed by IC 2-3-1.**
- 37 **Chapter 4. Annual Report**
- 38 **Sec. 1. The executive director shall prepare an annual report**
- 39 **that includes a written report on the activities of the regulatory**
- 40 **relief office that includes:**
- 41 **(1) information regarding each sandbox participant, including**
- 42 **which industries each participant represents and the**



1 anticipated or actual cost savings that each participant
2 experienced;

3 (2) recommendations regarding any laws or regulations that
4 should be permanently modified;

5 (3) information regarding outcomes for consumers; and

6 (4) recommendations for changes to the regulatory sandbox
7 program or other duties of the regulatory relief office.

8 Sec. 2. Not later than October 1 of each year, the executive
9 director shall submit the annual report to the general assembly in
10 an electronic format under IC 5-14-6.

11 Chapter 5. Regulatory Sandbox Program and Application
12 Requirements

13 Sec. 1. The regulatory sandbox program is established within
14 the corporation.

15 Sec. 2. In administering the regulatory sandbox program, the
16 regulatory relief office:

17 (1) shall consult with each applicable agency;

18 (2) shall establish a program to enable a person to obtain legal
19 protections and limited access to the market in Indiana to
20 demonstrate an innovative offering without obtaining a
21 license or other authorization that might otherwise be
22 required;

23 (3) may enter into agreements with or adopt the best practices
24 of corresponding federal regulatory agencies or other states
25 that are administering similar programs; and

26 (4) may consult with businesses in Indiana about existing or
27 potential proposals for the regulatory sandbox program.

28 Sec. 3. (a) An applicant for the regulatory sandbox program
29 may contact the regulatory relief office to request a consultation
30 regarding the regulatory sandbox program before submitting an
31 application.

32 (b) The regulatory relief office may provide assistance to an
33 applicant in preparing an application for submission.

34 Sec. 4. An applicant for the regulatory sandbox program shall
35 provide to the regulatory relief office an application in a form
36 prescribed by the regulatory relief office that:

37 (1) confirms the applicant is subject to the jurisdiction of the
38 state;

39 (2) confirms the applicant has established a physical or virtual
40 location in Indiana, from which the demonstration of an
41 innovative offering will be developed and performed and
42 where all required records, documents, and data will be



- 1 maintained;
- 2 (3) contains relevant personal and contact information for the
- 3 applicant, including legal names, addresses, telephone
- 4 numbers, electronic mail addresses, website addresses, and
- 5 other information required by the regulatory relief office;
- 6 (4) discloses criminal convictions of the applicant or other
- 7 participating personnel, if any;
- 8 (5) contains a description of the innovative offering to be
- 9 demonstrated, including statements regarding:
- 10 (A) how the offering is subject to licensing, legal
- 11 prohibition, or other authorization requirements, including
- 12 any application of federal laws and regulations, outside of
- 13 the regulatory sandbox program;
- 14 (B) each law or regulation that the applicant seeks to have
- 15 waived or suspended while participating in the regulatory
- 16 sandbox program;
- 17 (C) how the offering would benefit consumers;
- 18 (D) how the offering is different from other offerings
- 19 available in Indiana;
- 20 (E) what risks might exist for consumers who use or
- 21 purchase the offering;
- 22 (F) how participating in the regulatory sandbox program
- 23 would enable a successful demonstration of the offering;
- 24 (G) a description of the proposed demonstration plan,
- 25 including estimated time periods for beginning and ending
- 26 the demonstration;
- 27 (H) recognition that the applicant will be subject to all laws
- 28 and regulations pertaining to the applicant's offering after
- 29 conclusion of the demonstration; and
- 30 (I) how the applicant will end the demonstration and
- 31 protect consumers if the demonstration fails;
- 32 (6) lists each applicable agency, if any, that the applicant
- 33 knows regulates the applicant's business; and
- 34 (7) provides any other required information as determined by
- 35 the regulatory relief office.
- 36 **Sec. 5.** The regulatory relief office may collect an application fee
- 37 from an applicant.
- 38 **Sec. 6.** An applicant shall file a separate application for each
- 39 innovative offering that the applicant wishes to demonstrate.
- 40 **Sec. 7.** After an application is filed the regulatory relief office
- 41 shall:
- 42 (1) classify the application and any related information



1 provided by the applicant as a protected record;

2 (2) consult with each applicable agency that regulates the
3 applicant's business regarding whether more information is
4 needed from the applicant; and

5 (3) seek additional information from the applicant that the
6 regulatory relief office determines is necessary.

7 **Sec. 8. Not later than five (5) business days after the day on**
8 **which a complete application is received by the regulatory relief**
9 **office, the regulatory relief office shall:**

10 (1) review the application and refer the application to each
11 applicable agency that regulates the applicant's business; and

12 (2) provide to the applicant:

13 (A) an acknowledgment of receipt of the application; and

14 (B) the identity and contact information of each applicable
15 agency to which the application has been referred for
16 review.

17 **Sec. 9. (a) Subject to subsections (c) and (g), not later than thirty**
18 **(30) days after the day on which an applicable agency receives a**
19 **complete application for review, the applicable agency shall**
20 **provide a written report to the executive director of the applicable**
21 **agency's findings.**

22 (b) The report must:

23 (1) describe any identifiable, likely, and significant harm to
24 the health, safety, or financial well-being of consumers that
25 the relevant law or regulation protects against; and

26 (2) make a recommendation to the regulatory relief office that
27 the applicant either be admitted or denied entrance into the
28 regulatory relief sandbox.

29 (c) The applicable agency may request an additional five (5)
30 business days to deliver the written report by providing notice to
31 the executive director, and the request shall automatically be
32 granted. The applicable agency may request only one (1) extension
33 per application.

34 (d) If the applicable agency recommends an applicant under this
35 section be denied entrance into the regulatory sandbox program,
36 the written report shall include a description of the reasons for the
37 recommendation, including why a temporary waiver or suspension
38 of the relevant laws or regulations would potentially significantly
39 harm the health, safety, or financial well-being of consumers and
40 the likelihood of such harm occurring.

41 (e) If the applicable agency determines that the health, safety,
42 or financial well-being of consumers can be protected through less



1 restrictive means than the existing relevant laws or regulations, the
 2 applicable agency shall provide a recommendation of how that can
 3 be achieved.

4 (f) If an applicable agency fails to deliver a written report as
 5 described in this section, the executive director shall assume that
 6 the applicable agency does not object to the temporary waiver or
 7 suspension of the relevant laws or regulations for an applicant
 8 seeking to participate in the regulatory sandbox program.

9 (g) Notwithstanding any other provision of this section, an
 10 applicable agency may by written notice to the regulatory relief
 11 office:

12 (1) within thirty (30) days after the day on which the
 13 applicable agency receives a complete application for review,
 14 or within thirty-five (35) days if an extension has been
 15 requested by the applicable agency, reject an application if
 16 the applicable agency determines, in the applicable agency's
 17 sole discretion, that the applicant's offering fails to comply
 18 with standards or specifications:

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

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

21 (2) reject an application preliminarily approved by the
 22 regulatory relief office if the applicable agency:

23 (A) recommended rejection of the application in
 24 accordance with subsection (d) in the agency's written
 25 report; and

26 (B) provides in the written notice under this subsection a
 27 description of the applicable agency's reasons why
 28 approval of the application would create a substantial risk
 29 of harm to the health, safety, or financial well-being of
 30 consumers, or create unreasonable expenses for taxpayers
 31 in Indiana.

32 (h) If an applicable agency rejects an application under
 33 subsection (g), the regulatory relief office may not approve the
 34 application.

35 Sec. 10. (a) Upon receiving a written report described in section
 36 9 of this chapter, the executive director shall provide the
 37 application and each written report to the advisory council.

38 (b) The executive director may call the advisory council to meet
 39 as needed, but not less than once per quarter if applications are
 40 available for review.

41 (c) After receiving and reviewing the application and each
 42 written report, the advisory council shall provide to the executive



1 director the advisory council's recommendation as to whether or
2 not the applicant should be admitted as a sandbox participant.

3 (d) As part of the advisory council's review of each written
4 report, the advisory council shall use the criteria required for an
5 applicable agency as described in section 9 of this chapter.

6 Sec. 11. (a) In reviewing an application and each applicable
7 agency's written report, the regulatory relief office shall consult
8 with each applicable agency and the advisory council before
9 admitting an applicant to the regulatory sandbox program.

10 (b) The consultation with each applicable agency and the
11 consultation with the advisory council may include seeking
12 information about whether:

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

15 (2) the applicable agency has previously investigated,
16 sanctioned, or pursued legal action against the applicant.

17 Sec. 12. In reviewing an application under this chapter, the
18 regulatory relief office and applicable agency shall consider
19 whether a competitor of the applicant is or has been a sandbox
20 participant and, if so, weigh that as a factor in favor of allowing the
21 applicant to also become a sandbox participant.

22 Sec. 13. In reviewing an application under this chapter, the
23 regulatory relief office shall consider whether:

24 (1) the applicant's plan will adequately protect consumers
25 from potential harm identified by an applicable agency in the
26 applicable agency's written report;

27 (2) the risk of harm to consumers is outweighed by the
28 potential benefits to consumers from the applicant's
29 participation in the regulatory sandbox program; and

30 (3) certain state laws or regulations that regulate an offering
31 should not be waived or suspended even if the applicant is
32 admitted as a sandbox participant, including applicable
33 antifraud or disclosure provisions.

34 Sec. 14. (a) An applicant becomes a sandbox participant if the
35 regulatory relief office approves the application for the regulatory
36 sandbox program and enters into a written agreement with the
37 applicant describing the specific laws and regulations that are
38 waived or suspended as part of participation in the regulatory
39 sandbox program.

40 (b) Notwithstanding any other provision of this article, the
41 regulatory relief office may not enter into a written agreement with
42 an applicant that waives or suspends a tax, fee, or charge governed



1 by the Indiana tax code under IC 6.

2 **Sec. 15. (a)** The executive director may deny, at the executive
3 director's sole discretion, any application submitted under this
4 chapter for any reason, including if the executive director
5 determines that the preponderance of evidence demonstrates that
6 suspending or waiving enforcement of a law or regulation would
7 cause a significant risk of harm to consumers or residents of
8 Indiana.

9 **(b)** If the executive director denies an application submitted
10 under this chapter, the regulatory relief office shall provide to the
11 applicant a written description of the reasons for not allowing the
12 applicant to be a sandbox participant.

13 **(c)** The denial of an application submitted under this chapter is
14 not subject to:

- 15 (1) agency or judicial review; or
16 (2) the provisions under IC 4-21.5.

17 **Sec. 16.** The executive director shall deny an application for
18 participation in the regulatory sandbox program described by this
19 article if the applicant, or any person who seeks to participate with
20 the applicant in demonstrating an offering, has been convicted,
21 entered a plea of nolo contendere, or entered a plea of guilty or
22 nolo contendere held in abeyance for any crime involving
23 significant theft, fraud, or dishonesty if the crime bears a
24 significant relationship to the applicant's or other participant's
25 ability to safely and competently participate in the regulatory
26 sandbox program.

27 **Sec. 17.** When an applicant is approved for participation in the
28 regulatory sandbox program, the executive director may provide
29 notice of the approval to the competitors of the applicant and to the
30 public.

31 **Chapter 6. Scope of the Regulatory Sandbox Program**

32 **Sec. 1.** If the regulatory relief office approves an application, the
33 sandbox participant has twelve (12) months after the day on which
34 the application is approved to demonstrate the offering described
35 in the sandbox participant's application.

36 **Sec. 2.** An offering that is demonstrated within the regulatory
37 sandbox program is subject to the following:

- 38 (1) Each consumer shall be a resident of Indiana.
39 (2) No law or regulation may be waived or suspended if
40 waiving or suspending the law or regulation would prevent a
41 consumer from seeking restitution in the event that the
42 consumer is harmed.



1 **Sec. 3. This chapter does not restrict a sandbox participant that**
2 **holds a license or other authorization in another jurisdiction from**
3 **acting in accordance with that license or other authorization.**

4 **Sec. 4. A sandbox participant is deemed to possess an**
5 **appropriate license or other authorization under the laws of**
6 **Indiana for the purposes of any provision of federal law requiring**
7 **licensure or other authorization.**

8 **Sec. 5. Subject to section 6 of this chapter:**

9 **(1) during the demonstration period, a sandbox participant is**
10 **not subject to the enforcement of state laws or regulations**
11 **identified in the written agreement between the regulatory**
12 **relief office and the sandbox participant;**

13 **(2) a prosecutor may not file or pursue charges pertaining to**
14 **a law or regulation identified in the written agreement**
15 **between the regulatory relief office and the sandbox**
16 **participant that occurs during the demonstration period; and**

17 **(3) a state agency may not file or pursue any punitive action**
18 **against a sandbox participant, including a fine or licensure**
19 **suspension or revocation, for the violation of a law or**
20 **regulation that:**

21 **(A) is identified as being waived or suspended in the**
22 **written agreement between the regulatory relief office and**
23 **the sandbox participant; and**

24 **(B) occurs during the demonstration period.**

25 **Sec. 6. Notwithstanding any other provision of this article, a**
26 **sandbox participant does not have immunity related to any**
27 **criminal offense not waived or suspended in the written agreement**
28 **between the regulatory relief office and the sandbox participant**
29 **committed during the sandbox participant's participation in the**
30 **regulatory sandbox program.**

31 **Sec. 7. By written notice, the regulatory relief office may end a**
32 **sandbox participant's participation in the regulatory sandbox**
33 **program at any time and for any reason, including if the executive**
34 **director determines that a sandbox participant is not operating in**
35 **good faith to bring an innovative offering to the market.**

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

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

42 **(2) ending a sandbox participant's participation in the**



1 regulatory sandbox program at any time and for any reason.
 2 Chapter 7. Consumer Protection for the Regulatory Sandbox
 3 Program
 4 Sec. 1. Before demonstrating an offering to a consumer, a
 5 sandbox participant shall disclose the following to the consumer:
 6 (1) The name and contact information of the sandbox
 7 participant.
 8 (2) That the offering is authorized pursuant to the regulatory
 9 sandbox program and, if applicable, that the sandbox
 10 participant does not have a license or other authorization to
 11 provide an offering under state laws that regulate offerings
 12 outside of the regulatory sandbox program.
 13 (3) That the offering is undergoing testing and may not
 14 function as intended and may expose the consumer to certain
 15 risks as identified by the applicable agency's written report.
 16 (4) That the provider of the offering is not immune from civil
 17 liability for any losses or damages caused by the offering.
 18 (5) That the provider of the offering is not immune from
 19 criminal prosecution for violations of state laws or regulations
 20 that are not suspended or waived as allowed by the regulatory
 21 sandbox program.
 22 (6) That the offering is a temporary demonstration that may
 23 be discontinued at the end of the demonstration period.
 24 (7) The expected end date of the demonstration period.
 25 (8) That a consumer may contact the regulatory relief office
 26 and file a complaint regarding the offering being
 27 demonstrated. The sandbox participant shall provide the
 28 regulatory relief office's telephone number and website
 29 address where a complaint may be filed.
 30 Sec. 2. The disclosures required by this chapter shall be
 31 provided to a consumer in a clear and conspicuous form and, for
 32 an Internet or application based offering, a consumer shall
 33 acknowledge receipt of the disclosure before any transaction may
 34 be completed.
 35 Sec. 3. The regulatory relief office may require that a sandbox
 36 participant make additional disclosures to a consumer.
 37 Chapter 8. Requirements for Exiting Regulatory Sandbox
 38 Program
 39 Sec. 1. At least thirty (30) days before the end of the twelve (12)
 40 month regulatory sandbox program demonstration period, a
 41 sandbox participant shall:
 42 (1) notify the regulatory relief office that the sandbox



1 participant will exit the regulatory sandbox program and
 2 discontinue the sandbox participant's demonstration after the
 3 day on which the twelve (12) month demonstration period
 4 ends; or

5 (2) seek an extension under IC 5-35-9.

6 **Sec. 2.** Subject to section 3 of this chapter, if the regulatory
 7 relief office does not receive notification as required by section 1 of
 8 this chapter, the regulatory sandbox program demonstration
 9 period ends at the end of the twelve (12) month demonstration
 10 period.

11 **Sec. 3.** If a demonstration includes an offering that requires
 12 ongoing duties, the sandbox participant may continue to perform
 13 those duties but will be subject to enforcement of the laws or
 14 regulations that were waived or suspended as part of the
 15 regulatory sandbox program.

16 **Chapter 9. Extensions**

17 **Sec. 1.** Not later than thirty (30) days before the end of the
 18 twelve (12) month regulatory sandbox program demonstration
 19 period, a sandbox participant may request an extension of the
 20 regulatory sandbox program demonstration period.

21 **Sec. 2.** The regulatory relief office shall grant or deny a request
 22 for an extension in accordance with section 1 of this chapter by the
 23 end of the twelve (12) month regulatory sandbox program
 24 demonstration period.

25 **Sec. 3.** The regulatory relief office may grant an extension in
 26 accordance with this chapter for not more than twelve (12) months
 27 after the end of the regulatory sandbox program demonstration
 28 period.

29 **Chapter 10. Record Keeping and Reporting Requirements**

30 **Sec. 1.** A sandbox participant shall retain records, documents,
 31 and data produced in the ordinary course of business regarding an
 32 offering demonstrated in the regulatory sandbox program.

33 **Sec. 2.** If a sandbox participant ceases to provide an offering
 34 before the end of a demonstration period, the sandbox participant
 35 shall notify the regulatory relief office and each applicable agency
 36 and report on actions taken by the sandbox participant to ensure
 37 consumers have not been harmed as a result.

38 **Sec. 3.** The regulatory relief office shall establish quarterly
 39 reporting requirements for a sandbox participant, including
 40 information about any consumer complaints.

41 **Sec. 4.** The regulatory relief office may request records,
 42 documents, and data from a sandbox participant and, upon the



1 regulatory relief office's request, the sandbox participant shall
 2 make such records, documents, and data available for inspection
 3 by the regulatory relief office.

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

7 **(b)** If a sandbox participant fails to notify the regulatory relief
 8 office and each applicable agency of any incidents as described in
 9 subsection (a), or the regulatory relief office or an applicable
 10 agency has evidence that significant harm to a consumer has
 11 occurred, the regulatory relief office may immediately remove the
 12 sandbox participant from the regulatory sandbox program.

13 **Sec. 6. (a)** Not later than thirty (30) days after the day on which
 14 a sandbox participant exits the regulatory sandbox program, the
 15 sandbox participant shall submit a written report to the regulatory
 16 relief office and each applicable agency describing an overview of
 17 the sandbox participant's demonstration, including any:

18 (1) incidents of harm to consumers;

19 (2) legal actions filed against the sandbox participant as a
 20 result of the participant's demonstration; and

21 (3) complaints filed with an applicable agency as a result of
 22 the sandbox participant's demonstration.

23 **(b)** Not later than thirty (30) days after the day on which an
 24 applicable agency receives the quarterly report required under
 25 section 3 of this chapter, or a written report from a sandbox
 26 participant under subsection (a), the applicable agency shall
 27 provide a written report to the regulatory relief office on the
 28 demonstration that describes any statutory or regulatory reform
 29 the applicable agency recommends as a result of the
 30 demonstration.

31 **Sec. 7.** The regulatory relief office may remove a sandbox
 32 participant from the regulatory sandbox program at any time if
 33 the regulatory relief office determines that a sandbox participant
 34 has engaged in, is engaging in, or is about to engage in any practice
 35 or transaction that is in violation of this article or that constitutes
 36 a violation of a law or regulation for which a suspension or waiver
 37 has not been granted.

38 **Chapter 11. Regulatory Relief Office Web Page**

39 **Sec. 1.** The regulatory relief office shall create and maintain on
 40 the corporation's website a web page that invites residents and
 41 businesses in Indiana to make suggestions regarding laws and
 42 regulations that could be modified or eliminated to reduce the



1 regulatory burden of residents and businesses in Indiana.

2 **Sec. 2.** On at least a quarterly basis, the regulatory relief office
3 shall compile the results of suggestions from the web page and
4 submit a report to the executive director of the legislative services
5 agency that describes the most common suggestions for
6 distribution to the members of the general assembly. The report
7 submitted to the executive director of the legislative services
8 agency must be in an electronic format under IC 5-14-6.

9 **Sec. 3.** In creating the report described in section 2 of this
10 chapter, the regulatory relief office and the advisory council:

11 (1) shall ensure that private information of residents and
12 businesses that make suggestions on the web page is not made
13 public; and

14 (2) may evaluate the suggestions and provide analysis and
15 suggestions regarding which state laws and regulations could
16 be modified or eliminated to reduce the regulatory burden of
17 residents and businesses in Indiana while still protecting
18 consumers.

19 SECTION 2. IC 5-36 IS ADDED TO THE INDIANA CODE AS A
20 NEW ARTICLE TO READ AS FOLLOWS [EFFECTIVE JULY 1,
21 2024]:

22 **ARTICLE 36. RIGHT TO START ACT**

23 **Chapter 1. Tracking of New Businesses**

24 **Sec. 1.** Before December 1, 2024, and before December 1 of each
25 year thereafter, the secretary of state shall file a report in an
26 electronic format under IC 5-14-6 with the general assembly that
27 includes:

28 (1) the number of businesses registered in the state that have
29 been in operation for fewer than five (5) years;

30 (2) the location of the businesses; and

31 (3) whether or not the businesses are minority owned, women
32 owned, or veteran owned.

33 **Chapter 2. Tracking of New Business Contracts**

34 **Sec. 1.** Before December 1, 2024, and before December 1 of each
35 year thereafter, the department of administration shall file a report
36 in an electronic format under IC 5-14-6 with the general assembly
37 that includes:

38 (1) the number and total dollar amount of state contracts
39 awarded to businesses that have been in operation for fewer
40 than five (5) years, the location of the businesses, and whether
41 or not the businesses are minority owned, women owned, or
42 veteran owned;



1 (2) the percentage of the number of state contracts awarded
2 to businesses that have been in operation for fewer than five
3 (5) years compared to the total number of state contracts
4 awarded;

5 (3) the percentage of the total dollar amount of state contracts
6 awarded to businesses that have been in operation for fewer
7 than five (5) years compared to the total dollar amount of
8 state contracts awarded; and

9 (4) a joint report with the Indiana small business development
10 center that makes recommendations on improving access to
11 state contracts for Indiana businesses that have been in
12 operation for fewer than five (5) years, including those
13 businesses in statistically underrepresented demographic
14 segments and geographic areas of Indiana.

15 **Chapter 3. Five Percent to Start; Contracts**

16 **Sec. 1. Beginning July 1, 2025, the state shall encourage five**
17 **percent (5%) of the total number of state contracts to be awarded**
18 **to businesses that have been in operation for fewer than five (5)**
19 **years and whose principal place of business is located within**
20 **Indiana.**

21 **Chapter 4. Tracking of Workforce Development Funding**

22 **Sec. 1. Before December 1, 2024, and before December 1 of each**
23 **year thereafter, the department of workforce development shall**
24 **file a report in an electronic format under IC 5-14-6 with the**
25 **general assembly that includes:**

26 (1) the percentage of workforce development funding,
27 including funding allocated by workforce development boards
28 across Indiana, supporting organizations or programs for
29 individuals starting new businesses or to those organizations
30 or programs that provide services to businesses established
31 within the previous five (5) years and whose principal place of
32 business is located within Indiana; and

33 (2) the total dollar amount of workforce development funding,
34 including funding allocated by workforce development boards
35 across Indiana supporting organizations or programs for
36 individuals starting new businesses or to those organizations
37 or programs that provide services to businesses established
38 within the previous five (5) years and whose principal place of
39 business is located within Indiana.

40 **Chapter 5. Five Percent to Start; Workforce Development**

41 **Sec. 1. Beginning July 1, 2025, the state shall encourage five**
42 **percent (5%) of workforce development funding, including funding**



1 allocated by workforce development boards across Indiana, to be
2 used to support organizations or programs for individuals starting
3 new businesses or to those organizations or programs that provide
4 services to businesses established within the previous five (5) years
5 and whose principal place of business is located within Indiana.

6 **Chapter 6. Reducing Barriers to Start**

7 **Sec. 1. Beginning July 1, 2025, the secretary of state shall**
8 **eliminate the fees for filing the articles of incorporation of a**
9 **domestic business corporation under IC 23-0.5-9-1 (before its**
10 **repeal).**

11 SECTION 3. IC 23-0.5-9-1 IS REPEALED [EFFECTIVE JULY 1,
12 2025]. Sec. 1: The secretary of state shall collect the following fees for
13 filing the articles of incorporation of a domestic business corporation:

14 (1) Seventy-five dollars (\$75) for an electronic filing;

15 (2) One hundred dollars (\$100) for filing in a manner other than
16 electronically.

