

Representative A. Cory Maloy proposes the following substitute bill:

REGULATORY SANDBOX PROGRAM AMENDMENTS

2021 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: A. Cory Maloy

Senate Sponsor: Ann Millner

LONG TITLE

General Description:

This bill creates the Utah Office of Regulatory Relief (regulatory relief office) within the Governor's Office of Economic Development (GOED).

Highlighted Provisions:

This bill:

- ▶ creates the regulatory relief office within GOED;
- ▶ defines terms;
- ▶ describes the duties of the regulatory relief office;
- ▶ creates the General Regulatory Sandbox Program (sandbox program), which allows the office to waive laws or regulations applicable to a participant under certain circumstances;
- ▶ describes how the sandbox program is to be administered by the regulatory relief office;
- ▶ describes reporting and other requirements of the regulatory relief office and participants in the sandbox program;
- ▶ creates the General Regulatory Sandbox Program Advisory Committee (advisory committee);
- ▶ describes the membership and duties of the advisory committee; and



26 ▶ requires the regulatory relief office to create a web page where residents and
27 businesses in the state may provide suggestions regarding modifying or eliminating
28 laws and regulations to reduce the regulatory burden on residents and businesses in
29 the state.

30 **Money Appropriated in this Bill:**

31 None

32 **Other Special Clauses:**

33 None

34 **Utah Code Sections Affected:**

35 AMENDS:

36 **13-55-102**, as enacted by Laws of Utah 2019, Chapter 243

37 **31A-47-102**, as enacted by Laws of Utah 2020, Chapter 141

38 **63G-2-305**, as last amended by Laws of Utah 2020, Chapters 112, 198, 339, 349, 382,
39 and 393

40 ENACTS:

41 **63N-16-101**, Utah Code Annotated 1953

42 **63N-16-102**, Utah Code Annotated 1953

43 **63N-16-103**, Utah Code Annotated 1953

44 **63N-16-104**, Utah Code Annotated 1953

45 **63N-16-105**, Utah Code Annotated 1953

46 **63N-16-201**, Utah Code Annotated 1953

47 **63N-16-202**, Utah Code Annotated 1953

48 **63N-16-203**, Utah Code Annotated 1953

49 **63N-16-204**, Utah Code Annotated 1953

50 **63N-16-205**, Utah Code Annotated 1953

51 **63N-16-206**, Utah Code Annotated 1953

52 **63N-16-301**, Utah Code Annotated 1953

53

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

55 Section 1. Section **13-55-102** is amended to read:

56 **13-55-102. Definitions.**

57 As used in this chapter:

58 (1) "Applicable agency" means a department or agency of the state, including the
59 department and the Department of Financial Institutions, that by law regulates certain types of
60 business activity in the state and persons engaged in such business activity, including the
61 issuance of licenses or other types of authorization, which the department determines would
62 otherwise regulate a sandbox participant.

63 (2) "Applicant" means an individual or entity that is applying to participate in the
64 regulatory sandbox.

65 (3) "Blockchain technology" means the use of a digital database containing records of
66 financial transactions, which can be simultaneously used and shared within a decentralized,
67 publicly accessible network and can record transactions between two parties in a verifiable and
68 permanent way.

69 (4) "Consumer" means a person that purchases or otherwise enters into a transaction or
70 agreement to receive an innovative product or service that is being tested by a sandbox
71 participant.

72 (5) "Department" means the Department of Commerce.

73 (6) (a) "Financial product or service" means:

74 (i) a financial product or financial service that requires state licensure or registration; or

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

79 (b) "Financial product or service" does not include a product or service that is governed
80 by:

81 (i) Title 31A, Insurance Code; or

82 (ii) Title 61, Chapter 1, Utah Uniform Securities Act.

83 (7) "Innovation" means the use or incorporation of a new ~~idea~~ **idea, a new or**
83a emerging technology ~~or a~~ **or a**
84 new use of existing technology, including blockchain technology, to address a problem,
85 provide a benefit, or otherwise offer a product, service, business model, or delivery mechanism
86 ~~[that is not known by the department to have a comparable widespread offering in the state].~~

87 (8) "Innovative product or service" means a financial product or service that includes

88 an innovation.

89 (9) "Regulatory sandbox" means the Regulatory Sandbox Program created by Section
90 13-55-103, which allows a person to temporarily test an innovative product or service on a
91 limited basis without otherwise being licensed or authorized to act under the laws of the state.

92 (10) "Sandbox participant" means a person whose application to participate in the
93 regulatory sandbox is approved in accordance with the provisions of this chapter.

94 (11) "Test" means to provide an innovative product or service in accordance with the
95 provisions of this chapter.

96 Section 2. Section 31A-47-102 is amended to read:

97 **31A-47-102. Definitions.**

98 As used in this chapter:

99 (1) "Applicable agency" means a department or agency of the state, including the
100 department and the Department of Commerce, that by law regulates certain types of
101 insurance-related business activity in the state and persons engaged in such insurance-related
102 business activity, including the issuance of licenses or other types of authorization, which the
103 department determines would otherwise regulate an insurance sandbox participant.

104 (2) "Applicant" means an individual or entity that is applying to participate in the
105 insurance regulatory sandbox.

106 (3) "Blockchain technology" means the use of a digital database containing records of
107 financial transactions, which can be simultaneously used and shared within a decentralized,
108 publicly accessible network and can record transactions between two parties in a verifiable and
109 permanent way.

110 (4) "Consumer" means a person that purchases or otherwise enters into a transaction or
111 agreement to receive an innovative insurance product or service that is being tested by an
112 insurance sandbox participant.

113 (5) "Department" means the Department of Insurance.

114 (6) "Innovation" means the use or incorporation of a new ~~idea~~ **idea, a new or**
114a emerging technology ~~or~~ **,** or a
115 new use of existing technology, including blockchain technology, to address a problem,
116 provide a benefit, or otherwise offer a product, service, business model, or delivery mechanism
117 ~~[that is not known by the department to have a comparable widespread offering in the state].~~

118 (7) "Innovative insurance product or service" means an insurance product or service

119 that includes an innovation.

120 (8) (a) "Insurance product or service" means an insurance product or insurance service
121 that requires state licensure, registration, or other authorization as regulated by Title 31A,
122 Insurance Code, including an insurance product or insurance service that includes a business
123 model, delivery mechanism, or element that requires a license, registration, or other
124 authorization to do an insurance business, act as an insurance producer or consultant, or engage
125 in insurance adjusting as regulated by Title 31A, Insurance Code.

126 (b) "Insurance product or service" does not include a product or service that is
127 governed by Title 61, Chapter 1, Utah Uniform Securities Act.

128 (9) "Insurance regulatory sandbox" means the Insurance Regulatory Sandbox Program
129 created by Section 31A-47-103, which allows a person to temporarily test an innovative
130 insurance product or service on a limited basis without otherwise being licensed or authorized
131 to act under the laws of the state.

132 (10) "Insurance sandbox participant" means a person whose application to participate
133 in the insurance regulatory sandbox is approved in accordance with the provisions of this
134 chapter.

135 (11) "Test" means to provide an innovative insurance product or service in accordance
136 with the provisions of this chapter.

137 Section 3. Section 63G-2-305 is amended to read:

138 **63G-2-305. Protected records.**

139 The following records are protected if properly classified by a governmental entity:

140 (1) trade secrets as defined in Section 13-24-2 if the person submitting the trade secret
141 has provided the governmental entity with the information specified in Section 63G-2-309;

142 (2) commercial information or nonindividual financial information obtained from a
143 person if:

144 (a) disclosure of the information could reasonably be expected to result in unfair
145 competitive injury to the person submitting the information or would impair the ability of the
146 governmental entity to obtain necessary information in the future;

147 (b) the person submitting the information has a greater interest in prohibiting access
148 than the public in obtaining access; and

149 (c) the person submitting the information has provided the governmental entity with

150 the information specified in Section [63G-2-309](#);

151 (3) commercial or financial information acquired or prepared by a governmental entity
152 to the extent that disclosure would lead to financial speculations in currencies, securities, or
153 commodities that will interfere with a planned transaction by the governmental entity or cause
154 substantial financial injury to the governmental entity or state economy;

155 (4) records, the disclosure of which could cause commercial injury to, or confer a
156 competitive advantage upon a potential or actual competitor of, a commercial project entity as
157 defined in Subsection [11-13-103\(4\)](#);

158 (5) test questions and answers to be used in future license, certification, registration,
159 employment, or academic examinations;

160 (6) records, the disclosure of which would impair governmental procurement
161 proceedings or give an unfair advantage to any person proposing to enter into a contract or
162 agreement with a governmental entity, except, subject to Subsections (1) and (2), that this
163 Subsection (6) does not restrict the right of a person to have access to, after the contract or
164 grant has been awarded and signed by all parties:

165 (a) a bid, proposal, application, or other information submitted to or by a governmental
166 entity in response to:

167 (i) an invitation for bids;

168 (ii) a request for proposals;

169 (iii) a request for quotes;

170 (iv) a grant; or

171 (v) other similar document; or

172 (b) an unsolicited proposal, as defined in Section [63G-6a-712](#);

173 (7) information submitted to or by a governmental entity in response to a request for
174 information, except, subject to Subsections (1) and (2), that this Subsection (7) does not restrict
175 the right of a person to have access to the information, after:

176 (a) a contract directly relating to the subject of the request for information has been
177 awarded and signed by all parties; or

178 (b) (i) a final determination is made not to enter into a contract that relates to the
179 subject of the request for information; and

180 (ii) at least two years have passed after the day on which the request for information is

181 issued;

182 (8) records that would identify real property or the appraisal or estimated value of real
183 or personal property, including intellectual property, under consideration for public acquisition
184 before any rights to the property are acquired unless:

185 (a) public interest in obtaining access to the information is greater than or equal to the
186 governmental entity's need to acquire the property on the best terms possible;

187 (b) the information has already been disclosed to persons not employed by or under a
188 duty of confidentiality to the entity;

189 (c) in the case of records that would identify property, potential sellers of the described
190 property have already learned of the governmental entity's plans to acquire the property;

191 (d) in the case of records that would identify the appraisal or estimated value of
192 property, the potential sellers have already learned of the governmental entity's estimated value
193 of the property; or

194 (e) the property under consideration for public acquisition is a single family residence
195 and the governmental entity seeking to acquire the property has initiated negotiations to acquire
196 the property as required under Section [78B-6-505](#);

197 (9) records prepared in contemplation of sale, exchange, lease, rental, or other
198 compensated transaction of real or personal property including intellectual property, which, if
199 disclosed prior to completion of the transaction, would reveal the appraisal or estimated value
200 of the subject property, unless:

201 (a) the public interest in access is greater than or equal to the interests in restricting
202 access, including the governmental entity's interest in maximizing the financial benefit of the
203 transaction; or

204 (b) when prepared by or on behalf of a governmental entity, appraisals or estimates of
205 the value of the subject property have already been disclosed to persons not employed by or
206 under a duty of confidentiality to the entity;

207 (10) records created or maintained for civil, criminal, or administrative enforcement
208 purposes or audit purposes, or for discipline, licensing, certification, or registration purposes, if
209 release of the records:

210 (a) reasonably could be expected to interfere with investigations undertaken for
211 enforcement, discipline, licensing, certification, or registration purposes;

212 (b) reasonably could be expected to interfere with audits, disciplinary, or enforcement
213 proceedings;

214 (c) would create a danger of depriving a person of a right to a fair trial or impartial
215 hearing;

216 (d) reasonably could be expected to disclose the identity of a source who is not
217 generally known outside of government and, in the case of a record compiled in the course of
218 an investigation, disclose information furnished by a source not generally known outside of
219 government if disclosure would compromise the source; or

220 (e) reasonably could be expected to disclose investigative or audit techniques,
221 procedures, policies, or orders not generally known outside of government if disclosure would
222 interfere with enforcement or audit efforts;

223 (11) records the disclosure of which would jeopardize the life or safety of an
224 individual;

225 (12) records the disclosure of which would jeopardize the security of governmental
226 property, governmental programs, or governmental recordkeeping systems from damage, theft,
227 or other appropriation or use contrary to law or public policy;

228 (13) records that, if disclosed, would jeopardize the security or safety of a correctional
229 facility, or records relating to incarceration, treatment, probation, or parole, that would interfere
230 with the control and supervision of an offender's incarceration, treatment, probation, or parole;

231 (14) records that, if disclosed, would reveal recommendations made to the Board of
232 Pardons and Parole by an employee of or contractor for the Department of Corrections, the
233 Board of Pardons and Parole, or the Department of Human Services that are based on the
234 employee's or contractor's supervision, diagnosis, or treatment of any person within the board's
235 jurisdiction;

236 (15) records and audit workpapers that identify audit, collection, and operational
237 procedures and methods used by the State Tax Commission, if disclosure would interfere with
238 audits or collections;

239 (16) records of a governmental audit agency relating to an ongoing or planned audit
240 until the final audit is released;

241 (17) records that are subject to the attorney client privilege;

242 (18) records prepared for or by an attorney, consultant, surety, indemnitor, insurer,

243 employee, or agent of a governmental entity for, or in anticipation of, litigation or a judicial,
244 quasi-judicial, or administrative proceeding;

245 (19) (a) (i) personal files of a state legislator, including personal correspondence to or
246 from a member of the Legislature; and

247 (ii) notwithstanding Subsection (19)(a)(i), correspondence that gives notice of
248 legislative action or policy may not be classified as protected under this section; and

249 (b) (i) an internal communication that is part of the deliberative process in connection
250 with the preparation of legislation between:

251 (A) members of a legislative body;

252 (B) a member of a legislative body and a member of the legislative body's staff; or

253 (C) members of a legislative body's staff; and

254 (ii) notwithstanding Subsection (19)(b)(i), a communication that gives notice of
255 legislative action or policy may not be classified as protected under this section;

256 (20) (a) records in the custody or control of the Office of Legislative Research and
257 General Counsel, that, if disclosed, would reveal a particular legislator's contemplated

258 legislation or contemplated course of action before the legislator has elected to support the
259 legislation or course of action, or made the legislation or course of action public; and

260 (b) notwithstanding Subsection (20)(a), the form to request legislation submitted to the
261 Office of Legislative Research and General Counsel is a public document unless a legislator
262 asks that the records requesting the legislation be maintained as protected records until such
263 time as the legislator elects to make the legislation or course of action public;

264 (21) research requests from legislators to the Office of Legislative Research and
265 General Counsel or the Office of the Legislative Fiscal Analyst and research findings prepared
266 in response to these requests;

267 (22) drafts, unless otherwise classified as public;

268 (23) records concerning a governmental entity's strategy about:

269 (a) collective bargaining; or

270 (b) imminent or pending litigation;

271 (24) records of investigations of loss occurrences and analyses of loss occurrences that
272 may be covered by the Risk Management Fund, the Employers' Reinsurance Fund, the
273 Uninsured Employers' Fund, or similar divisions in other governmental entities;

274 (25) records, other than personnel evaluations, that contain a personal recommendation
275 concerning an individual if disclosure would constitute a clearly unwarranted invasion of
276 personal privacy, or disclosure is not in the public interest;

277 (26) records that reveal the location of historic, prehistoric, paleontological, or
278 biological resources that if known would jeopardize the security of those resources or of
279 valuable historic, scientific, educational, or cultural information;

280 (27) records of independent state agencies if the disclosure of the records would
281 conflict with the fiduciary obligations of the agency;

282 (28) records of an institution within the state system of higher education defined in
283 Section 53B-1-102 regarding tenure evaluations, appointments, applications for admissions,
284 retention decisions, and promotions, which could be properly discussed in a meeting closed in
285 accordance with Title 52, Chapter 4, Open and Public Meetings Act, provided that records of
286 the final decisions about tenure, appointments, retention, promotions, or those students
287 admitted, may not be classified as protected under this section;

288 (29) records of the governor's office, including budget recommendations, legislative
289 proposals, and policy statements, that if disclosed would reveal the governor's contemplated
290 policies or contemplated courses of action before the governor has implemented or rejected
291 those policies or courses of action or made them public;

292 (30) records of the Office of the Legislative Fiscal Analyst relating to budget analysis,
293 revenue estimates, and fiscal notes of proposed legislation before issuance of the final
294 recommendations in these areas;

295 (31) records provided by the United States or by a government entity outside the state
296 that are given to the governmental entity with a requirement that they be managed as protected
297 records if the providing entity certifies that the record would not be subject to public disclosure
298 if retained by it;

299 (32) transcripts, minutes, recordings, or reports of the closed portion of a meeting of a
300 public body except as provided in Section 52-4-206;

301 (33) records that would reveal the contents of settlement negotiations but not including
302 final settlements or empirical data to the extent that they are not otherwise exempt from
303 disclosure;

304 (34) memoranda prepared by staff and used in the decision-making process by an

305 administrative law judge, a member of the Board of Pardons and Parole, or a member of any
306 other body charged by law with performing a quasi-judicial function;

307 (35) records that would reveal negotiations regarding assistance or incentives offered
308 by or requested from a governmental entity for the purpose of encouraging a person to expand
309 or locate a business in Utah, but only if disclosure would result in actual economic harm to the
310 person or place the governmental entity at a competitive disadvantage, but this section may not
311 be used to restrict access to a record evidencing a final contract;

312 (36) materials to which access must be limited for purposes of securing or maintaining
313 the governmental entity's proprietary protection of intellectual property rights including patents,
314 copyrights, and trade secrets;

315 (37) the name of a donor or a prospective donor to a governmental entity, including an
316 institution within the state system of higher education defined in Section 53B-1-102, and other
317 information concerning the donation that could reasonably be expected to reveal the identity of
318 the donor, provided that:

319 (a) the donor requests anonymity in writing;

320 (b) any terms, conditions, restrictions, or privileges relating to the donation may not be
321 classified protected by the governmental entity under this Subsection (37); and

322 (c) except for an institution within the state system of higher education defined in
323 Section 53B-1-102, the governmental unit to which the donation is made is primarily engaged
324 in educational, charitable, or artistic endeavors, and has no regulatory or legislative authority
325 over the donor, a member of the donor's immediate family, or any entity owned or controlled
326 by the donor or the donor's immediate family;

327 (38) accident reports, except as provided in Sections 41-6a-404, 41-12a-202, and
328 73-18-13;

329 (39) a notification of workers' compensation insurance coverage described in Section
330 34A-2-205;

331 (40) (a) the following records of an institution within the state system of higher
332 education defined in Section 53B-1-102, which have been developed, discovered, disclosed to,
333 or received by or on behalf of faculty, staff, employees, or students of the institution:

334 (i) unpublished lecture notes;

335 (ii) unpublished notes, data, and information:

- 336 (A) relating to research; and
- 337 (B) of:
- 338 (I) the institution within the state system of higher education defined in Section
- 339 [53B-1-102](#); or
- 340 (II) a sponsor of sponsored research;
- 341 (iii) unpublished manuscripts;
- 342 (iv) creative works in process;
- 343 (v) scholarly correspondence; and
- 344 (vi) confidential information contained in research proposals;
- 345 (b) Subsection (40)(a) may not be construed to prohibit disclosure of public
- 346 information required pursuant to Subsection [53B-16-302](#)(2)(a) or (b); and
- 347 (c) Subsection (40)(a) may not be construed to affect the ownership of a record;
- 348 (41) (a) records in the custody or control of the Office of Legislative Auditor General
- 349 that would reveal the name of a particular legislator who requests a legislative audit prior to the
- 350 date that audit is completed and made public; and
- 351 (b) notwithstanding Subsection (41)(a), a request for a legislative audit submitted to the
- 352 Office of the Legislative Auditor General is a public document unless the legislator asks that
- 353 the records in the custody or control of the Office of Legislative Auditor General that would
- 354 reveal the name of a particular legislator who requests a legislative audit be maintained as
- 355 protected records until the audit is completed and made public;
- 356 (42) records that provide detail as to the location of an explosive, including a map or
- 357 other document that indicates the location of:
- 358 (a) a production facility; or
- 359 (b) a magazine;
- 360 (43) information:
- 361 (a) contained in the statewide database of the Division of Aging and Adult Services
- 362 created by Section [62A-3-311.1](#); or
- 363 (b) received or maintained in relation to the Identity Theft Reporting Information
- 364 System (IRIS) established under Section [67-5-22](#);
- 365 (44) information contained in the Management Information System and Licensing
- 366 Information System described in Title 62A, Chapter 4a, Child and Family Services;

- 367 (45) information regarding National Guard operations or activities in support of the
368 National Guard's federal mission;
- 369 (46) records provided by any pawn or secondhand business to a law enforcement
370 agency or to the central database in compliance with Title 13, Chapter 32a, Pawnshop and
371 Secondhand Merchandise Transaction Information Act;
- 372 (47) information regarding food security, risk, and vulnerability assessments performed
373 by the Department of Agriculture and Food;
- 374 (48) except to the extent that the record is exempt from this chapter pursuant to Section
375 [63G-2-106](#), records related to an emergency plan or program, a copy of which is provided to or
376 prepared or maintained by the Division of Emergency Management, and the disclosure of
377 which would jeopardize:
- 378 (a) the safety of the general public; or
 - 379 (b) the security of:
 - 380 (i) governmental property;
 - 381 (ii) governmental programs; or
 - 382 (iii) the property of a private person who provides the Division of Emergency
383 Management information;
- 384 (49) records of the Department of Agriculture and Food that provides for the
385 identification, tracing, or control of livestock diseases, including any program established under
386 Title 4, Chapter 24, Utah Livestock Brand and Anti-Theft Act, or Title 4, Chapter 31, Control
387 of Animal Disease;
- 388 (50) as provided in Section [26-39-501](#):
- 389 (a) information or records held by the Department of Health related to a complaint
390 regarding a child care program or residential child care which the department is unable to
391 substantiate; and
 - 392 (b) information or records related to a complaint received by the Department of Health
393 from an anonymous complainant regarding a child care program or residential child care;
- 394 (51) unless otherwise classified as public under Section [63G-2-301](#) and except as
395 provided under Section [41-1a-116](#), an individual's home address, home telephone number, or
396 personal mobile phone number, if:
- 397 (a) the individual is required to provide the information in order to comply with a law,

398 ordinance, rule, or order of a government entity; and

399 (b) the subject of the record has a reasonable expectation that this information will be
400 kept confidential due to:

401 (i) the nature of the law, ordinance, rule, or order; and

402 (ii) the individual complying with the law, ordinance, rule, or order;

403 (52) the portion of the following documents that contains a candidate's residential or
404 mailing address, if the candidate provides to the filing officer another address or phone number
405 where the candidate may be contacted:

406 (a) a declaration of candidacy, a nomination petition, or a certificate of nomination,
407 described in Section [20A-9-201](#), [20A-9-202](#), [20A-9-203](#), [20A-9-404](#), [20A-9-405](#), [20A-9-408](#),
408 [20A-9-408.5](#), [20A-9-502](#), or [20A-9-601](#);

409 (b) an affidavit of impecuniosity, described in Section [20A-9-201](#); or

410 (c) a notice of intent to gather signatures for candidacy, described in Section
411 [20A-9-408](#);

412 (53) the name, home address, work addresses, and telephone numbers of an individual
413 that is engaged in, or that provides goods or services for, medical or scientific research that is:

414 (a) conducted within the state system of higher education, as defined in Section
415 [53B-1-102](#); and

416 (b) conducted using animals;

417 (54) in accordance with Section [78A-12-203](#), any record of the Judicial Performance
418 Evaluation Commission concerning an individual commissioner's vote on whether or not to
419 recommend that the voters retain a judge including information disclosed under Subsection
420 [78A-12-203\(5\)\(e\)](#);

421 (55) information collected and a report prepared by the Judicial Performance
422 Evaluation Commission concerning a judge, unless Section [20A-7-702](#) or Title 78A, Chapter
423 12, Judicial Performance Evaluation Commission Act, requires disclosure of, or makes public,
424 the information or report;

425 (56) records contained in the Management Information System created in Section
426 [62A-4a-1003](#);

427 (57) records provided or received by the Public Lands Policy Coordinating Office in
428 furtherance of any contract or other agreement made in accordance with Section [63J-4-603](#);

429 (58) information requested by and provided to the 911 Division under Section
430 [63H-7a-302](#);

431 (59) in accordance with Section [73-10-33](#):

432 (a) a management plan for a water conveyance facility in the possession of the Division
433 of Water Resources or the Board of Water Resources; or

434 (b) an outline of an emergency response plan in possession of the state or a county or
435 municipality;

436 (60) the following records in the custody or control of the Office of Inspector General
437 of Medicaid Services, created in Section [63A-13-201](#):

438 (a) records that would disclose information relating to allegations of personal
439 misconduct, gross mismanagement, or illegal activity of a person if the information or
440 allegation cannot be corroborated by the Office of Inspector General of Medicaid Services
441 through other documents or evidence, and the records relating to the allegation are not relied
442 upon by the Office of Inspector General of Medicaid Services in preparing a final investigation
443 report or final audit report;

444 (b) records and audit workpapers to the extent they would disclose the identity of a
445 person who, during the course of an investigation or audit, communicated the existence of any
446 Medicaid fraud, waste, or abuse, or a violation or suspected violation of a law, rule, or
447 regulation adopted under the laws of this state, a political subdivision of the state, or any
448 recognized entity of the United States, if the information was disclosed on the condition that
449 the identity of the person be protected;

450 (c) before the time that an investigation or audit is completed and the final
451 investigation or final audit report is released, records or drafts circulated to a person who is not
452 an employee or head of a governmental entity for the person's response or information;

453 (d) records that would disclose an outline or part of any investigation, audit survey
454 plan, or audit program; or

455 (e) requests for an investigation or audit, if disclosure would risk circumvention of an
456 investigation or audit;

457 (61) records that reveal methods used by the Office of Inspector General of Medicaid
458 Services, the fraud unit, or the Department of Health, to discover Medicaid fraud, waste, or
459 abuse;

460 (62) information provided to the Department of Health or the Division of Occupational
461 and Professional Licensing under Subsections 58-67-304(3) and (4) and Subsections
462 58-68-304(3) and (4);

463 (63) a record described in Section 63G-12-210;

464 (64) captured plate data that is obtained through an automatic license plate reader
465 system used by a governmental entity as authorized in Section 41-6a-2003;

466 (65) any record in the custody of the Utah Office for Victims of Crime relating to a
467 victim, including:

468 (a) a victim's application or request for benefits;

469 (b) a victim's receipt or denial of benefits; and

470 (c) any administrative notes or records made or created for the purpose of, or used to,
471 evaluate or communicate a victim's eligibility for or denial of benefits from the Crime Victim
472 Reparations Fund;

473 (66) an audio or video recording created by a body-worn camera, as that term is
474 defined in Section 77-7a-103, that records sound or images inside a hospital or health care
475 facility as those terms are defined in Section 78B-3-403, inside a clinic of a health care
476 provider, as that term is defined in Section 78B-3-403, or inside a human service program as
477 that term is defined in Section 62A-2-101, except for recordings that:

478 (a) depict the commission of an alleged crime;

479 (b) record any encounter between a law enforcement officer and a person that results in
480 death or bodily injury, or includes an instance when an officer fires a weapon;

481 (c) record any encounter that is the subject of a complaint or a legal proceeding against
482 a law enforcement officer or law enforcement agency;

483 (d) contain an officer involved critical incident as defined in Subsection
484 76-2-408(1)(f); or

485 (e) have been requested for reclassification as a public record by a subject or
486 authorized agent of a subject featured in the recording;

487 (67) a record pertaining to the search process for a president of an institution of higher
488 education described in Section 53B-2-102, except for application materials for a publicly
489 announced finalist;

490 (68) an audio recording that is:

491 (a) produced by an audio recording device that is used in conjunction with a device or
492 piece of equipment designed or intended for resuscitating an individual or for treating an
493 individual with a life-threatening condition;

494 (b) produced during an emergency event when an individual employed to provide law
495 enforcement, fire protection, paramedic, emergency medical, or other first responder service:

496 (i) is responding to an individual needing resuscitation or with a life-threatening
497 condition; and

498 (ii) uses a device or piece of equipment designed or intended for resuscitating an
499 individual or for treating an individual with a life-threatening condition; and

500 (c) intended and used for purposes of training emergency responders how to improve
501 their response to an emergency situation;

502 (69) records submitted by or prepared in relation to an applicant seeking a
503 recommendation by the Research and General Counsel Subcommittee, the Budget
504 Subcommittee, or the Audit Subcommittee, established under Section 36-12-8, for an
505 employment position with the Legislature;

506 (70) work papers as defined in Section 31A-2-204;

507 (71) a record made available to Adult Protective Services or a law enforcement agency
508 under Section 61-1-206;

509 (72) a record submitted to the Insurance Department in accordance with Section
510 31A-37-201 or 31A-22-653;

511 (73) a record described in Section 31A-37-503.

512 (74) any record created by the Division of Occupational and Professional Licensing as
513 a result of Subsection 58-37f-304(5) or 58-37f-702(2)(a)(ii);

514 (75) a record described in Section 72-16-306 that relates to the reporting of an injury
515 involving an amusement ride;

516 (76) except as provided in Subsection 63G-2-305.5(1), the signature of an individual
517 on a political petition, or on a request to withdraw a signature from a political petition,
518 including a petition or request described in the following titles:

519 (a) Title 10, Utah Municipal Code;

520 (b) Title 17, Counties;

521 (c) Title 17B, Limited Purpose Local Government Entities - Local Districts;

522 (d) Title 17D, Limited Purpose Local Government Entities - Other Entities; and

523 (e) Title 20A, Election Code;

524 (77) except as provided in Subsection [63G-2-305.5\(2\)](#), the signature of an individual in
525 a voter registration record;

526 (78) except as provided in Subsection [63G-2-305.5\(3\)](#), any signature, other than a
527 signature described in Subsection (76) or (77), in the custody of the lieutenant governor or a
528 local political subdivision collected or held under, or in relation to, Title 20A, Election Code;

529 (79) a Form I-918 Supplement B certification as described in Title 77, Chapter 38, Part
530 5, Victims Guidelines for Prosecutors Act;

531 (80) a record submitted to the Insurance Department under Subsection

532 [31A-47-103\(1\)\(b\)](#); [~~and~~]

533 (81) personal information, as defined in Section [63G-26-102](#), to the extent disclosure is
534 prohibited under Section [63G-26-103](#)[~~;~~]; and

535 (82) ~~Ĥ~~→ [an application and related information provided to the Governor's Office of
536 Economic Development or any other government agency as described in Section [63N-16-201](#); any
536a part of an application described in Section [63N-16-201](#) that the Governor's Office of Economic
536b Development determines is nonpublic, confidential information that if disclosed would result
536c in actual economic harm to the applicant, but this Subsection (82) may not be used to restrict
536d access to a record evidencing a final contract or approval decision. ←Ĥ

537 Section 4. Section [63N-16-101](#) is enacted to read:

538 CHAPTER 16. UTAH OFFICE OF REGULATORY RELIEF

539 Part 1. General Provisions

540 **[63N-16-101](#). Title.**

541 This chapter is known as the "Utah Office of Regulatory Relief."

542 Section 5. Section [63N-16-102](#) is enacted to read:

543 **[63N-16-102](#). Definitions.**

544 As used in this chapter:

545 (1) "Advisory committee" means the General Regulatory Sandbox Program Advisory
546 Committee created in Section [63N-16-104](#).

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

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

552 (4) "Consumer" means a person that purchases or otherwise enters into a transaction or

553 agreement to receive an offering pursuant to a demonstration by a sandbox participant.

554 (5) "Demonstrate" or "demonstration" means to temporarily provide an offering in
555 accordance with the provisions of the regulatory sandbox program described in this chapter.

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

558 (7) "Executive director" means the executive director of the Governor's Office of
559 Economic Development.

560 (8) "Innovation" means the use or incorporation of a new idea, a new or emerging
561 technology, or a new use of existing technology to address a problem, provide a benefit, or
562 otherwise offer a product, production method, or service.

563 (9) "Innovative offering" means an offering that includes an innovation.

564 (10) (a) "Offering" means a product, production method, or service.

565 (b) "Offering" does not include a product, production method, or service that is
566 governed by:

567 (i) Title 31A, Insurance Code, as determined by the insurance commissioner; or

568 (ii) Title 61, Chapter 1, Utah Uniform Securities Act.

569 (11) "Product" means a commercially distributed good that is:

570 (a) tangible personal property;

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

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

573 (12) "Production" means the method or process of creating or obtaining a good, which
574 may include assembling, breeding, capturing, collecting, extracting, fabricating, farming,
575 fishing, gathering, growing, harvesting, hunting, manufacturing, mining, processing, raising, or
576 trapping a good.

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

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

582 (15) "Sandbox participant" means a person whose application to participate in the
583 regulatory sandbox is approved in accordance with the provisions of this chapter.

584 (16) "Service" means any commercial activity, duty, or labor performed for another
585 person.

586 Section 6. Section **63N-16-103** is enacted to read:

587 **63N-16-103. Creation of regulatory relief office and appointment of director --**
588 **Responsibilities of regulatory relief office.**

589 (1) There is created within the Governor's Office of Economic Development the Utah
590 Office of Regulatory Relief.

591 (2) (a) The regulatory relief office shall be administered by a director.

592 (b) The director shall report to the executive director and may appoint staff subject to
593 the approval of the executive director.

594 (3) The regulatory relief office shall:

595 (a) administer the provisions of this chapter;

596 (b) administer the regulatory sandbox program; and

597 (c) act as a liaison between private businesses and applicable agencies to identify state
598 laws or regulations that could potentially be waived or suspended under the regulatory sandbox
599 program.

600 (4) The regulatory relief office may:

601 (a) review state laws and regulations that may unnecessarily inhibit the creation and
602 success of new companies or industries and provide recommendations to the governor and the
603 Legislature on modifying such state laws and regulations;

604 (b) create a framework for analyzing the risk level to the health, safety, and financial
605 well-being of consumers related to permanently removing or temporarily waiving laws and
606 regulations inhibiting the creation or success of new and existing companies or industries;

607 (c) propose potential reciprocity agreements between states that use or are proposing to
608 use similar regulatory sandbox programs as described in this chapter, Section [13-55-103](#), or
609 Section [31A-47-103](#); and

610 (d) in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, and
611 the provisions of this chapter, make rules regarding:

612 (i) administering the regulatory sandbox, including making rules regarding the
613 application process and the reporting requirements of sandbox participants; and

614 (ii) cooperating and consulting with other agencies in the state that administer sandbox

615 programs.

616 Section 7. Section **63N-16-104** is enacted to read:

617 **63N-16-104. Creation and duties of advisory committee.**

618 (1) There is created the General Regulatory Sandbox Program Advisory Committee.

619 (2) The advisory committee shall have 11 members as follows:

620 (a) six members appointed by the director who represent businesses interests and are
621 selected from a variety of industry clusters;

622 (b) three members appointed by the director who represent state agencies that regulate
623 businesses;

624 (c) one member of the Senate, appointed by the president of the Senate; and

625 (d) one member of the House of Representatives, appointed by the speaker of the
626 House of Representatives.

627 (3) (a) Subject to Subsection (3)(b), members of the advisory committee who are not
628 legislators shall be appointed to a four-year term.

629 (b) Notwithstanding the requirements of Subsection (3)(a), the director may adjust the
630 length of terms of appointments and reappointments to the advisory committee so that
631 approximately half of the advisory committee is appointed every two years.

632 (4) The director shall select a chair of the advisory committee on an annual basis.

633 (5) A majority of the advisory committee constitutes a quorum for the purpose of
634 conducting advisory committee business, and the action of the majority of a quorum constitutes
635 the action of the advisory committee.

636 (6) The advisory committee shall advise and make recommendations to the regulatory
637 relief office as described in this chapter.

638 (7) The regulatory relief office shall provide administrative staff support for the
639 advisory committee.

640 (8) (a) A member may not receive compensation or benefits for the member's service,
641 but a member appointed under Subsection (2)(a) may receive per diem and travel expenses in
642 accordance with:

643 (i) Sections [63A-3-106](#) and [63A-3-107](#); and

644 (ii) rules made by the Division of Finance pursuant to Sections [63A-3-106](#) and
645 [63A-3-107](#).

646 (b) Compensation and expenses of a member who is a legislator are governed by
647 Section 36-2-2 and Legislative Joint Rules, Title 5, Legislative Compensation and Expenses.

648 (9) Meetings of the advisory committee are not subject to Title 52, Chapter 4, Open
649 and Public Meetings Act.

650 Section 8. Section **63N-16-105** is enacted to read:

651 **63N-16-105. Annual Report.**

652 (1) The executive director shall include in the annual report described in Section
653 63N-1-301 a written report from the director on the activities of the regulatory relief office,
654 which report shall include:

655 (a) information regarding each participant in the regulatory sandbox created in Section
656 63N-16-201, including which industries each participant represents and the anticipated or
657 actual cost savings that each participant experienced;

658 (b) recommendations regarding any laws or regulations that should be permanently
659 modified;

660 (c) information regarding outcomes for consumers; and

661 (d) recommendations for changes to the regulatory sandbox program or other duties of
662 the regulatory relief office.

663 (2) By October 1 of each year, the executive director shall provide the written report
664 from the director on the activities of the regulatory relief office described in Subsection (1) to
665 the Business and Labor Interim Committee.

666 Section 9. Section **63N-16-201** is enacted to read:

667 **Part 2. General Regulatory Sandbox Program**

668 **63N-16-201. General Regulatory Sandbox Program -- Application requirements.**

669 (1) There is created in the regulatory relief office the General Regulatory Sandbox
670 Program.

671 (2) In administering the regulatory sandbox, the regulatory relief office:

672 (a) shall consult with each applicable agency;

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

676 (c) may enter into agreements with or adopt the best practices of corresponding federal

677 regulatory agencies or other states that are administering similar programs; and

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

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

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

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

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

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

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

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

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

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

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

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

704 (iii) how the offering would benefit consumers;

705 (iv) how the offering is different from other offerings available in the state;

706 (v) what risks might exist for consumers who use or purchase the offering;

707 (vi) how participating in the regulatory sandbox would enable a successful

708 demonstration of the offering;
709 (vii) a description of the proposed demonstration plan, including estimated time
710 periods for beginning and ending the demonstration;
711 (viii) recognition that the applicant will be subject to all laws and regulations
712 pertaining to the applicant's offering after conclusion of the demonstration; and
713 (ix) how the applicant will end the demonstration and protect consumers if the
714 demonstration fails;
715 (f) lists each government agency, if any, that the applicant knows regulates the
716 applicant's business; and
717 (g) provides any other required information as determined by the regulatory relief
718 office.
719 (5) The regulatory relief office may collect an application fee from an applicant that is
720 set in accordance with Section [63J-1-504](#).
721 (6) An applicant shall file a separate application for each innovative offering that the
722 applicant wishes to demonstrate.
723 (7) After an application is filed, the regulatory relief office:
724 (a) shall classify the application and any related information provided by the applicant
725 as a protected record in accordance with Subsection [63G-2-305](#)(82);
726 (b) consult with each applicable government agency that regulates the applicant's
727 business regarding whether more information is needed from the applicant; and
728 (c) seek additional information from the applicant that the regulatory relief office
729 determines is necessary.
730 (8) No later than five business days after the day on which a complete application is
731 received by the regulatory relief office, the regulatory relief office shall:
732 (a) review the application and refer the application to each applicable government
733 agency that regulates the applicant's business; and
734 (b) provide to the applicant:
735 (i) an acknowledgment of receipt of the application; and
736 (ii) the identity and contact information of each regulatory agency to which the
737 application has been referred for review.
738 (9) (a) Subject to Subsections (9)(c) and (9)(g), no later than 30 days after the day on

739 which an applicable agency receives a complete application for review, the applicable agency
 740 shall provide a written report to the director of the applicable agency's findings.

741 (b) The report shall:

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

744 (ii) make a recommendation to the regulatory relief office that the applicant either be
 745 admitted or denied entrance into the regulatory sandbox.

746 (c) (i) The applicable agency may request an additional five business days to deliver
 747 the written report by providing notice to the director, which request shall automatically be
 748 granted.

749 (ii) The applicable agency may only request one extension per application.

750 (d) If the applicable agency recommends an applicant under this section be denied
 751 entrance into the regulatory sandbox, the written report shall include a description of the
 752 reasons for the recommendation, including why a temporary waiver or suspension of the
 753 relevant laws or regulations would potentially significantly harm the health, safety, or financial
 754 well-being of consumers or the public and the likelihood of such harm occurring.

755 (e) If the agency determines that the consumer's or public's health, safety, or financial
 756 well-being can be protected through less restrictive means than the existing relevant laws or
 757 regulations, then the applicable agency shall provide a recommendation of how that can be
 758 achieved.

759 (f) If an applicable agency fails to deliver a written report as described in this
 760 Subsection (9), the director shall assume that the applicable agency does not object to the
 761 temporary waiver or suspension of the relevant laws or regulations for an applicant seeking to
 762 participate in the regulatory sandbox.

763 (g) ~~H→~~ [(H)] ~~←H~~ Notwithstanding any other provision of this section, an applicable agency
 763a may

764 by written notice to the regulatory relief office ~~H→~~ :

764a (i) ~~←H~~ within the 30 days after the day on which the
 765 applicable agency receives a complete application for review, ~~H→~~ [may] or within 35 days if an
 765a extension has been requested by the applicable agency, ~~←H~~ reject an application if the
 766 applicable agency determines, in the applicable agency's sole discretion, that the applicant's
 767 offering fails to comply with standards or specifications:

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

769 (B) previously approved for use by a federal agency ~~H→~~ [] ; or

769a ⊕(ii) reject an application preliminarily approved by the regulatory relief office, if the
769b applicable agency:
769c (A) recommended rejection of the application in accordance with Subsection (9)(d) in
769d the agency's written report; and
769e (B) provides in the written notice under this Subsection (9)(g), a description of the
769f applicable agency's reasons why approval of the application would create a substantial risk of
769g harm to the health or safety of the public, or create unreasonable expenses for taxpayers in the
769h state, ←Ĥ

770 Ĥ→ [(ii)] (h) ←Ĥ If Ĥ→ [the] an ←Ĥ applicable agency rejects an application under
770a Ĥ→ [this] ←Ĥ Subsection (9)(g), the
771 regulatory relief office may not approve the application.

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

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

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

779 (d) As part of the advisory committee's review of each written report, the advisory
780 committee shall use the criteria required for an applicable agency as described in Subsection
781 (9).

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

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

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

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

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

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

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

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

801 (c) certain state laws or regulations that regulate an offering should not be waived or
 802 suspended even if the applicant is approved as a sandbox participant ~~H→~~ **, including applicable**
 802a **antifraud or disclosure provisions** ~~←H~~ .

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

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

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

815 (b) If the director denies an application submitted under this section, the regulatory
 816 relief office shall provide to the applicant a written description of the reasons for not allowing
 817 the applicant to be a sandbox participant.

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

819 (i) agency or judicial review; or

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

821 (16) The director shall deny an application for participation in the regulatory sandbox
 822 described by this section if:

823 (a) the director determines that the applicant should instead apply for the Regulatory
 824 Sandbox Program created in Section [13-55-103](#) ~~H→~~ **for a financial product or service** ~~←H~~ or the
 824a Insurance Regulatory Sandbox Program

825 created in Section [31A-47-103](#) ~~H→~~ **for an insurance product or service** ~~←H~~ ; or

826 (b) the applicant or any person who seeks to participate with the applicant in
 827 demonstrating an offering has been convicted, entered a plea of nolo contendere, or entered a
 828 plea of guilty or nolo contendere held in abeyance, for any crime involving significant theft,
 829 fraud, or dishonesty if the crime bears a significant relationship to the applicant's or other
 830 participant's ability to safely and competently participate in the regulatory sandbox program.

831 (17) When an applicant is approved for participation in the regulatory sandbox, the

832 director may provide notice of the approval to competitors of the applicant and to the public.

833 Section 10. Section **63N-16-202** is enacted to read:

834 **63N-16-202. Scope of the regulatory sandbox.**

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

838 (2) An offering that is demonstrated within the regulatory sandbox is subject to the
839 following:

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

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

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

847 (4) A sandbox participant is deemed to possess an appropriate license or other
848 authorization under the laws of the state for the purposes of any provision of federal law
849 requiring licensure or other authorization by the state.

850 (5) Subject to Subsection (6):

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

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

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

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

863 and

864 (ii) occurs during the demonstration period.

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

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

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

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

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

879 Section 11. Section **63N-16-203** is enacted to read:

880 **63N-16-203. Consumer protection for regulatory sandbox.**

881 (1) Before demonstrating an offering to a consumer, a sandbox participant shall
882 disclose the following to the consumer:

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

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

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

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

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

894 (f) that the offering is a temporary demonstration that may be discontinued at the end
895 of the demonstration period;

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

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

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

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

905 Section 12. Section **63N-16-204** is enacted to read:

906 **63N-16-204. Requirements for exiting regulatory sandbox.**

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

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

912 (b) seek an extension in accordance with Section [63N-16-205](#).

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

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

919 Section 13. Section **63N-16-205** is enacted to read:

920 **63N-16-205. Extensions.**

921 (1) Not later than 30 days before the end of the 12-month regulatory sandbox
922 demonstration period, a sandbox participant may request an extension of the regulatory
923 sandbox demonstration period.

924 (2) The regulatory relief office shall grant or deny a request for an extension in

925 accordance with Subsection (1) by the end of the 12-month regulatory sandbox testing period.

926 (3) The regulatory relief office may grant an extension in accordance with this section
927 for not more than 12 months after the end of the regulatory sandbox demonstration period.

928 Section 14. Section **63N-16-206** is enacted to read:

929 **63N-16-206. Record keeping and reporting requirements.**

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

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

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

938 (4) The regulatory relief office may request records, documents, and data from a
939 sandbox participant and, upon the regulatory relief office's request, the sandbox participant
940 shall make such records, documents, and data available for inspection by the regulatory relief
941 office.

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

945 (b) If a sandbox participant fails to notify the regulatory relief office and each
946 applicable agency of any incidents as described in Subsection (5)(a), or the regulatory relief
947 office or an applicable agency has evidence that significant harm to a consumer has occurred,
948 the regulatory relief office may immediately remove the sandbox participant from the
949 regulatory sandbox.

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

954 (i) incidents of harm to consumers;

955 (ii) legal action filed against the participant as a result of the participant's

956 demonstration; and

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

959 (b) No later than 30 days after the day on which an applicable agency receives the
960 quarterly reporting described in Subsection (3) or a written report from a sandbox participant as
961 described in Subsection (5)(a), the applicable agency shall provide a written report to the
962 regulatory relief office on the demonstration that describes any statutory or regulatory reform
963 the applicable agency recommends as a result of the demonstration.

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

969 Section 15. Section **63N-16-301** is enacted to read:

970 **Part 3. Regulatory relief web page**

971 **63N-16-301. Regulatory relief web page.**

972 (1) The regulatory relief office shall create and maintain on GOED's website a web
973 page that invites residents and businesses in the state to make suggestions regarding laws and
974 regulations that could be modified or eliminated to reduce the regulatory burden of residents
975 and businesses in the state.

976 (2) On at least a quarterly basis the regulatory relief office shall compile the results of
977 suggestions from the web page and provide a written report to the governor, the Business and
978 Labor Interim Committee, and the Economic Development and Workforce Services Interim
979 Committee that describes the most common suggestions.

980 (3) In creating the report described in Subsection (2), the regulatory relief office and
981 the advisory committee:

982 (a) shall ensure that private information of residents and businesses that make
983 suggestions on the web page is not made public; and

984 (b) may evaluate the suggestions and provide analysis and suggestions regarding which
985 state laws and regulations could be modified or eliminated to reduce the regulatory burden of
986 residents and businesses in the state while still protecting consumers.