



HOUSE FINANCIAL INSTITUTIONS COMMITTEE – Proponent Testimony, SB 249,
June 1st, 2022

Chairman Jordan, Vice Chair Ferguson, Ranking Member Crossman, and members of the committee, thank you for holding this hearing and for the opportunity to provide testimony.

My name is Jeff Dillon, and I am the Ohio Legislative Director for Americans for Prosperity (AFP). As one of the largest grassroots organizations in the country, AFP is driving long-term solutions to some of the country's biggest problems. Our organization, and its thousands of activists across Ohio, are dedicated to breaking barriers that stand in the way of people realizing their full potential. Removing or reducing these barriers, in whatever forms they take, helps move our society toward one of mutual benefit, where people succeed by helping others improve their lives and by transforming their communities. Accordingly, I urge you to support and favorably report Senate Bill 249.

AFP believes this legislation empowers innovation and expands choice for Ohioans. Senate Bill 249 would create a financial technology regulatory sandbox program. A regulatory sandbox serves as a legal safe space for private companies to develop or introduce new or innovative products into a market where the current industry standards either do not apply, there is a lack of clarity, or they are still in the process of being developed.

Technological innovation occurs at an exponentially faster pace than the ability of government to regulate. Rather than regulators utilizing a regulation via litigation strategy, which is trying to slam a square peg into a round hole decimating small businesses/startups, a regulatory sandbox offers a new tool to allow for businesses and regulators to work hand in hand for more tailored rules that reflect what their product is doing.

These types of programs are starting to emerge around the country, with 11 states currently implementing some form of sandbox program, and numerous states also considering similar

legislation this year. Ohio has one of the largest financial services sectors, and this program could be beneficial in allowing companies to experiment and deploy new services and products that may not otherwise be possible under current regulatory regimes.

Senator Wilson has included several provisions in SB 249 that ensure that the program is voluntary, that consumer safety is maintained, requires agencies to articulate reasons for rejection in letters to companies, and allows for reciprocity agreements. This legislation carefully balances empowering businesses' ability to innovate without compromising the health, safety, and financial well-being of consumers.

Thank you again, Mr. Chairman, for the opportunity to offer testimony today and for your leadership on this issue. AFP – Ohio supports SB 249, and on behalf of my organization and our affiliated activists, I urge the members of the committee to favorably report this bill. Thank you.

Jeff Dillon
Ohio Legislative Director
Americans for Prosperity

Americans for Prosperity (AFP) exists to recruit, educate, and mobilize citizens in support of the policies and goals of a free society at the local, state, and federal level, helping every American live their dream – especially the least fortunate. AFP has more than 3.2 million activists across the nation, a local infrastructure that includes 36 state chapters, and has received financial support from more than 100,000 Americans in all 50 states. For more information, visit www.AmericansForProsperity.org.

