



HOUSE ECONOMIC AND WORKFORCE DEVELOPMENT COMMITTEE – PROPONENT  
TESTIMONY, HB 476 – 6.11.24

Chairman Swearingen, Vice Chair Santucci, Ranking Member Upchurch, and members of the House Economic and Workforce Development Committee, good morning and thank you for the opportunity to provide proponent testimony on House Bill 476. My name is Hannah Kubbins and I'm the Legislative Director for Americans for Prosperity – Ohio.

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 House Bill 476.

AFP – Ohio was pleased to support Senate Bill 249 of the 134<sup>th</sup> General Assembly, a bill that created a regulatory sandbox program specifically for financial products and services. HB 476 takes this idea even further by creating a universal regulatory sandbox program that would apply to any new product or service across all industries.

A regulatory sandbox is a legal classification which creates a space where participating businesses will not be subject to onerous regulations. Sandbox programs allow businesses to “play” in the sandbox without regulations to determine if innovative ideas, products, or services can gain traction in the marketplace.

The bill also establishes a regulatory relief office to administer the program and serve as a liaison between state agencies and private businesses. The regulatory relief office will work with businesses to identify state laws and regulations that may be waived while the business participates in the sandbox.

Consistent buildup of regulations slows economic growth. We're pleased to see HB 476 includes a mechanism that allows the regulatory relief office to identify state laws and regulations that unnecessarily inhibit innovation and provide recommendations to modify or remove these laws to the governor and legislature.

HB 476 is not a free-for-all. The bill strikes a balance between encouraging innovation and consumer safety by detailing guidelines of the program, recordkeeping requirements, and requiring certain disclosures to consumers. Full details of these guidelines and requirements are described in the LSC analysis.

This sandbox program will be beneficial in allowing companies to experiment and deploy new services and products that may not otherwise be possible under current regulatory regimes. AFP – Ohio believes HB 476 is another significant step forward in the regulatory reform space to empower innovation in the Buckeye state. Thank you for the opportunity to express support for the bill.