As Introduced

135th General Assembly Regular Session 2023-2024

S. B. No. 327

Senators Lang, Cutrona

A BILL

| To enact sections 1357.01, 1357.02, 1357.04, | 1 |
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| 1357.05, 1357.06, 1357.07, 1357.08, 1357.09, | 2 |
| 1357.10, 1357.11, 1357.12, and 1357.13 of the | 3 |
| Revised Code to create a regulatory relief | 4 |
| office within the Department of Commerce and | 5 |
| establish a universal regulatory sandbox program | 6 |
| under which the office may temporarily waive | 7 |
| certain state laws and regulations and allow | 8 |
| businesses to demonstrate innovative products | 9 |
| and services. | 10 |

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

| Section 1. That sections 1357.01, 1357.02, 1357.04, | 11 |
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| 1357.05, 1357.06, 1357.07, 1357.08, 1357.09, 1357.10, 1357.11, | 12 |
| 1357.12, and 1357.13 of the Revised Code be enacted to read as | 13 |
| follows: | 14 |
| Sec. 1357.01. As used in this chapter: | 15 |
| (A) "Advisory committee" means the universal regulatory | 16 |
| sandbox program advisory committee established under section | 17 |
| 1357.04 of the Revised Code. | 18 |
| (B) "Applicable agency" means a department or agency of | 19 |

| the state that by law regulates a business activity and persons | 20 |
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| engaged in such business activity, including the issuance of | 21 |
| licenses or other types of authorization, which the regulatory | 22 |
| relief office determines would otherwise regulate a sandbox | 23 |
| participant. | 24 |
| (C) "Business day" means any day of the week, excluding | 25 |
| Saturday, Sunday, and a legal holiday, as defined in section | 26 |
| 1.14 of the Revised Code. | 27 |
| (D) "Consumer" means a person that purchases or otherwise | 28 |
| enters into a transaction or agreement to receive an offering | 29 |
| pursuant to a demonstration by a sandbox participant. | 30 |
| (E) "Demonstrate" or "demonstration" means to temporarily | 31 |
| provide an offering in accordance with the provisions of the | 32 |
| universal regulatory sandbox program described in this chapter. | 33 |
| (F) "Innovation" means the use or incorporation of a new | 34 |
| idea, a new or emerging technology, or a new use of existing | 35 |
| technology to address a problem, provide a benefit, or otherwise | 36 |
| offer a product, production method, or service. | 37 |
| (G) "Innovative offering" means an offering that includes | 38 |
| an innovation. | 39 |
| (H)(1) "Product" means a commercially distributed good | 40 |
| that is all of the following: | 41 |
| (a) Tangible personal property; | 42 |
| (b) The result of a production process; | 43 |
| (c) Passed through the distribution channel before | 44 |
| consumption. | 45 |
| (2) "Product" does not include either of the following: | 46 |

would be required.

| (a) Beer or wine, as defined in section 4301.01 of the | 47 |
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| Revised Code; | 48 |
| (b) Motor vehicles, as defined in section 4501.01 of the | 49 |
| Revised Code. | 50 |
| (I) "Production" means the method or process of creating | 51 |
| or obtaining a good, which may include assembling, breeding, | 52 |
| capturing, collecting, extracting, fabricating, farming, | 53 |
| fishing, gathering, growing, harvesting, hunting, manufacturing, | 54 |
| mining, processing, raising, or trapping a good. | 55 |
| (J) "Sandbox participant" means a person whose application | 56 |
| to participate in the universal regulatory sandbox is approved | 57 |
| in accordance with this chapter. | 58 |
| (K) "Service" means any commercial activity, duty, or | 59 |
| labor performed for another person, except for either of the | 60 |
| following: | 61 |
| (1) The activities regulated by Title XLIII of the Revised | 62 |
| Code to the extent that those activities pertain to the | 63 |
| distribution or sale of beer or wine; | 64 |
| (2) The activities regulated by Chapter 4517. of the | 65 |
| Revised Code. | 66 |
| Sec. 1357.02. (A) The director of commerce shall establish | 67 |
| a universal regulatory sandbox program in consultation with | 68 |
| applicable agencies to enable a person to obtain limited access | 69 |
| to the market in this state to test products or services without | 70 |

(B) The director shall establish a regulatory relief 73 office within the department of commerce for the purposes of 74

obtaining any other license or authorization that otherwise

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| administering this chapter and acting as a liaison between | 75 |
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| private businesses and applicable agencies to identify state | 76 |
| laws or regulations that could potentially be waived or | 77 |
| suspended under the universal regulatory sandbox program. | 78 |
| (C) The regulatory relief office may do all of the | 79 |
| following: | 80 |
| (1) Identify state laws and regulations that unnecessarily | 81 |
| inhibit the creation and success of new companies or industries | 82 |
| in this state and provide recommendations to the governor and | 83 |
| the general assembly on modifying such state laws and | 84 |
| regulations; | 85 |
| (2) Create a framework for analyzing the risk level to the | 86 |
| health, safety, and financial well-being of consumers as a | 87 |
| result of permanently removing or temporarily waiving laws and | 88 |
| regulations that inhibit the creation or success of new and | 89 |
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| existing companies or industries in this state; | 90 |
| existing companies or industries in this state; (3) Propose potential reciprocity agreements between | 90 91 |
| | |
| (3) Propose potential reciprocity agreements between | 91 |
| (3) Propose potential reciprocity agreements between states that use or are proposing to use similar universal | 91 92 |
| (3) Propose potential reciprocity agreements between states that use or are proposing to use similar universal regulatory sandbox programs as described in this chapter or | 91 92 93 |
| (3) Propose potential reciprocity agreements between states that use or are proposing to use similar universal regulatory sandbox programs as described in this chapter or Chapter 3755. of the Revised Code; | 91 92 93 94 |
| (3) Propose potential reciprocity agreements between states that use or are proposing to use similar universal regulatory sandbox programs as described in this chapter or Chapter 3755. of the Revised Code; (4) Adopt rules in accordance with Chapter 119. of the | 91 92 93 94 95 |
| (3) Propose potential reciprocity agreements between states that use or are proposing to use similar universal regulatory sandbox programs as described in this chapter or Chapter 3755. of the Revised Code; (4) Adopt rules in accordance with Chapter 119. of the Revised Code as necessary to do either of the following: | 91 92 93 94 95 96 |
| (3) Propose potential reciprocity agreements between states that use or are proposing to use similar universal regulatory sandbox programs as described in this chapter or Chapter 3755. of the Revised Code; (4) Adopt rules in accordance with Chapter 119. of the Revised Code as necessary to do either of the following: (a) Administering the universal regulatory sandbox | 91 92 93 94 95 96 97 |
| (3) Propose potential reciprocity agreements between states that use or are proposing to use similar universal regulatory sandbox programs as described in this chapter or Chapter 3755. of the Revised Code; (4) Adopt rules in accordance with Chapter 119. of the Revised Code as necessary to do either of the following: (a) Administering the universal regulatory sandbox program, including the application process and the reporting | 91 92 93 94 95 96 97 98 |
| <pre>(3) Propose potential reciprocity agreements between states that use or are proposing to use similar universal regulatory sandbox programs as described in this chapter or Chapter 3755. of the Revised Code; (4) Adopt rules in accordance with Chapter 119. of the Revised Code as necessary to do either of the following: (a) Administering the universal regulatory sandbox program, including the application process and the reporting requirements of sandbox participants;</pre> | 91 92 93 94 95 96 97 98 99 |

| Sec. 1357.04. (A) The universal regulatory sandbox program | 103 |
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| advisory committee is established within the department of | 104 |
| commerce. The committee shall advise and make recommendations to | 105 |
| the regulatory relief office as described in this chapter. | 106 |
| (B) The committee shall consist of the following members: | 107 |
| (1) Six members who represent business interests from a | 108 |
| variety of industry clusters, appointed by the director of | 109 |
| <pre>commerce;</pre> | 110 |
| (2) Three members who represent state agencies that | 111 |
| regulate businesses, appointed by the director of commerce; | 112 |
| (3) One member of the senate, appointed by the president | 113 |
| <u>of the senate;</u> | 114 |
| (4) One member of the house of representatives, appointed | 115 |
| by the speaker of the house of representatives. | 116 |
| (C)(1) Members of the committee shall be appointed not | 117 |
| later than thirty days after the effective date of this section. | 118 |
| Members of the committee serve at the pleasure of the member's | 119 |
| appointing authority. Any vacancy in the membership of the | 120 |
| committee shall be filled within sixty days after the vacancy | 121 |
| occurs in the same manner as the original appointment. | 122 |
| (2) Of the initial appointments made by the director of | 123 |
| commerce to the committee: | 124 |
| (a) Three of the members described in division (B)(1) of | 125 |
| this section and two of the members described in division (B)(2) | 126 |
| of this section shall serve for a term ending January 1, 2027; | 127 |
| (b) Three of the members described in division (B)(1) of | 128 |
| this section and one of the members described in division (B)(2) | 129 |
| of this section shall serve for a term ending January 1, 2029. | 130 |

| (3) After the initial appointments, terms for all members | 131 |
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| appointed by the director of commerce shall be four years, with | 132 |
| each term ending on the same day of the same month as did the | 133 |
| term it succeeds. | 134 |
| (4) Legislative members of the committee shall serve terms | 135 |
| of two years or for the remainder of the member's legislative | 136 |
| term, whichever is less. | 137 |
| (D) Members of the committee shall serve without | 138 |
| compensation but may be reimbursed for expenses actually | 139 |
| incurred in the performance of their duties, within the limits | 140 |
| of funds available to the committee for such purposes. | 141 |
| (E) The director of commerce shall select a chairperson | 142 |
| for the committee on an annual basis. The committee shall meet | 143 |
| at the call of the chairperson. The initial meeting shall not be | 144 |
| later than thirty days after the last member is appointed. A | 145 |
| majority of the members of the committee constitutes a quorum | 146 |
| for the transaction of the business of the committee. | 147 |
| (F) The staff of the regulatory relief office shall | 148 |
| provide technical and administrative support as needed by the | 149 |
| <u>committee.</u> | 150 |
| (G) The committee is not a public body for the purposes of | 151 |
| section 121.22 of the Revised Code. | 152 |
| Sec. 1357.05. On or before October 1 of the first year | 153 |
| that begins after the effective date of this section, and | 154 |
| annually thereafter, the director of commerce shall submit a | 155 |
| written report on the activities of the regulatory relief office | 156 |
| to the general assembly in accordance with section 101.68 of the | 157 |
| Revised Code. The report shall include all of the following: | 158 |

(A) Information regarding each participant in the 159

| universal regulatory sandbox program, including which industry | 160 |
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| each participant represents and the anticipated or actual cost | 161 |
| savings that each participant experiences; | 162 |
| | 1.60 |
| (B) Recommended changes to laws or regulations that the | 163 |
| regulatory relief office determines unnecessarily inhibit the | 164 |
| creation and success of new companies or industries; | 165 |
| (C) Information on the universal regulatory sandbox | 166 |
| program's impact on consumer outcomes; | 167 |
| (D) Recommended changes to the universal regulatory | 168 |
| sandbox program or the regulatory relief office. | 169 |
| Sec. 1357.06. (A) A person that seeks to participate in | 170 |
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| the universal regulatory sandbox program shall apply to the | 171 |
| regulatory relief office in a form and manner prescribed by the | 172 |
| office. The application shall, at minimum, include all of the | 173 |
| <u>following:</u> | 174 |
| (1) Confirmation that the applicant is subject to the | 175 |
| jurisdiction of the department of commerce, which may be | 176 |
| demonstrated through incorporation, residency, an agreement with | 177 |
| the director of commerce by which the applicant agrees to be | 178 |
| subject to the laws and courts of this state relating to any | 179 |
| action arising out of the applicant's demonstration of a product | 180 |
| or service in the universal regulatory sandbox, or otherwise; | 181 |
| | 1 0 0 |
| (2) Confirmation that the applicant has established a | 182 |
| physical or virtual location in the state, from which the | 183 |
| demonstration of an innovative offering will be developed and | 184 |
| performed and where all required records, documents, and data | 185 |
| will be maintained; | 186 |
| (3) Relevant personal and contact information for the | 187 |
| applicant, including legal names, addresses, telephone numbers, | 188 |
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| electronic mail addresses, web site addresses, and other | 189 |
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| information that may be required by the regulatory relief | 190 |
| office; | 191 |
| | |
| (4) Disclosure of criminal convictions, if any, of the | 192 |
| applicant and other participating personnel; | 193 |
| (5) A description of the innovative offering to be | 194 |
| demonstrated, including statements regarding all of the | 195 |
| following: | 196 |
| (a) How the offering is subject to licensing, legal | 197 |
| prohibition, or other authorization requirements outside of the | 198 |
| universal regulatory sandbox; | 199 |
| | 0.0.0 |
| (b) Each law or regulation that the applicant seeks to | 200 |
| have waived or suspended while participating in the universal | 201 |
| regulatory sandbox program; | 202 |
| (c) How the offering would benefit consumers; | 203 |
| (d) How the offering is different from other offerings | 204 |
| available in this state; | 205 |
| (e) What risks might exist for consumers that use or | 206 |
| purchase the offering; | 207 |
| (f) How participating in the regulatory sandbox would | 208 |
| enable a successful demonstration of the offering; | 209 |
| (g) A description of the proposed demonstration plan, | 210 |
| including estimated time periods for beginning and ending the | 211 |
| demonstration; | 212 |
| (h) Recognition that the applicant will be subject to all | 213 |
| laws and regulations pertaining to the applicant's offering | 214 |
| after conclusion of the demonstration; | 215 |

| (i) How the applicant will end the demonstration and | 216 |
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| protect consumers if the demonstration fails. | 217 |
| (6) A list of the state agencies that regulate the | 218 |
| applicant's business; | 219 |
| (7) Other information that may be required by the | 220 |
| regulatory relief office. | 221 |
| (B) The regulatory relief office shall, upon request, | 222 |
| consult with persons interested in participating in the | 222 |
| universal regulatory sandbox program and assist such persons in | 224 |
| preparing an application, including by helping to identify state | 225 |
| agencies that regulate the person's business and laws or | 226 |
| regulations that could have an adverse impact on the success of | 227 |
| that business and which the person may seek to have waived or | 228 |
| suspended while participating in the universal regulatory | 229 |
| sandbox program. | 220 |
| Sanabox program. | 250 |
| (C) The director of commerce may require an application | 231 |
| fee to offset the costs of the regulatory relief office and the | 232 |
| department of commerce in administering the universal regulatory | 233 |
| sandbox program. All fees collected under this section shall be | 234 |
| deposited to the universal regulatory sandbox program fund, | 235 |
| which is created in the state treasury, and used for the | 236 |
| purposes of this chapter. | 237 |
| (D) An applicant shall file a separate application for | 238 |
| each innovative offering that the applicant seeks to | 239 |
| demonstrate. | 240 |
| (E) After an application is filed, the regulatory relief | 241 |
| office shall do all of the following: | 242 |
| (1) Keep confidential the contents of the application and | 243 |
| any related information provided by the applicant; | 244 |

| (2) Consult with each applicable government agency that | 245 |
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| regulates the applicant's business regarding the application and | 246 |
| whether more information is needed from the applicant; | 247 |
| (3) Seek any additional information from the applicant | 248 |
| that the regulatory relief office determines is necessary. | 249 |
| | |
| (F) Not later than five business days after the date a | 250 |
| complete application is received by the regulatory relief | 251 |
| office, the regulatory relief office shall do both of the | 252 |
| following: | 253 |
| (1) Review the application and refer it to each applicable | 254 |
| state agency that regulates the applicant's business; | 255 |
| | 0.5.0 |
| (2) Provide the applicant with an acknowledgment of | 256 |
| receipt of the application and the identity and contact | 257 |
| information for each state agency to which the application has | 258 |
| been referred for review. | 259 |
| (G) Applications received under this section are not | 260 |
| public records for the purposes of Chapter 149. of the Revised | 261 |
| Code. | 262 |
| | |
| Sec. 1357.07. (A)(1) Subject to division (A)(2) of this | 263 |
| section, not later than thirty business days after the date on | 264 |
| which an applicable agency receives a complete application under | 265 |
| section 1357.06 of the Revised Code for review, the applicable | 266 |
| agency shall provide a written report to the regulatory relief | 267 |
| office of the applicable agency's findings. The report shall | 268 |
| include both of the following: | 269 |
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| (a) A description of any identifiable, likely, and | 270 |
| significant harm to the health, safety, or financial well-being | 271 |
| of consumers that the law or regulation the applicant seeks to | 272 |
| waive or suspend protects against; | 273 |
| | |

| (b) A recommendation to the regulatory relief office that | 274 |
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| the applicant either be admitted or denied entrance into the | 275 |
| universal regulatory sandbox. | 276 |
| (2) The applicable agency may extend the deadline for | 277 |
| delivering the written report required by division (A)(1) of | 278 |
| this section by an additional five business days by providing | 279 |
| notice of the extension to the regulatory relief office. The | 280 |
| applicable agency shall not extend the deadline more than once | 281 |
| for each application. | 282 |
| (3) If the applicable agency recommends an applicant under | 283 |
| this section be denied entrance into the universal regulatory | 284 |
| sandbox, the written report shall include a description of the | 285 |
| reasons for the recommendation, including why a temporary waiver | 286 |
| or suspension of the relevant laws or regulations would | 287 |
| potentially significantly harm the health, safety, or financial | 288 |
| well-being of consumers or the public, or create unreasonable | 289 |
| expenses for the taxpayers of this state, and the likelihood of | 290 |
| such harm or expenses. | 291 |
| (4) If the applicable agency determines that the | 292 |
| consumer's or public's health, safety, or financial well-being | 293 |
| can be protected through less restrictive means than the | 294 |
| existing relevant laws or regulations, then the applicable | 295 |
| agency shall provide a recommendation of how that may be | 296 |
| achieved. | 297 |
| (5) If an applicable agency fails to deliver a written | 298 |
| report as required by this section, the regulatory relief office | 299 |
| shall proceed as though the applicable agency does not object to | 300 |
| the temporary waiver or suspension of the relevant laws or | 301 |
| regulations for an applicant seeking to participate in the | 302 |
| universal regulatory sandbox. | 303 |

| (D) The next leters relief office shall immediately reject | 204 |
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| (B) The regulatory relief office shall immediately reject | 304 |
| an application if any of the following apply: | 305 |
| (1) An applicable agency determines, in the agency's sole | 306 |
| discretion, that the applicant's offering fails to comply with | 307 |
| standards or specifications required by federal law or | 308 |
| regulations; | 309 |
| (2) An applicable agency timely recommends that the | 310 |
| applicant be denied entrance to the universal regulatory sandbox | 311 |
| in the agency's written report under division (A) of this | 312 |
| section and provides the applicant with the reasons for that | 313 |
| determination in accordance with that division; | 314 |
| (3) The regulatory relief office determines that the | 315 |
| applicant is better suited for the regulatory sandbox program | 316 |
| authorized by Chapter 1355. of the Revised Code; | 317 |
| (4) The applicant or any person who seeks to participate | 318 |
| with the applicant in demonstrating an offering has been | 319 |
| convicted, entered a plea of nolo contendere, or entered a plea | 320 |
| of guilty or nolo contendere held in abeyance, for any crime | 321 |
| involving significant theft, fraud, or dishonesty. | 322 |
| (C)(1) The regulatory relief office shall provide all | 323 |
| applications received under section 1357.06 of the Revised Code | 324 |
| and written reports received under this section, other than | 325 |
| those rejected under division (B) of this section, to the | 326 |
| universal regulatory sandbox program advisory committee. | 327 |
| (2) The universal regulatory sandbox program advisory | 328 |
| committee shall meet to review an application and any | 329 |
| corresponding reports not less than thirty days, and not more | 330 |
| than one hundred twenty days, after receiving the application | 331 |
| from the regulatory relief office under division (C)(1) of this | 332 |

| section. | 333 |
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| (3) Subject to divisions (C)(2) and (4) of this section, | 334 |
| the universal regulatory sandbox program advisory committee | 335 |
| shall meet not less than one time per calendar quarter. | 336 |
| (4) The committee may cancel a meeting otherwise required | 337 |
| by division (C)(3) of this section if no applications are | 338 |
| available for review. | 339 |
| (5) After reviewing an application and the corresponding | 340 |
| reports of applicable agencies, the committee shall provide the | 341 |
| director of commerce the committee's recommendation that the | 342 |
| applicant either be admitted or denied entrance into the | 343 |
| universal regulatory sandbox. | 344 |
| (D) The universal regulatory sandbox program advisory | 345 |
| committee shall consider all of the following in determining | 346 |
| whether to recommend that an applicant be admitted to the | 347 |
| universal regulatory sandbox: | 348 |
| (1) Whether the applicable agency has previously issued a | 349 |
| license or other authorization to the applicant; | 350 |
| (2) Whether the applicable agency has previously | 351 |
| investigated, sanctioned, or pursued legal action against the | 352 |
| applicant; | 353 |
| (3) Whether a competitor to the applicant is or has been a | 354 |
| universal regulatory sandbox participant; | 355 |
| (4) Whether the applicant's plan adequately protects | 356 |
| consumers from potential harm; | 357 |
| (5) The risk of harm to consumers as compared to the | 358 |
| potential benefits of the applicant's participation in the | 359 |
| universal regulatory sandbox. | 360 |

| (E)(1) Either the regulatory relief office or the director | 361 |
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| of commerce may deny any application submitted under this | 362 |
| chapter for any reason, including if the office or director | 363 |
| determines that the preponderance of evidence demonstrates that | 364 |
| suspending or waiving enforcement of a law or regulation would | 365 |
| cause a significant risk of harm to consumers or residents of | 366 |
| the state. | 367 |
| (2) If the office or director denies an application under | 368 |
| division (E)(1) or (B) of this section, the office shall provide | 369 |
| to the applicant a written description of the reasons for not | 370 |
| allowing the applicant to participate in the universal | 371 |
| regulatory sandbox. | 372 |
| (3) The director's or office's determination to deny an | 373 |
| application is final. | 374 |
| Sec. 1357.08. (A)(1) Subject to division (B) of section | 375 |
| 1357.07 of the Revised Code, upon receiving a recommendation to | 376 |
| approve an application from the universal regulatory sandbox | 377 |
| program advisory committee, the regulator relief office, in | 378 |
| consultation with the director of commerce, may enter into a | 379 |
| written agreement with the applicant admitting the applicant to | 380 |
| the universal regulatory sandbox and describing the specific | 381 |
| laws and regulations that are waived or suspended as part of the | 382 |
| applicant's participation therein. | 383 |
| (2) The sandbox participant may demonstrate the offering | 384 |
| described in the sandbox participant's application, as described | 385 |
| in the agreement, for five years following the date the | 386 |
| agreement is entered. | 387 |
| (3) An agreement under this section that waives or | 388 |
| suspends a law or regulation does so only with respect to | 389 |

consumers who are residents of this state. 390 (4) An agreement under this section does not restrict a 391 sandbox participant that holds a license or other authorization 392 in another state or jurisdiction from acting in accordance with 393 that license or other authorization. 394 (B) The regulatory relief office shall not enter into a 395 396 written agreement with an applicant that waives or suspends either of the following: 397 (1) Any tax levied by this state or a taxing authority of 398 this state, as defined in section 5705.01 of the Revised Code; 399 (2) A law or regulation that allows a consumer to seek 400 restitution in the event that the consumer is harmed. 401 402 (C) A sandbox participant is deemed to possess an appropriate license or other authorization under the laws of 403 this state for the purposes of any provision of federal law 404 requiring licensure or other authorization by the state. 405 (D) Subject to division (E) of this section, all of the 406 407 following apply: (1) During the demonstration period, a sandbox participant 408 is not subject to the enforcement of state laws or regulations 409 waived or suspended pursuant to the written agreement between 410 the regulatory relief office and the sandbox participant. 411 (2) A prosecutor shall not file or pursue charges 412 pertaining to a law or regulation waived or suspended pursuant 413 to that agreement that occurs during the demonstration period. 414 (3) A state agency shall not file or pursue any punitive 415 action against a sandbox participant, including a fine or 416 license suspension or revocation, for the violation of a law or 417

| regulation waived or suspended pursuant to that agreement that | 418 |
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| occurs during the demonstration period. | 419 |
| (E) A sandbox participant does not have immunity related | 420 |
| to any criminal offense committed during the sandbox | 421 |
| participant's participation in the universal regulatory sandbox. | 422 |
| (F) By written notice, the regulatory relief office may | 423 |
| end a sandbox participant's participation in the universal | 424 |
| regulatory sandbox at any time and for any reason, including if | 425 |
| the office or the director of commerce determines that a sandbox | 426 |
| participant is not operating in good faith to bring an | 427 |
| innovative offering to market. | 428 |
| (G) Neither the regulatory relief office nor its employees | 429 |
| are liable for any business losses or the recouping of | 430 |
| application expenses or other expenses related to the regulatory | 431 |
| sandbox, including either of the following: | 432 |
| (1) Denying an applicant's application to participate in | 433 |
| the universal regulatory sandbox for any reason; | 434 |
| (2) Ending a sandbox participant's participation in the | 435 |
| regulatory sandbox at any time and for any reason. | 436 |
| Sec. 1357.09. (A) Before demonstrating an offering to a | 437 |
| consumer, a sandbox participant shall disclose all of the | 438 |
| following to the consumer: | 439 |
| (1) The name and contact information of the sandbox | 440 |
| participant; | 441 |
| (2) That the offering is authorized pursuant to the | 442 |
| universal regulatory sandbox and, if applicable, that the | 443 |
| sandbox participant does not have a license or other | 444 |
| authorization to provide an offering under state laws that | 445 |

| regulate offerings outside of the universal regulatory sandbox; | 446 |
|--|-----|
| (3) That the offering is undergoing testing and may not | 447 |
| function as intended and may expose the consumer to certain | 448 |
| risks as identified by the applicable agency's written report; | 449 |
| (4) That the provider of the offering is not immune from | 450 |
| civil liability for any losses or damages caused by the | 451 |
| offering; | 452 |
| | 102 |
| (5) That the provider of the offering is not immune from | 453 |
| criminal prosecution for violations of state law or regulations | 454 |
| that are not suspended or waived as allowed by the universal | 455 |
| regulatory sandbox; | 456 |
| (6) That the offering is a temporary demonstration that | 457 |
| may be discounted at the end of the demonstration period; | 458 |
| (7) The expected end date of the demonstration period; | 459 |
| (8) That a consumer may contact the regulatory relief | 460 |
| office and file a complaint regarding the offering being | 461 |
| demonstrated and provide the regulatory relief office's | 462 |
| telephone number and web site address where a complaint may be | 463 |
| <u>filed.</u> | 464 |
| (B) The disclosures required by division (A) of this | 465 |
| section shall be provided to a consumer in a clear and | 466 |
| conspicuous form and, for an internet or application-based | 467 |
| offering, a consumer shall acknowledge receipt of the disclosure | 468 |
| before any transaction may be completed. | 469 |
| (C) The regulatory relief office may require that a | 470 |
| sandbox participant make additional disclosures to a consumer. | 471 |
| Sec. 1357.10. (A) At least thirty days before the end of | 472 |
| the demonstration period, a sandbox participant shall either | 473 |

| seek an extension in accordance with section 1357.11 of the | 474 |
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| Revised Code or notify the regulatory relief office that the | 475 |
| sandbox participant will exit the regulatory sandbox and | 476 |
| discontinue the sandbox participant's demonstration after the | 477 |
| day on which the demonstration period ends. | 478 |
| (B) Subject to division (C) of this section, if the | 479 |
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| regulatory relief office does not receive the notification | 480 |
| required by division (A) of this section, the regulatory sandbox | 481 |
| demonstration period ends five years following the date the | 482 |
| agreement described under section 1357.08 of the Revised Code is | 483 |
| entered. | 484 |
| (C) If a demonstration includes an offering that requires | 485 |
| ongoing duties, the sandbox participant shall continue to | 486 |
| fulfill those duties after the regulatory sandbox demonstration | 487 |
| | |
| period ends. | 488 |
| period ends. | |
| period ends. Sec. 1357.11. A sandbox participant may request an | 488 489 490 |
| period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration | 489 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period.</pre> | 489 490 491 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for</pre> | 489 490 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the</pre> | 489 490 491 492 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the regulatory relief office grants the request, the office shall</pre> | 489 490 491 492 493 494 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the regulatory relief office grants the request, the office shall specify the duration of the extension, which shall not be more</pre> | 489 490 491 492 493 494 495 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the regulatory relief office grants the request, the office shall specify the duration of the extension, which shall not be more than twelve months after the date the regulatory sandbox</pre> | 489 490 491 492 493 494 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the regulatory relief office grants the request, the office shall specify the duration of the extension, which shall not be more than twelve months after the date the regulatory sandbox demonstration period would have otherwise ended. The regulatory</pre> | 489 490 491 492 493 494 495 496 497 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the regulatory relief office grants the request, the office shall specify the duration of the extension, which shall not be more than twelve months after the date the regulatory sandbox demonstration period would have otherwise ended. The regulatory relief office shall not approve more than three extensions, each</pre> | 489 490 491 492 493 494 495 496 497 498 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the regulatory relief office grants the request, the office shall specify the duration of the extension, which shall not be more than twelve months after the date the regulatory sandbox demonstration period would have otherwise ended. The regulatory relief office shall not approve more than three extensions, each having a duration of not more than twelve months, for the same</pre> | 489 490 491 492 493 494 495 496 497 498 499 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the regulatory relief office grants the request, the office shall specify the duration of the extension, which shall not be more than twelve months after the date the regulatory sandbox demonstration period would have otherwise ended. The regulatory relief office shall not approve more than three extensions, each</pre> | 489 490 491 492 493 494 495 496 497 498 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the regulatory relief office grants the request, the office shall specify the duration of the extension, which shall not be more than twelve months after the date the regulatory sandbox demonstration period would have otherwise ended. The regulatory relief office shall not approve more than three extensions, each having a duration of not more than twelve months, for the same</pre> | 489 490 491 492 493 494 495 496 497 498 499 |
| <pre>period ends. Sec. 1357.11. A sandbox participant may request an extension of the universal regulatory sandbox demonstration period not later than thirty days before the end of that period. The regulatory relief office shall grant or deny a request for an extension before the end of the demonstration period. If the regulatory relief office grants the request, the office shall specify the duration of the extension, which shall not be more than twelve months after the date the regulatory sandbox demonstration period would have otherwise ended. The regulatory relief office shall not approve more than three extensions, each having a duration of not more than twelve months, for the same sandbox participant respecting the same demonstration.</pre> | 489 490 491 492 493 494 495 496 497 498 499 500 |

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| regulatory sandbox. | 504 |
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| (B) If a sandbox participant ceases to provide an offering | 505 |
| before the end of a demonstration period, the sandbox | 506 |
| participant shall notify the regulatory relief office and each | 507 |
| applicable agency and report on actions taken by the sandbox | 508 |
| participant to ensure consumers have not been harmed as a | 509 |
| result. The regulatory relief office shall establish quarterly | 510 |
| reporting requirements for a sandbox participant, including | 511 |
| information about any consumer complaints. | 512 |
| (C) The regulatory relief office may request records, | 513 |
| documents, and data from a sandbox participant and, upon the | 514 |
| regulatory relief office's request, the sandbox participant | 515 |
| shall make such records, documents, and data available for | 516 |
| inspection by the regulatory relief office. | 517 |
| (D) The sandbox participant shall notify the regulatory | 518 |
| relief office and each applicable agency of any incidents that | 519 |
| result in harm to the health, safety, or financial well-being of | 520 |
| a consumer. If a sandbox participant fails to notify the | 521 |
| regulatory relief office and each applicable agency of any | 522 |
| incidents as described in division (D)(1) of this section, or | 523 |
| the regulatory relief office or an applicable agency has | 524 |
| evidence that significant harm to a consumer has occurred, the | 525 |
| regulatory relief office may immediately remove the sandbox | 526 |
| participant from the universal regulatory sandbox. | 527 |
| (E) Not later than thirty days after the date on which a | 528 |
| sandbox participant exits the regulatory sandbox, the sandbox | 529 |
| participant shall submit a written report to the regulatory | 530 |
| relief office and each applicable agency describing the sandbox | 531 |

participant's demonstration, including all of the following:

(1) Any incidents of harm to consumers; 533 (2) Any legal action filed against the sandbox participant 534 as a result of the participant's demonstration; 535 (3) Any complaints filed with an applicable agency as a 536 result of the sandbox participant's demonstration. 537 (F) Not later than thirty days after the date on which an 538 applicable agency receives a quarterly reporting or written 539 report from a sandbox participant as required by this section, 540 the applicable agency shall provide a written report to the 541 regulatory relief office on the demonstration that describes any 542 statutory or regulatory reform the applicable agency recommends 543 as a result of the demonstration. 544 (G) The regulatory relief office may remove a sandbox 545 participant from the universal regulatory sandbox at any time if 546 the regulatory relief office determines that a sandbox 547 participant has engaged in, is engaging in, or is about to 548 engage in any practice or transaction that is in violation of 549 this chapter or that constitutes a violation of a law or 550 regulation for which suspension or waiver has not been granted. 551 Sec. 1357.13. (A) The regulatory relief office shall 552 create and maintain a publicly accessible page on the department 553 of commerce's web site that invites residents and businesses in 554 this state to make suggestions regarding laws and regulations 555 that could be modified or eliminated to reduce the regulatory 556 burden of residents and businesses in the state. 557 (B) On at least a quarterly basis, the regulatory relief 558 office shall compile the results of suggestions from the web 559 page and provide a written report to the governor and the

| Revised Code, that describes the most common suggestions. | 562 |
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| (C) In creating the report, the regulatory relief office | 563 |
| and the advisory committee shall ensure that private information | 564 |
| of residents and businesses that make suggestions on the web | 565 |
| page is not made public. The regulatory relief office may | 566 |
| evaluate the suggestions and provide analysis and suggestions | 567 |
| regarding which state laws and regulations could be modified or | 568 |
| eliminated to reduce the regulatory burden of residents and | 569 |
| businesses in the state while still protecting consumers. | 570 |