

House Government Oversight Committee
Representative Thomas Hall, Chair
Monday, September 29, 2025

Chair Hall and members of the House Government Oversight Committee,

My name is David Iglesias, and I'm the Deputy Director of State Government Affairs at Libertas Institute, a non-profit think tank based in Utah.

In my role, I work with partners across the country to bring innovative policies we've helped usher through the Utah State Legislature to other states, and regulatory sandboxes, like what House Bill 176 is proposing, are something we've worked extensively on both in Utah and across the country.

Some of you may already be familiar with this concept through prior [legislation](#) (SB249) sponsored by Senator Steve Wilson in 2022, which created Ohio's [financial technologies](#) (fintech) sandbox. For those less familiar, a regulatory sandbox enables innovators—both big and small, old and new—to work with regulators and legislators in trialing new products, services, and business models while rules and regulations that may be inapplicable or outdated to new ideas are temporarily waived.

Here's how it works: A business presents its concept to the sandbox and identifies the regulations that present barriers. If accepted, the business receives a temporary waiver of those specified rules and is permitted to operate within the sandbox for a defined period. Throughout that time, the company provides regular updates, enabling regulators and legislators to monitor progress and evaluate which rules need reform. This empowers Ohio agencies and lawmakers to make informed decisions about modernizing the regulatory environment so that sandbox participants can transition into a newly reformed marketplace.

By expanding this model to industries beyond fintech, Ohio has the opportunity to join five other states—[Arizona](#), [Utah](#), [Kansas](#), [Missouri](#), and [Kentucky](#)—that have also implemented universal sandbox programs, thus positioning itself to become a national leader in embracing innovation. Furthermore, House Bill 176 authorizes reciprocity agreements to be made with [other sandboxes](#), allowing Ohio-based businesses to gain immediate access to additional markets and, likewise, welcoming innovative businesses from other states into Ohio.

This collaborative approach can play a crucial role in supporting innovation in a fast-changing environment. Rather than forcing businesses—especially small start-ups—to spend thousands on legal fees or lobbying efforts just to try something new, sandboxes provide a more affordable and transparent way to trial innovative ideas. In turn, regulators and legislators gain real-world insight into which rules aren't working as intended. It's a living, breathing model of

reform—with built-in safeguards to protect consumers and the environment—and it opens the door to life-changing products and services we might not otherwise see.

Thank you for the opportunity to provide testimony. If there are any questions, I can be reached at david@libertas.org

Sincerely,
David Iglesias
Deputy Director of State Government Affairs
Libertas Institute