THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 633

Session of 2023

INTRODUCED BY COLEMAN, PHILLIPS-HILL AND STEFANO, APRIL 24, 2023

REFERRED TO INTERGOVERNMENTAL OPERATIONS, APRIL 24, 2023

AN ACT

- 1 Establishing the Regulatory Sandbox Program, the Regulatory
- 2 Relief Office and an advisory committee; and providing for
- 3 their powers and duties.
- 4 The General Assembly of the Commonwealth of Pennsylvania
- 5 hereby enacts as follows:
- 6 Section 1. Short title.
- 7 This act shall be known and may be cited as the Regulatory
- 8 Sandbox Program Act.
- 9 Section 2. Definitions.
- 10 The following words and phrases when used in this act shall
- 11 have the meanings given to them in this section unless the
- 12 context clearly indicates otherwise:
- 13 "Advisory committee." The Regulatory Sandbox Program
- 14 Advisory Committee established under section 4.
- 15 "Applicable agency." A department or agency of the
- 16 Commonwealth that by law regulates a business activity, and
- 17 persons engaged in a business activity, including the issuance
- 18 of licenses or other types of authorization, that the office
- 19 determines would otherwise regulate a sandbox participant. The

- 1 term includes the Pennsylvania Public Utility Commission and the
- 2 Pennsylvania Gaming Control Board.
- 3 "Applicant." A person that applies to participate in the
- 4 regulatory sandbox.
- 5 "Blockchain technology." An electronic method for storing
- 6 cryptographically secure data in a database or distributed
- 7 ledger technology that is decentralized, consensus-based,
- 8 mathematically verified and distributed across multiple
- 9 locations.
- 10 "Consumer." A person that purchases or otherwise enters into
- 11 a transaction or agreement to receive an offering under a
- 12 demonstration by a sandbox participant.
- "Demonstrate" or "demonstration." To temporarily provide an
- 14 offering in accordance with the provisions of the program.
- 15 "Director." The director of the office.
- 16 "Executive Board." The Executive Board of the Commonwealth.
- 17 "Financial product or service." Either of the following:
- 18 (1) a financial product or financial service that
- 19 requires State licensure or registration; or
- 20 (2) a financial product, financial service or banking
- 21 business that includes a business model, delivery mechanism,
- offering of deposit accounts or element that may require
- 23 other authorization to act as a financial institution,
- 24 enterprise or other entity that is regulated by State law.
- 25 "Innovation." The use or incorporation of a new or existing
- 26 idea, a new or emerging technology or a new use of existing
- 27 technology, including, but not limited to, blockchain
- 28 technology, to address a problem, provide a benefit or otherwise
- 29 offer a product, production method or service.
- "Insurance product or service." A product or service that is

- 1 offered by an insurer that requires State licensure,
- 2 registration or other authorization as regulated by State law,
- 3 including a product or insurance service that includes a
- 4 business model, delivery mechanism or element that requires a
- 5 license, registration or other authorization to do an insurance
- 6 business, act as an insurance producer or consultant or engage
- 7 in insurance adjusting as regulated by State law.
- 8 "Offering." A product, production method or service,
- 9 including a financial product or service or an insurance product
- 10 or service, that includes an innovation.
- "Office." The Regulatory Relief Office established under
- 12 section 3.
- "Product." A commercially distributed good that is:
- 14 (1) the result of a production process; and
- 15 (2) passed through the distribution channel before
- 16 consumption.
- 17 "Production." The method or process of creating or obtaining
- 18 a good, which may include assembling, breeding, capturing,
- 19 collecting, extracting, fabricating, farming, fishing,
- 20 gathering, growing, harvesting, hunting, manufacturing, mining,
- 21 processing, raising or trapping a good.
- 22 "Program." The Regulatory Sandbox Program established under
- 23 section 5.
- "Regulatory sandbox." A State law that allows a person to
- 25 temporarily demonstrate an offering under a waiver or suspension
- 26 of a State law, regulation, rule or guidance that would
- 27 otherwise apply to the offering.
- 28 "Sandbox participant." A person whose application to
- 29 participate in the regulatory sandbox is approved in accordance
- 30 with the provisions of this act.

- 1 "Service." A commercial activity, duty or labor performed
- 2 for a consumer.
- 3 Section 3. Regulatory Relief Office.
- 4 (a) Establishment. -- The Regulatory Relief Office is
- 5 established in the Governor's Office.
- 6 (b) Director and staff. -- The office shall be administered by
- 7 a director who shall be appointed by and report to the Governor
- 8 and may appoint staff subject to the approval of the Governor.
- 9 (c) Duties.--The office shall:
- 10 (1) Administer this act.
- 11 (2) Administer the program.
- 12 (3) Act as a liaison between private businesses and
- applicable agencies to identify State laws, regulations,
- 14 rules and guidances that could potentially be waived or
- suspended under the program.
- 16 (d) Discretionary powers. -- The office may:
- 17 (1) Review State laws and regulations that may inhibit
- 18 the creation and success of companies or industries and
- 19 provide recommendations to the Governor and the General
- 20 Assembly.
- 21 (2) Enter into reciprocity agreements with Federal,
- state or foreign regulators to advance the purpose of the
- regulatory sandbox, which may include permission for any
- sandbox participant to operate in other jurisdictions.
- 25 (3) Promulgate regulations relating to:
- 26 (i) administering the regulatory sandbox, including
- 27 making the application process and the reporting
- requirements of sandbox participants; and
- 29 (ii) cooperating and consulting with other agencies
- in the Commonwealth that administer sandbox programs.

- 1 Section 4. Advisory committee.
- 2 (a) Establishment. -- The Regulatory Sandbox Program Advisory
- 3 Committee is established.
- 4 (b) Membership. -- The advisory committee shall have the
- 5 following members, who need not be residents of this
- 6 Commonwealth:
- 7 (1) Two members appointed by the director who represent
- 8 business interests and are selected from a variety of
- 9 industry clusters.
- 10 (2) Three members appointed by the Speaker of the House
- of Representatives, two of whom represent business interests
- and are selected from a variety of industry clusters and one
- of whom is a member of the House of Representatives.
- 14 (3) Three members appointed by the President pro tempore
- of the Senate, two of whom represent business interests and
- are selected from a variety of industry clusters and one of
- whom is a member of the Senate.
- 18 (c) Terms.--
- 19 (1) Subject to paragraph (2), members of the advisory
- committee who are appointed under subsection (b) (1) shall
- 21 have a four-year term.
- 22 (2) Notwithstanding paragraph (1), the director may
- adjust the length of terms of appointments and reappointments
- 24 to the advisory committee so that approximately half of the
- advisory committee is appointed every two years.
- 26 (d) Chair.--The director shall select a chair of the
- 27 advisory committee on an annual basis.
- 28 (e) Quorum. -- A majority of the advisory committee
- 29 constitutes a quorum for the purpose of conducting advisory
- 30 committee business. The action of the majority of a quorum shall

- 1 constitute the action of the advisory committee.
- 2 (f) Advice and recommendations. -- The advisory committee
- 3 shall advise and make recommendations to the office as described
- 4 in this act.
- 5 (g) Staff.--The office shall provide administrative staff
- 6 support for the advisory committee.
- 7 (h) Compensation. -- A member may not receive compensation or
- 8 benefits for the member's service, but members appointed under
- 9 subsection (b)(1) may receive per diem and travel expenses in
- 10 accordance with the rules of the Executive Board.
- 11 (i) Override of applicable agency disapproval. -- The advisory
- 12 committee may, by a two-thirds vote, override the decision of an
- 13 applicable agency to reject an application under section 5(h)
- 14 (7).
- 15 Section 5. Regulatory Sandbox Program.
- 16 (a) Establishment. -- The Regulatory Sandbox Program is
- 17 established in the office.
- 18 (b) Administration of program. -- The office shall administer
- 19 the program by:
- 20 (1) Consulting with each applicable agency.
- 21 (2) Assisting persons with the application and approval
- 22 process for participation in the regulatory sandbox.
- 23 (3) Entering into agreements with or adopting the best
- 24 practices of corresponding Federal regulatory agencies or
- other states that are administering similar programs.
- 26 (4) Consulting with businesses in this Commonwealth
- about existing or potential proposals for the regulatory
- 28 sandbox.
- 29 (c) Consultation.--
- 30 (1) An applicant for a regulatory sandbox may contact

- 1 the office to request a consultation regarding the regulatory
- 2 sandbox before submitting an application.
- 3 (2) The office may provide assistance to the applicant
- 4 in preparing an application for submission.
- 5 (d) Application. -- An applicant for the regulatory sandbox
- 6 shall provide to the office an application, on a form prescribed
- 7 by the office, that:
- 8 (1) Confirms the applicant has established a presence in
- 9 this Commonwealth, from which the demonstration of an
- offering will be developed and performed, and where all
- 11 required records, documents and data will be maintained.
- 12 (2) Contains relevant personal and contact information
- for the applicant, including legal names, addresses,
- 14 telephone numbers, email addresses, website addresses and
- other information required by the office.
- 16 (3) Discloses any criminal convictions of the applicant
- or other participating personnel that occurred within the
- 18 previous five years.
- 19 (4) Contains a description of the offering to be
- demonstrated, including statements regarding:
- 21 (i) how the offering is subject to licensing, legal
- 22 prohibition or other authorization requirements outside
- of the regulatory sandbox;
- 24 (ii) each law or regulation that the applicant seeks
- 25 to have waived or suspended while participating in the
- 26 program;
- 27 (iii) how the offering would benefit consumers;
- 28 (iv) how the offering is different from other
- 29 offerings available in this Commonwealth;
- 30 (v) what risks might exist for consumers who use or

- 1 purchase the offering;
- 2 (vi) how participating in the regulatory sandbox
- 3 would enable a successful demonstration of the offering;
- 4 (vii) a description of the proposed demonstration
- 5 plan, including estimated time periods for beginning and
- 6 ending the demonstration;
- 7 (viii) recognition that the applicant will be
- 8 subject to all laws and regulations pertaining to the
- 9 applicant's offering after conclusion of the
- 10 demonstration; and
- 11 (ix) how the applicant will end the demonstration
- and protect consumers if the demonstration fails.
- 13 (5) Lists any government agency that the applicant knows
- regulates the applicant's business.
- 15 (6) Provides other required information as determined by
- the office.
- 17 (e) Fees.--The office may collect an application fee of \$50.
- 18 An applicant that is admitted into the regulatory sandbox
- 19 program must pay a participation fee of \$450 to participate in
- 20 the 24-month sandbox period to cover reasonable agency expenses.
- 21 Additional participation fees may apply depending on factors
- 22 such as the size of an entity or the number of customers an
- 23 entity may have, but shall be capped at a reasonable amount to
- 24 encourage participation in the sandbox program. The Regulatory
- 25 Relief Office shall determine and publish a fee schedule for the
- 26 additional participation fees.
- 27 (f) Separate applications. -- An applicant must file a
- 28 separate application for each offering that the applicant wishes
- 29 to demonstrate.
- 30 (g) Duties of office. -- After an application is filed with

- 1 the office, the office shall:
- 2 (1) Determine whether any part of the application
- 3 satisfies the exceptions under section 708(b)(1)(ii) of the
- 4 act of February 14, 2008 (P.L.6, No.3), known as the Right-
- 5 to-Know Law.
- 6 (2) Consult with each applicable agency that regulates
- 7 the applicant's proposed offering regarding whether more
- 8 information is needed from the applicant.
- 9 (3) Seek additional information from the applicant that
- 10 the office determines is necessary.
- 11 (4) No later than five business days after the
- 12 application is received by the office:
- 13 (i) Review the application and refer the application
- 14 to each applicable agency that regulates the applicant's
- 15 proposed offering.
- 16 (ii) Provide the applicant:
- 17 (A) An acknowledgment of receipt of the
- 18 application.
- 19 (B) The identity and contact information of each
- 20 regulatory agency to which the applicant has been
- 21 referred for review.
- 22 (C) Public notice, on the office's publicly
- 23 accessible Internet website and through other
- 24 appropriate means, of each law or regulation that the
- applicant seeks to suspend or waive under the
- application.
- 27 (h) Duties of applicable agencies.--
- 28 (1) Subject to paragraphs (3) and (7), no later than 30
- 29 days after the day on which an applicable agency receives a
- 30 complete application for review, the applicable agency shall

- provide a written report to the director of the applicable agency's findings.
 - (2) The report shall:

- (i) Describe any identifiable, likely and significant harm to the health, safety or financial well-being of consumers that the relevant law or regulation protects against.
 - (ii) Make a recommendation to the office that the applicant either be admitted or denied entrance into the regulatory sandbox.
- (3) The applicable agency may request an additional five business days to deliver the written report by providing notice to the director, which request shall automatically be granted. The applicable agency may only request one extension per application.
- (4) If the applicable agency recommends an applicant under this subsection be denied entrance into the regulatory sandbox, the written report shall include a description of the reasons for the recommendation, including why a temporary waiver or suspension of the relevant law or regulations would potentially significantly harm the health, safety or financial well-being of consumers or the public and the likelihood of the harm occurring.
- (5) If the agency determines that the consumer's or public's health, safety or financial well-being can be protected through less restrictive means than the existing relevant law or regulations, the applicable agency shall provide a recommendation of how that can be achieved.
- 29 (6) If an applicable agency fails to deliver a written 30 report as described in this subsection, the director shall

- 1 assume that the applicable agency does not object to the
- 2 temporary waiver or suspension of the relevant law or
- 3 regulations for an applicant seeking to participate in the
- 4 regulatory sandbox, and the application shall be deemed
- 5 approved.
- 6 (7) Notwithstanding any other provision of this section,
- 7 an applicable agency may, by written notice to the office
- 8 within the 30 days after the applicable agency receives a
- 9 complete application for review or within 35 days, if an
- 10 extension has been requested by the applicable agency,
- 11 recommend that the office reject an application if the
- 12 applicable agency determines, in the applicable agency's sole
- discretion, that the applicant's offering fails to comply
- 14 with standards or specifications:
- 15 (i) required by Federal law or regulation; or
- 16 (ii) previously approved for use by a Federal
- 17 agency.
- 18 (8) If an applicable agency recommends that the office
- reject an application under paragraph (7), the office may not
- approve the application. The rejection may be overridden by
- 21 the advisory committee as provided in section 4(i).
- 22 (9) An applicable agency shall cooperate with the office
- 23 to identify regulations that need to be waived.
- 24 (i) Review by advisory committee.--
- 25 (1) Upon receiving a written report described in
- 26 subsection (h), the director shall provide the application
- and the written report to the advisory committee.
- 28 (2) The director may call the advisory committee to meet
- as needed, but not less than once per quarter if applications
- 30 are available for review.

- 1 (3) After receiving and reviewing the application and
 2 written report, the advisory committee shall provide to the
 3 director the advisory committee's recommendation as to
 4 whether or not the applicant should be admitted as a sandbox
 5 participant under this act.
 - (4) As part of the advisory committee's review of each written report, the advisory committee shall use the criteria required for an applicable agency as described in subsection (h).
- 10 (j) Office consultations.--

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- (1) In reviewing an application and each applicable agency's report and recommendation, the office shall consult with each applicable agency and the advisory committee before admitting an applicant into the regulatory sandbox.
- (2) The consultation with each applicable agency and the consultation with the advisory committee may include seeking information about whether:
- 18 (i) The applicable agency has previously issued a
 19 license or other authorization to the applicant.
 - (ii) The applicable agency has previously investigated, sanctioned or pursued legal action against the applicant.
- 23 (k) Factors to be considered.--
 - (1) In reviewing an application under this section, the office and applicable agency shall consider whether a competitor to the applicant is or has been a sandbox participant and, if so, weigh that as a factor in favor of allowing the applicant to also become a sandbox participant.
- 29 (2) In reviewing an application under this section, the 30 office shall consider, in addition to the factor in paragraph

1 (1), whether:

- 2 (i) The applicant's plan will adequately protect
 3 consumers from potential harm identified by an applicable
 4 agency in the applicable agency's written report.
 - (ii) The risk of harm to consumers is outweighed by the potential benefits to consumers from the applicant's participation in the regulatory sandbox.
 - (iii) A waiver or suspension of State law or regulations that regulate an offering should not be waived or suspended even if the applicant is approved as a sandbox participant, including applicable antifraud or disclosure provisions.
 - (1) Sandbox participation.--
 - (1) An applicant becomes a sandbox participant if the office approves the application for the regulatory sandbox and enters into a written agreement with the applicant describing the specific law and regulations that are waived or suspended as part of participation in the regulatory sandbox.
 - (2) Notwithstanding any other provision of this act, the office may not enter into a written agreement with an applicant that waives or suspends a tax, fee or charge that is administered by the Department of Revenue.
 - (m) Denial of application. --
 - (1) The denial of an application submitted under this section is subject to review by the advisory committee. The advisory committee shall complete the review within 30 days and may override the denial by a two-thirds vote. There shall be no judicial review of the advisory committee decision.
- 30 (2) The office shall deny an application for

1 participation in the regulatory sandbox described in this

2 section if the applicant or another person who seeks to

3 participate with the applicant in demonstrating an offering

4 has been convicted, entered a plea of nolo contendere or

5 entered a plea of guilty or nolo contendere held in abeyance,

for a crime involving significant theft, fraud or dishonesty

that bears a significant relationship to the applicant's or

other participant's ability to safely and competently

9 participate in the regulatory sandbox program.

(n) Public notice.--

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- (1) When an applicant is approved for participation in the regulatory sandbox, the office shall provide public notice of the approval on the office's publicly accessible Internet website and through other appropriate means.
 - (2) The public notice shall state:
 - (i) The name of the sandbox participant.
- 17 (ii) The industries the sandbox participant represents.
- 19 (iii) Each law or regulation that is suspended or
 20 waived for the sandbox participant as allowed by the
 21 regulatory sandbox.
 - (3) In addition to the information described in paragraph (2), the following information shall be made available on the office's publicly accessible Internet website and through other appropriate means:
- 26 (i) Documentation regarding the office's
 27 determination and grounds for approving each sandbox
 28 participant.
- 29 (ii) Public notice regarding any sandbox
 30 participant's revocation to participate in the regulatory

- 1 sandbox.
- 2 (o) Effect of criminal convictions. -- A criminal conviction
- 3 may be weighed in the application process, but shall not be a
- 4 barrier to participation in the regulatory sandbox, except as
- 5 specified in subsection (m)(4).
- 6 Section 6. Effect of application approval.
- 7 (a) General rule. -- If the office approves an application
- 8 under this act, the sandbox participant has 24 months after the
- 9 day on which the application was approved to demonstrate the
- 10 offering described in the sandbox participant's application.
- 11 (b) Conditions. -- An offering that is demonstrated within the
- 12 regulatory sandbox is subject to the following conditions:
- 13 (1) Each consumer must be a resident of this
- 14 Commonwealth, except as permitted under reciprocal agreements
- established under section 3(d)(2).
- 16 (2) No law or regulation may be waived or suspended if
- 17 the waiver or suspension would prevent a consumer from
- 18 seeking restitution in the event that the consumer is harmed
- 19 by the waiver or suspension.
- 20 (c) Construction.--
- 21 (1) Nothing in this section shall be construed to
- restrict a sandbox participant who holds a license or other
- 23 authorization in another jurisdiction from acting in
- 24 accordance with that license or other authorization.
- 25 (2) A sandbox participant is deemed to possess an
- 26 appropriate license or other authorization under State law
- for the purpose of any provision of Federal law requiring
- licensure or other authorization by the Commonwealth.
- 29 (d) Applicability of enforcement law.--
- 30 (1) During the demonstration period, a sandbox

- participant is not subject to the enforcement of State law or regulations identified in the written agreement between the office and the sandbox participant.
 - (2) A prosecutor may not file or pursue charges against a sandbox participant for failure to comply with a law or regulation identified in the written agreement between the office and the sandbox participant that occurs during the demonstration period.
- 9 (3) A State agency may not file or pursue any punitive 10 action against a sandbox participant, including a fine or 11 license suspension or revocation, for the violation of a law 12 or regulation that:
 - (i) is identified as being waived or suspended in the written agreement between the office and the sandbox participant; and
- 16 (ii) occurs during the demonstration period.
- (e) Criminal liability. -- Notwithstanding subsection (d):
- 18 (1) A sandbox participant does not have immunity related 19 to a violation under 18 Pa.C.S. (relating to crimes and 20 offenses) committed during the sandbox participant's 21 participation in the regulatory sandbox.
- 22 (2) A sandbox participant that provides an offering
 23 shall comply with all applicable Federal law and regulations
 24 governing consumer protection.
- 25 (f) Termination.--By written notice, the office may
- 26 terminate a sandbox participant's participation in the
- 27 regulatory sandbox at any time and for any reason that the
- 28 sandbox participant is not operating in good faith to bring an
- 29 offering to market.
- 30 (g) No liability for office. -- The office and the office's

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- 1 employees are not liable for any business loss or the recouping
- 2 of an application expense or other expense related to the
- 3 regulatory sandbox, including for:
- 4 (1) denying an applicant's application to participate in
- 5 the regulatory sandbox for any reason; or
- 6 (2) ending a sandbox participant's participation in the
- 7 regulatory sandbox at any time and for any reason.
- 8 Section 7. Annual report.
- 9 The director shall prepare and submit an annual report to the
- 10 General Assembly relating to the office. The report shall
- 11 include:
- 12 (1) information regarding each participant in the
- 13 regulatory sandbox, including which industries each
- 14 participant represents and the anticipated or actual cost
- savings that each participant experienced;
- 16 (2) recommendations regarding any law or regulation that
- should be permanently modified;
- 18 (3) information regarding outcomes for consumers; and
- 19 (4) recommendations for changes to the regulatory
- 20 sandbox program or other duties of the office.
- 21 Section 8. Consumer protection.
- 22 (a) Duty of sandbox participants. -- Before demonstrating an
- 23 offering to a consumer, a sandbox participant shall disclose the
- 24 following to the consumer:
- 25 (1) The name and contact information of the sandbox
- 26 participant.
- 27 (2) That the offering is authorized under the regulatory
- sandbox and, if applicable, that the sandbox participant does
- 29 not have a license or other authorization to provide an
- offering under State law that regulates offerings outside of

- 1 the regulatory sandbox.
- 2 (3) That the offering is undergoing testing and may not
- 3 function as intended and may expose the consumer to certain
- 4 risks as identified by the applicable agency's written
- 5 report.
- 6 (4) That the provider of the offering is not immune from
- 7 civil liability for any loss or damages caused by the
- 8 offering.
- 9 (5) That the provider of the offering is not immune from
- 10 criminal prosecution for violations of State law or
- 11 regulations that are not suspended or waived as allowed by
- 12 the regulatory sandbox.
- 13 (6) That the offering is a temporary demonstration that
- may be discontinued at the end of the demonstration period.
- 15 (7) The expected end date of the demonstration period.
- 16 (8) That the consumer may contact the office and file a
- 17 complaint regarding the offering being demonstrated.
- 18 (9) The office's telephone number and publicly
- 19 accessible Internet website address where a complaint may be
- 20 filed.
- 21 (b) Form of disclosure. -- The disclosure required by
- 22 subsection (a) shall be provided to a consumer in a clear and
- 23 conspicuous form and, for an Internet or application-based
- 24 offering, a consumer must acknowledge receipt of the disclosure
- 25 before any transaction may be completed.
- 26 (c) Additional disclosures. -- The office may require that a
- 27 sandbox participant make disclosures to a consumer in addition
- 28 to the disclosure described in subsection (a).
- 29 Section 9. Requirements for exiting regulatory sandbox.
- 30 (a) General rule. -- At least 30 days before the end of the

- 1 24-month regulatory sandbox demonstration period, a sandbox
- 2 participant shall:
- 3 (1) notify the office that the sandbox participant will
- 4 exit the regulatory sandbox and discontinue the sandbox
- 5 participant's demonstration after the day on which the 24-
- 6 month demonstration period ends; or
- 7 (2) seek an extension in accordance with law.
- 8 (b) End of demonstration period. -- Subject to subsection (c),
- 9 if the office does not receive notification as required by
- 10 subsection (a), the regulatory sandbox demonstration period ends
- 11 at the end of the 24-month testing period.
- 12 (c) Ongoing duties. -- If a demonstration includes an offering
- 13 that requires ongoing duties, the sandbox participant may
- 14 continue to do so, but will be subject to enforcement of the law
- 15 or regulations that were waived or suspended as part of the
- 16 regulatory sandbox.
- 17 Section 10. Extensions.
- 18 (a) Request for extension. -- Not later than 30 days before
- 19 the end of the 24-month regulatory sandbox demonstration period,
- 20 a sandbox participant may request an extension of the regulatory
- 21 sandbox demonstration period.
- 22 (b) Time period.--
- 23 (1) The office shall grant or deny a request for an
- 24 extension by the end of the 24-month regulatory sandbox
- 25 testing period.
- 26 (2) The office may grant an extension in accordance with
- 27 this section for not more than 12 months after the end of the
- 28 regulatory sandbox demonstration period.
- 29 Section 11. Recordkeeping and reporting requirements.
- 30 (a) General rule. -- A sandbox participant shall retain

- 1 records, documents and data produced in the ordinary course of
- 2 business regarding an offering demonstrated in the regulatory
- 3 sandbox.
- 4 (b) Notice to office and applicable agencies. -- If a sandbox
- 5 participant ceases to provide an offering before the end of a
- 6 demonstration period, the sandbox participant shall notify the
- 7 office and each applicable agency and report on actions taken by
- 8 the sandbox participant to ensure that consumers have not been
- 9 harmed as a result.
- 10 (c) Quarterly reports. -- The office shall establish quarterly
- 11 reporting requirements for a sandbox participant, including
- 12 information about any consumer complaints.
- 13 (d) Inspection of records. -- The office may request records,
- 14 documents and data from a sandbox participant and, at the
- 15 office's request, the sandbox participant shall make the
- 16 records, documents and data available for inspection by the
- 17 office.
- 18 (e) Notice of incidents.--
- 19 (1) The sandbox participant shall notify the office and
- 20 each applicable agency of an incident that results in harm to
- 21 the health, safety or financial well-being of a consumer.
- 22 (2) If the sandbox participant fails to notify the
- office and each applicable agency of an incident, or the
- office or an applicable agency has evidence that significant
- 25 harm to a consumer has occurred, the office may immediately
- 26 remove the sandbox participant from the regulatory sandbox.
- 27 (f) Post-participation report.--
- 28 (1) No later than 30 days after the day on which a
- sandbox participant exits the regulatory sandbox, the sandbox
- 30 participant shall submit a written report to the office and

- each applicable agency describing an overview of the sandbox
- 2 participant's demonstration, including any:
- 3 (i) incident of harm to consumers;
- 4 (ii) legal action filed against the participant as a 5 result of the participant's demonstration;
- 6 (iii) complaint filed with an applicable agency as a 7 result of the participant's demonstration; and
- 8 (iv) statutory or regulatory reform the sandbox 9 participant recommends as a result of the demonstration.
- 10 (2) No later than 30 days after an applicable agency
 11 receives the quarterly reporting described in subsection (c)
 12 or a written report from a sandbox participant as described
 13 in subsection (e)(1), the applicable agency shall provide a
 14 written report to the office on the demonstration that
 15 describes any statutory or regulatory reform the applicable
 16 agency recommends as a result of the demonstration.
- 17 Section 12. Regulatory relief web page.
- 18 (a) Duty of office. -- The office shall create and maintain on
- 19 its publicly accessible Internet website a web page that invites
- 20 residents and businesses in this Commonwealth to make
- 21 suggestions regarding law and regulations that could be modified
- 22 or eliminated to reduce the regulatory burden of residents and
- 23 businesses in this Commonwealth.
- 24 (b) Quarterly compilation.--
- 25 (1) On at least a quarterly basis, the office shall
- compile the results of suggestions from the web page and
- 27 provide a written report to the Governor and the General
- Assembly that describes the most common suggestions.
- 29 (2) In creating the report described in paragraph (1),
- 30 the office and the advisory committee:

- 1 (i) shall ensure that private information of
 2 residents and businesses that make suggestions on the web
 3 page is not made public; and
- (ii) may evaluate the suggestions and provide

 analysis and suggestions regarding which State law and

 regulations could be modified or eliminated to reduce the

 regulatory burden of residents and businesses in the

 State while still protecting consumers.
- 9 Section 13. Effective date.
- 10 This act shall take effect in 60 days.