

# FISCAL NOTE

June 1, 2023

<b>Bill No:</b>	SB 633	<b>Printer's No:</b>	629	<b>Sponsor:</b>	Coleman
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## COST / (SAVINGS)

Fund (s)	2022-23	2023-24
General Fund	See "FISCAL IMPACT"	\$1.271 million

**SUMMARY:** This bill establishes the Regulatory Sandbox Program, the Regulatory Relief Office and an advisory committee; and provides for their powers and duties.

**ANALYSIS:** SB 633 establishes the Regulatory Relief Office within the Governor's Office and creates the Regulatory Sandbox Program administered by the created office. The office shall identify state laws and regulations that could be waived or suspended under the program, provide recommendations to the governor and General Assembly on laws and regulations that may inhibit the creation and success of companies or industries, and enter into reciprocity agreements with federal, state or foreign regulators to advance the purpose of the regulatory sandbox. The office may collect an application fee of \$50, a participation fee of \$450, and additional fee schedules as determined necessary by the office.

This bill also creates the Regulatory Sandbox Program Advisory Committee to advise and make recommendations to the office. Committee members may not receive compensation or benefits for their service but may receive per diem and travel expenses.

Under the Regulatory Sandbox Program, applicants may apply through the office by identifying laws or regulations the applicant seeks to have waived or suspended while participating in the program. Applicants must identify how the offering would benefit consumers, what risks might exist, and how participation would enable a successful demonstration of the offering. Taxes and fees administered by the Department of Revenue are not eligible for waiver under the program.

The office shall review applications and make determinations on admittance to the program. Each applicable agency shall review applications for potential harm to consumers and make a recommendation to the office on the application. The advisory committee may override the decision of an agency to reject a program application by a two-thirds vote. If approved, the participant is not subject to enforcement of the relevant state law or regulation for 24 months unless terms are not met during the demonstration period. Participants may request an extension not later than 30 days prior to the end of the demonstration period.

The office shall prepare an annual report to the General Assembly on implementation, success, and recommended changes to the program.

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**FISCAL IMPACT:** SB 633 carries a fiscal impact of \$1.271 million in Fiscal Year 2023-24 and \$1.334 million in Fiscal Year 2024-25 to create the Regulatory Relief Office and administer the Regulatory Sandbox Program. The office may charge application, participation, and additional fees as determined necessary. The commonwealth would also incur lost revenue and increased costs if a waived law or regulation resulted in a negative impact on the affected community.

	FY 23-24	FY 24-25
Personnel (10 positions)	\$1.155 million	\$1.212 million
Operating (10 percent)	\$0.116 million	\$0.122 million
Total	\$1.271 million	\$1.334 million