

HOUSE BILL No. 2291

By Committee on Commerce, Labor and Economic Development

Requested by Representative Penn

2-5

1 AN ACT creating the regulatory relief division within the office of the  
2 attorney general; establishing the general regulatory sandbox program  
3 to waive or suspend administrative rules and regulations for program  
4 participants; amending K.S.A. 75-4319 and repealing the existing  
5 section.

6  
7 *Be it enacted by the Legislature of the State of Kansas:*

8 New Section 1. As used in sections 1 through 7, and amendments  
9 thereto:

10 (a) "Agency" means any officer, department, bureau, division, board,  
11 authority, agency, commission or institution of this state, except the  
12 judicial and legislative branches, that is authorized by law to adopt rules  
13 and regulations concerning the administration, enforcement or  
14 interpretation of any law of this state;

15 (b) "records" means information that is inscribed on a tangible  
16 medium or that is stored in an electronic or other medium and is  
17 retrievable in perceivable form; and

18 (c) "written report" means the report written by an applicable agency  
19 required by section 3(f), and amendments thereto.

20 New Sec. 2. (a) (1) There is hereby established within the office of  
21 the attorney general a regulatory relief division to administer and support  
22 the operations of the general regulatory sandbox program.

23 (2) The attorney general shall establish and maintain a principal  
24 office for the regulatory relief division within the state, appoint employees  
25 and agents ~~as necessary~~ and prescribe the duties and compensation for  
26 each employee and agent subject to appropriations. The regulatory relief  
27 division shall be headed by a director appointed by the attorney general.  
28 Such director shall report to the attorney general and may appoint staff  
29 subject to the approval of the attorney general. **Appointments of**  
30 **employees by the attorney general or by the director and approved by**  
31 **the attorney general shall be limited to one full-time and one part-time**  
32 **employee, unless additional staff is requested by and authorized**  
33 **pursuant to appropriations as approved by the house committee on**

1 **appropriations and the senate committee on ways and means.**

2 (b) (1) The regulatory relief division shall:

3 (A) Administer the provisions of this section;

4 (B) administer the general regulatory sandbox program; and

5 (C) act as a liaison between private businesses and applicable  
6 agencies to identify rules and regulations that could be waived or  
7 suspended under the general regulatory sandbox program.

8 (2) The regulatory relief division may:

9 (A) Review state laws and rules and regulations that may  
10 unnecessarily inhibit the creation or success of new and existing  
11 companies and provide recommendations to the governor and the  
12 legislature on amending or repealing such state laws and rules and  
13 regulations;

14 (B) create a framework for analyzing the risk level to the health,  
15 safety and financial well-being of consumers related to repealing state  
16 laws and repealing or waiving the requirements of rules and regulations  
17 identified in subparagraph (A);

18 (C) propose potential reciprocity agreements between states that use  
19 or are proposing to use similar general regulatory sandbox programs as  
20 described in this section;

21 (D) adopt rules and regulations regarding the administration of the  
22 general regulatory sandbox program, including rules and regulations that:

23 (i) Administer the general regulatory sandbox program; and

24 (ii) set forth the general regulatory sandbox program application  
25 process and reporting requirements; and

26 (E) consult and cooperate with other agencies in the state relating to  
27 the general regulatory sandbox program.

28 (c) (1) There is hereby established the general regulatory sandbox  
29 program advisory committee. The advisory committee shall have ~~11~~ **nine**  
30 **{11}** members as follows:

31 (A) ~~Six~~ **Five** members who represent business interests from a variety  
32 of industries, appointed by the director;

33 (B) ~~three~~ **two** members appointed by the director who represent state  
34 agencies that license or regulate businesses;

35 (C) one member of the senate, appointed by the president of the  
36 senate; ~~and~~

37 (D) one member of the house of representatives, appointed by the  
38 speaker of the house of representatives;

39 (E) **one member of the senate, appointed by the minority leader**  
40 **of the senate; and}**

41 **{(F) one member of the house of representatives, appointed by the**  
42 **minority leader of the house of representatives}.**

43 (2) Appointments to the advisory committee made by the director

1 shall be for four-year renewable terms. Appointments to the advisory  
2 committee made by the president of the senate and the speaker of the  
3 house of representatives shall be for two-year renewable terms. Any  
4 vacancy in the membership of the advisory committee shall be filled for  
5 the unexpired term in the same manner as provided in this paragraph for  
6 the original appointment. Notwithstanding the requirements of this  
7 paragraph, the director may adjust the length of terms of appointments to  
8 the advisory committee, so that approximately half of the advisory  
9 committee is appointed every two years.

10 (3) The director shall select a chairperson from among the members  
11 of the advisory committee on an annual basis. A quorum of the advisory  
12 committee shall be a majority of the appointed members. All actions of the  
13 advisory committee shall be by motion adopted by a majority of those  
14 members present when there is a quorum.

15 (4) The advisory committee may meet at any time and at any place  
16 within the state upon the call of the chairperson or a majority of the  
17 members of the advisory committee.

18 (5) The advisory committee shall advise and make recommendations  
19 to the regulatory relief division as described in this section.

20 (6) The regulatory relief division shall provide assistance to the  
21 advisory committee to prepare and publish meeting agendas, public  
22 notices, meeting minutes and any research, data or information requested  
23 by the advisory committee.

24 (7) The advisory committee, in accordance with K.S.A. 75-4319, and  
25 amendments thereto, may recess for a closed or executive meeting when it  
26 is considering matters relating to applications submitted by applicants.

27 (8) If approved by the legislative coordinating committee, legislative  
28 members of the committee attending meetings authorized by the  
29 committee shall be paid amounts for expenses, mileage and subsistence as  
30 provided in K.S.A. 75-3223(e), and amendments thereto.

31 (d) Beginning in 2027, on or before the first day of each regular  
32 legislative session, the director of the regulatory relief division shall  
33 prepare and submit a report to the senate standing committee on  
34 commerce, the house standing committee on commerce, labor and  
35 economic development and the joint committee on administrative rules  
36 and regulations or their successor committees. Such report shall include:

37 (1) Information regarding each participant in the general regulatory  
38 sandbox program, including which industries each participant represents;

39 (2) the anticipated or actual cost savings that each participant  
40 experienced due to such participant's participation in the general regulatory  
41 sandbox program;

42 (3) recommendations regarding any laws or rules and regulations that  
43 should be repealed or amended;

- 1 (4) information regarding outcomes for consumers; and  
2 (5) recommendations for changes to the general regulatory sandbox  
3 program or other duties of the regulatory relief division.

4 New Sec. 3. (a) There is hereby created in the regulatory relief  
5 division the general regulatory sandbox program. In the administration of  
6 the general regulatory sandbox program, the regulatory relief division:

- 7 (1) Shall consult with each applicable state agency;  
8 (2) shall establish a program to enable a person to obtain legal  
9 protections and limited access to the market in the state to demonstrate an  
10 innovative offering without obtaining a—license, certification; or  
11 registration or other authorization that might otherwise be required by state  
12 law, **except that:**

13 **(A) Nothing in this act shall be construed to permit any waiver or**  
14 **suspension of any licensing requirement or rule or regulation**  
15 **regarding licensing or to permit a license to be deemed for purposes of**  
16 **federal or state law; and**

17 **(B) the program shall not be used for any innovative offering**  
18 **regulated under any provision of the Kansas liquor control act, club**  
19 **and drinking establishment act or Kansas cereal malt beverage act,**  
20 **and no waiver or suspension of any licensing requirement or any other**  
21 **rule and regulation under any such act shall be permitted;**

22 (3) may enter into agreements with or adopt the best practices of  
23 corresponding federal regulatory agencies or other states that are  
24 administering similar programs; and

25 (4) may consult with businesses in the state about existing or  
26 potential proposals for the general regulatory sandbox program.

27 (b) (1) The regulatory relief division shall provide relevant  
28 information regarding the regulatory sandbox program and how to apply  
29 for the program. The regulatory relief division may provide assistance to  
30 an applicant in preparing an application for submission.

31 (2) An applicant to the general regulatory sandbox program may  
32 contact the regulatory relief division to request a consultation regarding  
33 the general regulatory sandbox program before submitting an application.

34 (3) An applicant to the general regulatory sandbox program shall  
35 provide to the regulatory relief division an application in a form prescribed  
36 by the regulatory relief division that:

37 (A) Confirms that the applicant is subject to the jurisdiction of  
38 Kansas;

39 (B) confirms that the applicant has established a physical or virtual  
40 location in the state from where the demonstration of an innovative  
41 offering will be developed and performed and where all required records,  
42 documents and data will be maintained;

43 (C) contains relevant personal and contact information for the

1 applicant, including legal names, addresses, telephone numbers, email  
2 addresses, website addresses and other information required by the  
3 regulatory relief division;

4 (D) discloses criminal convictions of the applicant or other  
5 participating personnel, if any;

6 (E) contains a description of the innovative offering to be  
7 demonstrated, including statements regarding:

8 (i) How the offering is subject to ~~licensing~~, legal prohibition or other  
9 authorization requirements outside of the general regulatory sandbox  
10 program;

11 (ii) each rule and regulation that the applicant seeks to have waived or  
12 suspended while participating in the general regulatory sandbox program;

13 (iii) how the offering would benefit consumers;

14 (iv) how the offering is different from other offerings available in the  
15 state;

16 (v) what risks might exist for consumers who use or purchase the  
17 offering;

18 (vi) how participating in the general regulatory sandbox program  
19 would enable a successful demonstration of the offering;

20 (vii) a description of the proposed demonstration plan, including  
21 estimated time periods for beginning and ending the demonstration;

22 (viii) recognition that the applicant will be subject to all laws and  
23 rules and regulations pertaining to the applicant's offering after conclusion  
24 of the demonstration; and

25 (ix) how the applicant will end the demonstration and protect  
26 consumers if the demonstration fails;

27 (F) lists each agency, if any, that the applicant reasonably believes to  
28 regulate the applicant's business; and

29 (G) provides any other required information as determined by the  
30 regulatory relief office.

31 (4) For each application submitted, the regulatory relief office may  
32 collect a fee of not to exceed \$250.

33 (5) An applicant shall file a separate application for each innovative  
34 offering that the applicant seeks to demonstrate.

35 (c) (1) The application and any related information provided by the  
36 applicant shall be confidential and privileged, except that the application  
37 and related information may be disclosed to an expert contracted by the  
38 division for specific services to review the records.

39 (2) Except as provided in paragraph 1, the application and any related  
40 information provided by the applicant shall be confidential and privileged  
41 and not be subject to the provisions of the Kansas open records act as  
42 provided by K.S.A. 45-215 et seq., and amendments thereto. The  
43 provisions of this subsection shall expire on July 1, 2030, unless the

1 legislature reviews and reenacts this provision pursuant to K.S.A. 45-229,  
2 and amendments thereto, prior to July 1, 2030.

3 (d) After an application is filed, the regulatory relief office shall:

4 (1) Consult with each applicable agency that regulates the applicant's  
5 business to determine if more information is needed from the applicant;  
6 and

7 (2) seek any other information from the applicant that the regulatory  
8 relief office determines is necessary for an application to be complete.

9 (e) Not later than five business days after the day when a complete  
10 application is received, the regulatory relief office shall:

11 (1) Review the application and refer the application to each  
12 applicable agency that regulates the applicant's business; and

13 (2) provide to the applicant an acknowledgment of receipt of the  
14 application and the identity and contact information of each agency to  
15 which the application has been referred for review.

16 (f) (1) Except as provided by this section, not later than 30 days after  
17 the day when an applicable agency receives a complete application for  
18 review, the applicable agency shall provide a written report to the director  
19 of the applicable agency's findings. Such report shall:

20 (A) Describe any identifiable, likely and significant harm to the  
21 health, safety or financial well-being of consumers against which the  
22 relevant law or rule and regulation protects; and

23 (B) make a recommendation to the regulatory relief office that the  
24 application either be admitted or denied entrance into the general  
25 regulatory sandbox program.

26 (2) The applicable agency may request an additional five business  
27 days to deliver the written report by providing notice to the director. Such  
28 request shall automatically be granted, and the applicable agency may only  
29 request one extension per application.

30 (3) If the applicable agency recommends that an application should  
31 be denied entrance into the general regulatory sandbox program, the  
32 written report shall include a description of the reasons for the  
33 recommendation, including why a temporary waiver or suspension of the  
34 relevant rules and regulations is likely to significantly harm the health,  
35 safety or financial well-being of consumers or the public and the  
36 likelihood of such harm occurring.

37 (4) If the agency determines that the consumer's or public's health,  
38 safety or financial well-being can be protected through less restrictive  
39 means than the existing relevant rules and regulations, the applicable  
40 agency shall provide a recommendation of how such less restrictive means  
41 can be achieved.

42 (5) If an applicable agency fails to deliver a written report as  
43 described in this section, the director shall assume that the applicable

1 agency does not object to the temporary waiver or suspension of the  
2 relevant rules and regulations for the application seeking to participate in  
3 the general regulatory sandbox program.

4 (6) Notwithstanding any other provision of this section, an applicable  
5 agency may:

6 (A) By written notice to the regulatory relief office not more than 30  
7 days after the date when the applicable agency receives a completed  
8 application for review, or within 35 days if an extension has been  
9 requested by the applicable agency, reject an application if the applicable  
10 agency determines, in the applicable agency's sole discretion, that the  
11 applicant's offering fails to comply with standards or specifications  
12 required by federal law or regulation or previously approved for use by a  
13 federal agency; or

14 (B) reject an application preliminarily approved by the regulatory  
15 relief office, if the applicable agency recommended rejection of the  
16 application in the agency's written report and provides in the written notice  
17 under subparagraph (A) a description of the applicable agency's reasons  
18 why approval of the application would create a substantial risk of harm to  
19 the health or safety of the public or create unreasonable expenses for  
20 taxpayers in the state.

21 (7) If an applicable agency rejects an application under paragraph (6),  
22 the regulatory relief office shall not approve such application **unless the**  
23 **advisory committee recommends that the application should be**  
24 **approved by a 2/3 vote.**

25 (g) (1) Upon receiving a written report, the director shall provide the  
26 application and the written report to the advisory committee.

27 (2) The director may call the advisory committee to meet, as needed,  
28 but not less than once per quarter if applications are available for review.

29 (3) After receiving and reviewing the application and each written  
30 report, the advisory committee shall provide to the director the advisory  
31 committee's recommendation as to whether or not the applicant should be  
32 admitted as a sandbox participant under this section.

33 (4) As part of the advisory committee's review of each written report,  
34 the advisory committee shall use the criteria required for an applicable  
35 agency as described in subsection (f).

36 (h) (1) In reviewing an application and each applicable agency's  
37 written report, the regulatory relief office shall consult with each  
38 applicable agency and the advisory committee before admitting an  
39 applicant into the general regulatory sandbox program. Such consultation  
40 may seek information regarding whether the applicable agency has  
41 previously:

42 (A) Issued a license or other authorization to the applicant; and

43 (B) investigated, sanctioned or pursued legal action against the

1 applicant.

2 (2) In reviewing an application, if a competitor to an applicant is or  
3 has been a regulatory relief sandbox program participant, the regulatory  
4 relief office and each applicable agency shall weigh such competitor's  
5 participation as a factor in favor of allowing the applicant to also become a  
6 sandbox participant.

7 (i) In reviewing an application under this section, the regulatory relief  
8 office shall consider if:

9 (1) The applicant's plan will adequately protect consumers from  
10 potential harm identified by an applicable agency in the written report;

11 (2) the risk of harm to consumers is outweighed by the potential  
12 benefits to consumers from the applicant's participation in the general  
13 regulatory sandbox program; and

14 (3) certain rules and regulations that regulate an offering should not  
15 be waived or suspended even if the applicant is approved as a sandbox  
16 participant, including applicable anti-fraud or disclosure provisions.

17 (j) An applicant becomes a sandbox participant if the regulatory relief  
18 office approves the application and enters into a written agreement with  
19 the applicant describing the specific rules and regulations that are waived  
20 or suspended as part of participation in the general regulatory sandbox  
21 program.

22 (1) The regulatory relief office shall not enter into a written  
23 agreement with an applicant that waives or suspends a tax, fee or charge  
24 that is administered under the provisions of chapter 79 of the Kansas  
25 Statutes Annotated, and amendments thereto.

26 (2) The director may deny any application submitted under this  
27 section for any reason, including if the director determines that suspending  
28 or waiving enforcement of rule and regulation would cause a significant  
29 risk of harm to consumers or residents of the state.

30 (3) (A) If the director denies an application, the regulatory relief  
31 office shall provide to the applicant a written description of the reasons for  
32 not allowing the applicant to be a sandbox participant.

33 (B) The denial of an application submitted under this section shall not  
34 be subject to the administrative procedure act or the Kansas judicial review  
35 act.

36 (C) The director shall deny an application for participation in the  
37 general regulatory sandbox program described by this section if the  
38 applicant or any person who seeks to participate with the applicant, in  
39 demonstrating that an offering has been convicted, entered a plea of nolo  
40 contendere for any crime involving significant theft, fraud or dishonesty if  
41 the crime bears a significant relationship to the applicant's or other  
42 participant's ability to safely and competently participate in the general  
43 regulatory sandbox program.

1 (4) When an applicant is approved for participation in the general  
2 regulatory sandbox program, the director ~~may~~ **shall** provide notice of the  
3 approval to competitors of the applicant and to the public. **Such notice**  
4 **shall be provided prominently on the website of the attorney general**  
5 **and the website or webpage of the regulatory relief division, if the**  
6 **regulatory relief division has a website or webpage.**

7 New Sec. 4. (a) If the regulatory relief office approves an application  
8 under sections 1 through 3, and amendments thereto, the sandbox  
9 participant shall have ~~12~~ **24** months after the date when the application  
10 was approved to demonstrate the offering described in the application.

11 (b) An offering that is demonstrated within the general regulatory  
12 sandbox program is subject to the following limitations:

13 (1) Each consumer shall be a resident of Kansas; and

14 (2) no rule and regulation shall be waived or suspended if such  
15 waiver or suspension would prevent a consumer from seeking restitution  
16 in the event that the consumer is harmed.

17 (c) (1) A sandbox participant who holds a ~~license or other~~  
18 ~~authorization~~ **certification or registration** in another jurisdiction shall not  
19 be restricted from acting in accordance with that ~~license or other~~  
20 authorization.

21 (2) A sandbox participant is deemed to possess an appropriate ~~license~~  
22 ~~or other authorization~~ **certification or registration** under the laws of the  
23 state for the purposes of any provision of federal law requiring licensure or  
24 other authorization by the state.

25 (3) Except as provided in paragraph (5), during the demonstration  
26 period, a sandbox participant shall not be subject to the enforcement of  
27 rules and regulations identified in the written agreement between the  
28 regulatory relief office and the sandbox participant described in section  
29 3(j), and amendments thereto;

30 (4) (A) A prosecutor shall not file or pursue charges pertaining to a  
31 rule and regulation identified in the written agreement between the  
32 regulatory relief office and the sandbox participant described in section  
33 3(j), and amendments thereto, for any act or omission that occurs during  
34 the demonstration period; and

35 (B) an agency shall not file or pursue any punitive action against a  
36 sandbox participant, including a fine or ~~license~~ suspension or revocation of  
37 **a certification or registration**, for the violation of a rule and regulation  
38 that:

39 (i) Is identified as being waived or suspended in the written  
40 agreement between the regulatory relief office and the sandbox participant  
41 described in section 3(j), and amendments thereto; and

42 (ii) occurs during the demonstration period.

43 (5) Except as provided by paragraph (4)(A), a sandbox participant

1 shall not have immunity related to any criminal offense committed during  
2 the sandbox participant's participation in the general regulatory sandbox  
3 program.

4 (6) By written notice, the regulatory relief office may end a sandbox  
5 participant's participation in the general regulatory sandbox program at any  
6 time and for any reason, including if the director determines that a sandbox  
7 participant is not operating in good faith to bring an innovative offering to  
8 market.

9 (7) The regulatory relief office and the regulatory relief office's  
10 employees shall be not held liable for any business losses or the recouping  
11 of application expenses or other expenses related to the general regulatory  
12 sandbox program, including for:

13 (A) Denying an applicant's application to participate in the general  
14 regulatory sandbox program; or

15 (B) ending a sandbox participant's participation in the general  
16 regulatory sandbox program at any time for any reason.

17 New Sec. 5. (a) Before demonstrating an offering to a consumer, a  
18 sandbox participant shall disclose to the consumer:

19 (1) The name and contact information of the sandbox participant;

20 (2) that the offering is authorized pursuant to the general regulatory  
21 sandbox program and, if applicable, that the sandbox participant does not  
22 have a ~~license or other authorization~~ **certification or registration**  
23 to provide an offering under state laws that regulate offerings outside of the  
24 general regulatory sandbox program;

25 (3) that the offering is undergoing testing and may not function as  
26 intended and may expose the consumer to certain risks as identified by the  
27 applicable agency's written report;

28 (4) that the provider of the offering is not immune from civil liability  
29 for any losses or damages caused by the offering;

30 (5) that the provider of the offering is not immune from criminal  
31 prosecution for violations of state law or rules and regulations that are not  
32 suspended or waived as allowed by the general regulatory sandbox  
33 program;

34 (6) that the offering is a temporary demonstration that may be  
35 discontinued at the end of the demonstration period;

36 (7) the expected end date of the demonstration period; and

37 (8) that a consumer may contact the regulatory relief office and file a  
38 complaint regarding the offering being demonstrated and provide the  
39 regulatory relief office's telephone number and website address where a  
40 complaint may be filed.

41 (b) The disclosures required by subsection (a) shall be provided to a  
42 consumer in a clear and conspicuous form, and for an offering on a  
43 website or application, a consumer shall acknowledge receipt of the

1 disclosure before any transaction may be completed.

2 (c) The regulatory relief office may require that a sandbox participant  
3 make additional disclosures to a consumer.

4 New Sec. 6. (a) At least 30 days before the end of the ~~12-month~~ **24-**  
5 **month** general regulatory sandbox program demonstration period, a  
6 sandbox participant shall:

7 (1) Notify the regulatory relief office that the sandbox participant will  
8 leave the general regulatory sandbox program and discontinue the sandbox  
9 participant's demonstration after the day on which the ~~12-month~~ **24-month**  
10 demonstration period ends; or

11 (2) seek an extension pursuant to subsection (d).

12 (b) If the regulatory relief office does not receive notification  
13 pursuant to subsection (a), the general regulatory sandbox program  
14 demonstration period shall end at the end of the ~~12-month~~ **24-month**  
15 testing period.

16 (c) If a demonstration includes an offering that requires ongoing  
17 duties, the sandbox participant may continue to do so but shall be subject  
18 to enforcement of the rules and regulations that were waived or suspended  
19 as part of the general regulatory sandbox program.

20 (d) Not later than 30 days before the end of the ~~12-month~~ **24-month**  
21 general regulatory sandbox program demonstration period, a sandbox  
22 participant may request an extension of the general regulatory sandbox  
23 program demonstration period.

24 (1) The regulatory relief office shall grant or deny a request for an  
25 extension in accordance with subsection (a) by the end of the ~~12-month~~  
26 **24-month** general regulatory sandbox program testing period.

27 (2) The regulatory relief office may grant an extension in accordance  
28 with this section for not more than 12 months after the end of the general  
29 regulatory sandbox program demonstration period.

30 New Sec. 7. (a) A sandbox participant shall retain records, documents  
31 and data produced in the ordinary course of business regarding an offering  
32 demonstrated in the general regulatory sandbox program.

33 (1) If a sandbox participant ceases to provide an offering before the  
34 end of a demonstration period, the sandbox participant shall notify the  
35 regulatory relief office and each applicable agency and report on actions  
36 taken by the sandbox participant to ensure consumers have not been  
37 harmed as a result.

38 (2) The regulatory relief office shall establish quarterly reporting  
39 requirements for a sandbox participant, including information about any  
40 consumer complaints.

41 (3) The regulatory relief office may request records, documents and  
42 data from a sandbox participant, and upon the regulatory relief office's  
43 request, the sandbox participant shall make such records, documents and

1 data available for inspection by the regulatory relief office.

2 (b) (1) Within three business days, the sandbox participant shall  
3 notify the regulatory relief office, each applicable agency and the joint  
4 committee on administrative rules and regulations of the existence of any  
5 incidents that result in harm to the health, safety or financial well-being of  
6 a consumer. Within seven business days, the sandbox participant shall  
7 provide the details surrounding any such incident to the regulatory relief  
8 office, each applicable agency and the joint committee on administrative  
9 rules and regulations.

10 (2) If a sandbox participant fails to notify the regulatory relief office  
11 and each applicable agency of any incidents as described in this subsection  
12 or the regulatory relief office or an applicable agency has evidence that  
13 significant harm to a consumer has occurred, the regulatory relief office  
14 may immediately remove the sandbox participant from the general  
15 regulatory sandbox program.

16 (c) Not later than 30 days after the date when a sandbox participant  
17 leaves the general regulatory sandbox program, the sandbox participant  
18 shall submit an exit report to the regulatory relief office, each applicable  
19 agency and the joint committee on administrative rules and regulations  
20 describing an overview of the sandbox participant's demonstration,  
21 including any:

22 (1) Incidents of harm to consumers;

23 (2) legal action filed against the participant as a result of the  
24 participant's demonstration; and

25 (3) complaints filed with an applicable agency as a result of the  
26 participant's demonstration.

27 (d) Not later than 30 days after the date when an applicable agency  
28 receives the quarterly reporting described in subsection (g) or an exit  
29 report from a sandbox participant as described in subsection (c), the  
30 applicable agency shall provide a written report to the regulatory relief  
31 office and the joint committee on administrative rules and regulations on  
32 the demonstration that describes any statutory or regulatory reform that the  
33 applicable agency recommends as a result of the demonstration.

34 (e) The regulatory relief office may remove a sandbox participant  
35 from the general regulatory sandbox program at any time if the regulatory  
36 relief office determines that a sandbox participant has engaged in, is  
37 engaging in, or is about to engage in any practice or transaction that is in  
38 violation of sections 1 through 7, and amendments thereto, or constitutes a  
39 violation of a law or rule and regulation for which suspension or waiver  
40 has not been granted.

41 (f) The regulatory relief office shall create and maintain a website  
42 that invites residents and businesses in the state to make suggestions  
43 regarding laws and rules and regulations that could be modified or

1 eliminated to reduce the regulatory burden of residents and businesses in  
2 the state.

3 (g) (1) On at least a quarterly basis, the regulatory relief office shall  
4 compile the results of suggestions from the website and provide a report to  
5 the governor, the senate standing committee on commerce, the house  
6 standing committee on commerce, labor and economic development and  
7 the joint committee on administrative rules and regulations or their  
8 successor committees.

9 (2) In creating such report, the regulatory relief office:

10 (A) Shall ensure that private information of residents and businesses  
11 that make suggestions on the website is not made public; and

12 (B) may evaluate the suggestions and provide analysis and  
13 suggestions regarding which state laws and rules and regulations could be  
14 modified or eliminated to reduce the regulatory burden on residents and  
15 businesses in the state while still protecting consumers.

16 Sec. 8. K.S.A. 75-4319 is hereby amended to read as follows: 75-  
17 4319. (a) Upon formal motion made, seconded and carried, all public  
18 bodies and agencies subject to the open meetings act may recess, but not  
19 adjourn, open meetings for closed or executive meetings. Any motion to  
20 recess for a closed or executive meeting shall include: (1) A statement  
21 describing the subjects to be discussed during the closed or executive  
22 meeting; (2) the justification listed in subsection (b) for closing the  
23 meeting; and (3) the time and place at which the open meeting shall  
24 resume. The complete motion shall be recorded in the minutes of the  
25 meeting and shall be maintained as a part of the permanent records of the  
26 public body or agency. Discussion during the closed or executive meeting  
27 shall be limited to those subjects stated in the motion.

28 (b) Justifications for recess to a closed or executive meeting may only  
29 include the following, the need:

30 (1) To discuss personnel matters of nonelected personnel;

31 (2) for consultation with an attorney for the public body or agency,  
32 which would be deemed privileged in the attorney-client relationship;

33 (3) to discuss employer-employee negotiations whether or not in  
34 consultation with the representative or representatives of the public body  
35 or agency;

36 (4) to discuss data relating to financial affairs or trade secrets of  
37 corporations, partnerships, trusts, and individual proprietorships;

38 (5) to discuss matters relating to actions adversely or favorably  
39 affecting a person as a student, patient or resident of a public institution,  
40 except that any such person shall have the right to a public hearing if  
41 requested by the person;

42 (6) for the preliminary discussion of the acquisition of real property;

43 (7) to discuss matters relating to parimutuel racing permitted to be

1 discussed in a closed or executive meeting pursuant to K.S.A. 74-8804,  
2 and amendments thereto;

3 (8) to discuss matters relating to the care of children permitted to be  
4 discussed in a closed or executive meeting pursuant to K.S.A. 38-2212(d)  
5 (1) or 38-2213(e), and amendments thereto;

6 (9) to discuss matters relating to the investigation of child deaths  
7 permitted to be discussed in a closed or executive meeting pursuant to  
8 K.S.A. 22a-243(j), and amendments thereto;

9 (10) to discuss matters relating to patients and providers permitted to  
10 be discussed in a closed or executive meeting pursuant to K.S.A. 39-  
11 7,119(g), and amendments thereto;

12 (11) to discuss matters required to be discussed in a closed or  
13 executive meeting pursuant to a tribal-state gaming compact;

14 (12) to discuss matters relating to security measures, if the discussion  
15 of such matters at an open meeting would jeopardize such security  
16 measures, that protect: (A) Systems, facilities or equipment used in the  
17 production, transmission or distribution of energy, water or  
18 communications services; (B) transportation and sewer or wastewater  
19 treatment systems, facilities or equipment; (C) a public body or agency,  
20 public building or facility or the information system of a public body or  
21 agency; or (D) private property or persons, if the matter is submitted to the  
22 public body or agency for purposes of this paragraph. For purposes of this  
23 paragraph, security means measures that protect against criminal acts  
24 intended to intimidate or coerce the civilian population, influence  
25 government policy by intimidation or coercion or to affect the operation of  
26 government by disruption of public services, mass destruction,  
27 assassination or kidnapping. Security measures include, but are not limited to,  
28 intelligence information, tactical plans, resource deployment and  
29 vulnerability assessments;

30 (13) to discuss matters relating to maternity centers and child care  
31 facilities permitted to be discussed in a closed or executive meeting  
32 pursuant to K.S.A. 65-525(d), and amendments thereto;

33 (14) to discuss matters relating to the office of inspector general  
34 permitted to be discussed in a closed or executive meeting pursuant to  
35 K.S.A. 75-7427, and amendments thereto; ~~and~~

36 (15) for the governor's domestic violence fatality review board to  
37 conduct case reviews;

38 *(16) for the general regulatory sandbox program advisory committee*  
39 *to discuss applications to the general regulatory sandbox program.*

40 (c) No binding action shall be taken during closed or executive  
41 recesses, and such recesses shall not be used as a subterfuge to defeat the  
42 purposes of this act.

43 (d) Any confidential records or information relating to security

1 measures provided or received under the provisions of subsection (b)(12),  
2 shall not be subject to subpoena, discovery or other demand in any  
3 administrative, criminal or civil action.

4 Sec. 9. K.S.A. 75-4319 is hereby repealed.

5 Sec. 10. This act shall take effect and be in force from and after its  
6 publication in the statute book.