

**House File 85 - Introduced**

HOUSE FILE 85  
BY WILLS

**A BILL FOR**

1 An Act providing for a regulatory relief program.

2 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

unofficial

1 Section 1. NEW SECTION. **15E.22 Regulatory relief office.**

2 1. The authority shall establish a regulatory relief office  
3 under the control of the director of the authority.

4 2. The regulatory relief office shall have all of the  
5 following duties:

6 a. Administer the regulatory relief program as described in  
7 section 15E.24.

8 b. Act as a liaison between private businesses and applicable  
9 state agencies to identify state laws or regulations that could  
10 potentially be waived or suspended under the regulatory relief  
11 program.

12 3. The regulatory relief office may do any of the following:

13 a. Review state laws and regulations that may unnecessarily  
14 inhibit the creation and success of new companies or industries  
15 and provide recommendations to the governor and the general  
16 assembly on modifying such state laws and regulations.

17 b. Create a framework for analyzing the risk level to the  
18 health, safety, and financial well-being of consumers related to  
19 permanently removing or temporarily waiving laws and regulations  
20 inhibiting the creation or success of new and existing companies  
21 or industries.

22 c. Propose potential reciprocity agreements between states  
23 that use or are proposing to use similar regulatory relief  
24 programs as described in this subchapter.

25 4. By October 1 of each year, the regulatory relief office  
26 shall issue a written annual report on the activities of the  
27 office, which report must include all of the following:

28 a. Information regarding each participant in the regulatory  
29 relief program, including which industries each participant  
30 represents and the anticipated or actual cost savings that each  
31 participant experienced.

32 b. Recommendations regarding any laws or regulations that  
33 should be permanently modified.

34 c. Information regarding outcomes for consumers.

35 d. Recommendations for changes to the regulatory relief

1 program or other duties of the regulatory relief office.

2 5. The authority shall adopt rules pursuant to chapter  
3 17A as necessary for purposes of establishing the office and  
4 implementing the requirements of the regulatory relief program.

5 Sec. 2. NEW SECTION. **15E.23 Regulatory relief advisory**  
6 **committee.**

7 1. The authority shall establish a regulatory relief advisory  
8 committee consisting of thirteen members, including nine voting  
9 members and four ex officio nonvoting members. The advisory  
10 committee shall be composed of all of the following:

11 a. Nine voting members, appointed by the director of the  
12 authority, as follows:

13 (1) Six members who represent business interests.

14 (2) Three members who represent state agencies that regulate  
15 businesses.

16 b. The nonvoting members of the committee shall be two state  
17 representatives, one appointed by the speaker of the house of  
18 representatives and one by the minority leader of the house of  
19 representatives, and two state senators, one appointed by the  
20 majority leader of the senate and one by the minority leader of  
21 the senate.

22 2. The director of the authority shall, on an annual basis,  
23 designate the chairperson of the advisory committee. Members  
24 of the advisory committee appointed by the director shall serve  
25 four-year staggered terms as determined by the director.

26 3. A majority of the voting members of the advisory committee  
27 constitutes a quorum for the purpose of conducting advisory  
28 committee business, and the action of the majority of a quorum  
29 constitutes the action of the advisory committee.

30 4. The advisory committee shall advise and make  
31 recommendations to the regulatory relief office concerning the  
32 regulatory relief program as described in section 15E.24.

33 Sec. 3. NEW SECTION. **15E.24 Regulatory relief program.**

34 1. The regulatory review office shall establish a regulatory  
35 relief program. The purpose of the regulatory relief program

1 is to enable a business to obtain legal protections and limited  
2 access to the market in this state to demonstrate an innovative  
3 offering without obtaining a license or other authorization that  
4 might otherwise be required.

5 2. a. The regulatory review office shall establish a process  
6 for purposes of receiving applications from businesses to  
7 participate in the regulatory relief program.

8 b. The application must include a description of the  
9 innovative offering to be demonstrated by the participant, to  
10 include all of the following information:

11 (1) Statements from the applicant on how the offering is  
12 subject to licensing, legal prohibition, or other authorization  
13 requirements.

14 (2) Identification of each law or regulation that the  
15 applicant seeks to have waived or suspended while participating  
16 in the regulatory relief program.

17 (3) How the innovative offering would benefit consumers.

18 (4) What risks might exist for consumers who use or purchase  
19 the offering.

20 (5) How participating in the regulatory relief program would  
21 enable a successful demonstration of the offering.

22 (6) A description of the proposed demonstration plan for  
23 the offering, including estimated time periods for beginning and  
24 ending the demonstration.

25 (7) How the applicant will end the demonstration and protect  
26 consumers if the demonstration fails.

27 (8) A list of each state agency, if any, that the applicant  
28 knows regulates the applicant's business relative to the  
29 offering.

30 (9) Disclosure of criminal convictions of the applicant or  
31 any person who seeks to participate with the applicant in  
32 demonstrating an offering.

33 (10) Such other information as the regulatory review office  
34 requires.

35 3. Upon receipt of an application to participate in the

1 regulatory relief program, the regulatory relief office shall  
2 acknowledge receipt of the application, forward information in  
3 the application to affected state agencies for review, and notify  
4 the applicant which state agencies will review the application.

5 4. Each state agency in receipt of an application to  
6 participate in the regulatory relief program shall, in a timely  
7 fashion, submit a written report to the regulatory relief office  
8 which includes a recommendation to the regulatory relief office  
9 that the applicant either be admitted or denied participation in  
10 the program. The written report must include reasons for the  
11 determination by the state agency.

12 a. A state agency shall recommend that the applicant be  
13 admitted into the regulatory relief program if the agency  
14 determines that the consumer's or public's health, safety, or  
15 financial well-being can be protected through less-restrictive  
16 means than the existing relevant laws or regulations. The  
17 written report must provide a recommendation of how that can be  
18 achieved.

19 b. A state agency shall recommend that the applicant be  
20 denied participation in the regulatory relief program if the  
21 state agency determines that a temporary waiver or suspension of  
22 the relevant laws or regulations would potentially significantly  
23 harm the health, safety, or financial well-being of consumers  
24 or the public and the harm is likely to occur or would  
25 create unreasonable expenses for taxpayers in the state. A  
26 state agency may also recommend that the applicant be denied  
27 participation in the regulatory relief program if the state  
28 agency determines, in the state agency's sole discretion,  
29 that the applicant's innovative offering fails to comply with  
30 standards or specifications required by federal law or regulation  
31 or previously approved for use by a federal agency. The  
32 written report must include reasons for the determination by the  
33 state agency that the applicant be denied participation in the  
34 program.

35 c. If a state agency recommends that an applicant be

1 denied participation in the regulatory relief program, the  
2 regulatory relief office shall deny the application and notify  
3 the applicant.

4 5. a. Upon receipt of written reports by applicable state  
5 agencies that do not recommend denial of the application,  
6 the regulatory review office shall review the application to  
7 determine whether to accept the applicant into the regulatory  
8 review program. The regulatory review office shall provide  
9 the application and written reports to the regulatory relief  
10 advisory committee which shall review the application and written  
11 reports and submit a recommendation to the office regarding  
12 the application. The regulatory relief office may also seek  
13 information from affected state agencies in making a decision  
14 on whether to accept the applicant into the program. The  
15 consultation with each applicable state agency may include  
16 seeking information about whether the applicable state agency  
17 has previously issued a license or other authorization to the  
18 applicant and whether the applicable state agency has previously  
19 investigated, sanctioned, or pursued legal action against the  
20 applicant.

21 b. In reviewing an application under this section, the  
22 regulatory relief office shall consider all of the following:

23 (1) Whether a competitor of the applicant is or has been a  
24 participant in the regulatory relief program and, if so, weigh  
25 that as a factor in favor of allowing the applicant to also  
26 become a participant in the regulatory relief program.

27 (2) Whether the applicant's plan will adequately protect  
28 consumers from potential harm identified by an applicable agency  
29 in the applicable agency's written report.

30 (3) Whether the risk of harm to consumers is outweighed  
31 by the potential benefits to consumers from the applicant's  
32 participation in the regulatory relief program.

33 (4) Whether certain state laws or regulations that regulate  
34 an offering should not be waived or suspended even if the  
35 applicant is approved as a participant in the regulatory relief

1 program, including applicable antifraud or disclosure provisions.

2 6. Following review of the application, the regulatory relief  
3 office shall notify the applicant, in writing, whether the  
4 regulatory relief office approves or denies the application  
5 for participation in the regulatory relief program. If the  
6 regulatory relief office director denies an application submitted  
7 under this section, the regulatory relief office shall provide  
8 to the applicant a written description of the reasons for not  
9 allowing the applicant to be a participant in the program.

10 7. If the regulatory relief office approves the application,  
11 the regulatory relief office shall enter into a written agreement  
12 with the applicant describing the specific laws and regulations  
13 that are waived or suspended as part of participation in the  
14 regulatory relief program. However, the regulatory relief office  
15 shall not enter into a written agreement with an applicant that  
16 waives or suspends a tax, fee, or charge that is administered by  
17 the department of revenue. The written agreement shall also not  
18 waive or suspend any law or regulation if waiving or suspending  
19 the law or regulation would prevent a consumer from seeking  
20 restitution in the event that the consumer is harmed. When  
21 an applicant is approved for participation in the program, the  
22 regulatory relief office may provide notice of the approval to  
23 the public.

24 8. a. If the regulatory relief office approves an  
25 application and enters into a written agreement with the  
26 applicant, the applicant shall be allowed to participate in the  
27 regulatory relief program. A participant in the program has  
28 twelve months after the day on which the application was approved  
29 to demonstrate the offering described in the participant's  
30 application.

31 b. A participant in the regulatory relief program is deemed  
32 to possess an appropriate license or other authorization under  
33 the laws of the state for the purposes of any provision of  
34 federal law requiring licensure or other authorization by the  
35 state.

1 c. During the demonstration period, a participant in the  
2 regulatory relief program is not subject to the enforcement of  
3 state laws or regulations identified in the written agreement  
4 between the regulatory relief office and the participant in the  
5 program. However, a participant in the program does not have  
6 immunity related to any criminal offense committed during the  
7 participant's participation in the regulatory relief program.

8 d. During the demonstration period, a participant in the  
9 regulatory relief program shall provide notice to consumers  
10 regarding the participant's participation in the program in a  
11 manner as prescribed by the regulatory relief office.

12 e. During the demonstration period, a participant in the  
13 regulatory relief program shall retain records, documents, and  
14 data produced in the ordinary course of business regarding  
15 an offering demonstrated in the program. The regulatory  
16 relief office may request records, documents, and data from a  
17 participant and, upon the regulatory relief office's request,  
18 the participant shall make such records, documents, and data  
19 available for inspection by the regulatory relief office.

20 f. A participant in the regulatory relief program shall be  
21 required to submit quarterly reports and a final report at the  
22 conclusion of the demonstration period to the regulatory relief  
23 office containing such information as the office may require  
24 regarding the participant's participation in the program. The  
25 participant shall also notify the regulatory relief office and  
26 each applicable state agency of any incidents that result in  
27 harm to the health, safety, or financial well-being of a consumer  
28 during the demonstration period.

29 g. If a participant in the regulatory relief program ceases  
30 to provide an offering before the end of the demonstration  
31 period, the participant shall notify the regulatory relief office  
32 and shall no longer be granted the authority provided in the  
33 written agreement.

34 h. By written notice, the regulatory relief office may end  
35 a participant's participation in the regulatory relief program

1 at any time and for any reason, including if the regulatory  
2 relief office determines that a participant in the program is  
3 not operating in good faith to bring an innovative offering to  
4 market.

5 9. At least thirty days before the end of the twelve-month  
6 demonstration period, a participant shall notify the regulatory  
7 relief office that the participant will exit the regulatory  
8 relief program and discontinue the participant's demonstration  
9 on the day the twelve-month demonstration period ends or shall  
10 seek an extension from the regulatory relief office to continue  
11 participation in the program. If the participant seeks an  
12 extension, the regulatory relief office shall grant or deny a  
13 request for an extension by the end of the demonstration period.  
14 The regulatory relief office may grant an extension in accordance  
15 with this section for not more than twelve months after the end  
16 of the initial demonstration period.

17 10. The regulatory relief office and employees of the  
18 regulatory relief office are not liable for any business losses  
19 or the recouping of application expenses or other expenses  
20 related to the regulatory relief program, including for denying  
21 an applicant's application to participate in the program for any  
22 reason or ending a participant's participation in the regulatory  
23 relief program at any time and for any reason.

24 EXPLANATION

25 The inclusion of this explanation does not constitute agreement with  
26 the explanation's substance by the members of the general assembly.

27 This bill establishes a regulatory relief program,  
28 administered by a regulatory relief office which is created by  
29 the bill.

30 New Code section 15E.22 requires the economic development  
31 authority (IEDA) to establish a regulatory relief office under  
32 the control of the director of IEDA. The bill establishes  
33 the duties of the office to include administering the regulatory  
34 relief program created by the bill. The office is also required  
35 to issue an annual written report concerning the activities of

1 the office. The bill requires IEDA to adopt rules for purposes  
2 of the office and the regulatory relief program.

3 New Code section 15E.23 establishes a 13-member regulatory  
4 relief advisory committee. The committee shall consist of nine  
5 voting members, appointed by the director of IEDA, which shall  
6 include six members representing business interests and three  
7 members representing state agencies that regulate businesses, and  
8 four nonvoting legislative members. The bill provides that the  
9 director of IEDA designate the chair of the advisory committee.  
10 The advisory committee is responsible for advising and making  
11 recommendations to the regulatory relief office regarding the  
12 regulatory relief program.

13 New Code section 15E.24 establishes the regulatory relief  
14 program. The bill provides that the purpose of the program  
15 is to enable businesses to obtain legal protections and limited  
16 access to the market in this state to demonstrate an innovative  
17 offering without obtaining a license or other authorization that  
18 might otherwise be required. The bill establishes the process  
19 by which a business may apply to participate in the program.  
20 The bill describes the information required to be included in an  
21 application to the regulatory relief office for participation in  
22 the program. Applications for participation in the program shall  
23 be forwarded by the regulatory relief office to affected state  
24 agencies who will issue a written report recommending acceptance  
25 or rejection of the application. A state agency rejection  
26 of an application will result in denial of the application.  
27 If no state agency recommends rejection, the regulatory relief  
28 office shall forward the application and the written reports  
29 to the regulatory relief advisory committee who shall review  
30 the information and submit a recommendation to the office.  
31 The regulatory review office shall either accept or deny the  
32 application and shall notify the applicant of the decision. If  
33 the application is accepted, the regulatory relief agency shall  
34 enter into a written agreement with the applicant describing the  
35 specific laws and regulations that are waived or suspended as

1 part of the program. Participation in the program shall be for  
2 a demonstration period of 12 months. The bill specifies various  
3 reporting and disclosure requirements for a participant in the  
4 program. The bill allows the regulatory relief office to end a  
5 participant's participation in the program at any time. The bill  
6 also permits a participant in the program to request an extension  
7 of the program for not more than 12 months after the end of  
8 the initial demonstration period. Finally, the bill provides  
9 that the regulatory relief office and employees of the regulatory  
10 relief office are not liable for any business losses or the  
11 recouping of application expenses or other expenses related to  
12 the regulatory relief program.

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