
DIGEST

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HB 482 Reengrossed

2021 Regular Session

Wright

Abstract: Creates a regulatory sandbox program to be administered by the Office of Financial Institutions.

Proposed law defines "applicable agency", "applicant", "blockchain technology", "consumer", "office", "financial product or service", "innovation", "innovative product or service", "regulatory sandbox", "sandbox participant", and "test".

Proposed law requires the Office of Financial Institutions ("office") to create a regulatory sandbox program and imposes duties relative to the administration of the program.

Proposed law requires the office to produce an application that an applicant can use to apply for the program, and provides the information that is to be gathered through the application.

Proposed law allows the office to collect an application fee from the applicant in accordance with present law.

Proposed law requires an applicant to submit a separate application for each innovative product or service the applicant wants to test.

Proposed law allows the office to seek additional information, outside of the information required in proposed law from the applicant.

Proposed law requires the office to notify an applicant of the approval or rejection of his application within 90 days from the submission of the application.

Proposed law allows for a mutually agreed upon extension of the 90-day requirement.

Proposed law requires the office to consult with applicable agencies and provides parameters and procedures for the consultation.

Proposed law requires the office to consider an applicant's competitors in making a determination on the approval or denial of the application.

Proposed law allows the office to deny an application for any reason, but requires the office to provide a written explanation to the applicant.

Proposed law provides a 24-month period for a participant to test the innovative product or service.

Proposed law provides conditions for the testing of the innovative product or service.

Proposed law provides specific conditions for the testing of a consumer loan and for testing a product or service that would normally require a money transmitter's license under present law.

Proposed law provides that a participant who is engaged in the 24-month testing process, is deemed to have any necessary licenses for purposes of present law.

Proposed law provides that a participant who is engaged in the 24-month testing process is not subject to provisions of present law that regulate financial products or services, but allows the office to determine that some provisions of present law remain applicable under certain conditions.

Proposed law requires the office to notify a participant of the provisions of present law that are still applicable, if the office has determined that the provisions still apply.

Proposed law does not give a participant immunity related to any criminal offense.

Proposed law allows the office to end a participant's involvement in the program at any time and for any reason and requires the office to provide written notice to the participant.

Proposed law requires a participant to disclose certain information to a consumer prior to providing the product or service to the consumer. The information is to be disclosed in a clear and conspicuous form and the consumer is required to acknowledge receipt.

Proposed law allows the office to add to the list of information that is to be disclosed to a consumer.

Proposed law requires a participant to notify the office of his intention to exit or extend his participation in the sandbox program at least 30 days prior to the end of the 24-month testing period. If the participant does not provide this notification in the manner required, proposed law provides that the test period ends at the end of the 24-month period, and prohibits the applicant from offering the product or service being tested.

Proposed law requires the participant to ensure that for any products or services that require ongoing duties, the duties are still fulfilled either by the participant or a third party.

Proposed law allows a participant to request an extension of the 24-month testing period. The office is required to make a determination on the request before the end of the testing period.

Proposed law limits the extension to no more than 6 months.

Proposed law requires a participant who is granted an extension to submit a report to the office every 3 months that provides an update on the efforts to obtain a license.

Proposed law requires a participant to retain certain records.

If a product or service fails, proposed law requires the participant to notify the office and report on steps the participant has taken to keep consumers from harm.

Proposed law allows the office to require additional reports.

Proposed law allows the office to remove a participant for violating proposed law or present law.

Proposed law requires the office to provide an annual report that provides participant information and recommendations.

(Adds R.S. 6:1401-1406)

Summary of Amendments Adopted by House

The Committee Amendments Proposed by House Committee on Commerce to the original bill:

1. Make technical changes.