

**04 NCAC 25 .0106            SANDBOX APPLICATION REVIEW**

(a) The Executive Director or designee shall review the application for completeness according to the criteria set forth in 04 NCAC 25 .0105. If there is missing or incomplete information in the application, the Executive Director shall request the additional information from the applicant. When the Executive Director determines that an application is complete based on the established criteria, they shall notify the applicant and refer the complete application to the applicable State agencies and the Council for review. If the applicant is deemed ineligible due to an incomplete application, the Executive Director shall notify the applicant of their ineligibility, and reasons for ineligibility, and provide notice of such denial to the Council.

(b) Upon receipt from the Executive Director of a Sandbox application, the applicable State agency or agencies shall provide a review of the Sandbox application to the Council in writing, including a recommendation of any reporting requirements or restrictions of the Sandbox applicant. If the agency or agencies do not provide a written review within 45 business days, the Council, in its discretion, may deem the Sandbox application acceptable. If the applicable State agency or agencies cannot complete the review of the Sandbox application within 45 business days, the agency or agencies may request additional time for review by submitting a written request to the Executive Director. Upon receipt of a written request for additional time from an agency, the Executive Director shall inform the Council of the request, and the Council may, in its discretion, allow additional time for review.

(c) The Council will review and evaluate the following:

- (1) Potential risks and benefits of the innovative product or service to the State, industry, and consumers;
- (2) The statutes and rules that the applicant is seeking a waiver of;
- (3) The applicant's monitoring and evaluation plan;
- (4) Recommendations regarding consumer caps, limitations, reporting requirements, and disclosure statements;
- (5) A recommendation on the amount of a bond or cash deposit required from the applicant;
- (6) Whether the applicable State agency recommends that the application be granted or denied; and
- (7) The recommended length of waiver if less than 24 months.

(d) As part of its review of a complete application, the Council, the Executive Director, or the applicable State agency may request a presentation or additional information from the applicant.

(e) After receipt of the applicable State agency's written statement of its review of a completed application, the Council shall discuss the completed application at the next meeting of the Council. At the meeting:

- (1) There shall be an opportunity for members of the public to comment on the complete application;
- (2) There shall be an opportunity for the applicant to present the product or services to the Council;
- (3) There shall be an opportunity for any Council member to request clarification or additional information;
- (4) Any Council member may make a motion to enter a closed session, pursuant to G.S. 143-318.11 or G.S. 132-1.2, to discuss the application; and
- (5) The vote to approve or deny an application shall be made in open session.

(f) If the Council approves an application, the approval, with any conditions, including any consumer caps, bond requirements, reporting requirements, notice requirements or fees, shall be set out in a written document, the waiver agreement. Upon review and acceptance by the applicable State agency, this document will be the Council's waiver and, along with the applicable statutes and rules, shall govern the applicant's participation in the Sandbox.

(g) A waiver granted by the Council is not effective until all fees have been paid and all conditions of the waiver have been met.

(h) If the Council denies a complete application, the Executive Director will disseminate the Council's determinations for denial and must provide the reasons for the denial to the applicant in writing within 10 business days of the Council's vote denying the application.

*History Note: Authority G.S. 169-4; 169-6;  
Eff. March 1, 2025.*