



# THE BUCKEYE INSTITUTE

## **Using Universal Sandboxes to Boost Innovation**

Interested Party Testimony  
Ohio House Government Oversight Committee  
Ohio House Bill 176

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September 30, 2025

As Prepared for Delivery

Chair Hall, Vice Chair Ferguson, Ranking Member Humphrey, and members of the Committee, thank you for the opportunity to testify regarding **Ohio House Bill 176**.

My name is Greg R. Lawson, I am a research fellow at **The Buckeye Institute**, an independent research and educational institution—a think tank—whose mission is to advance free-market public policy in the states.

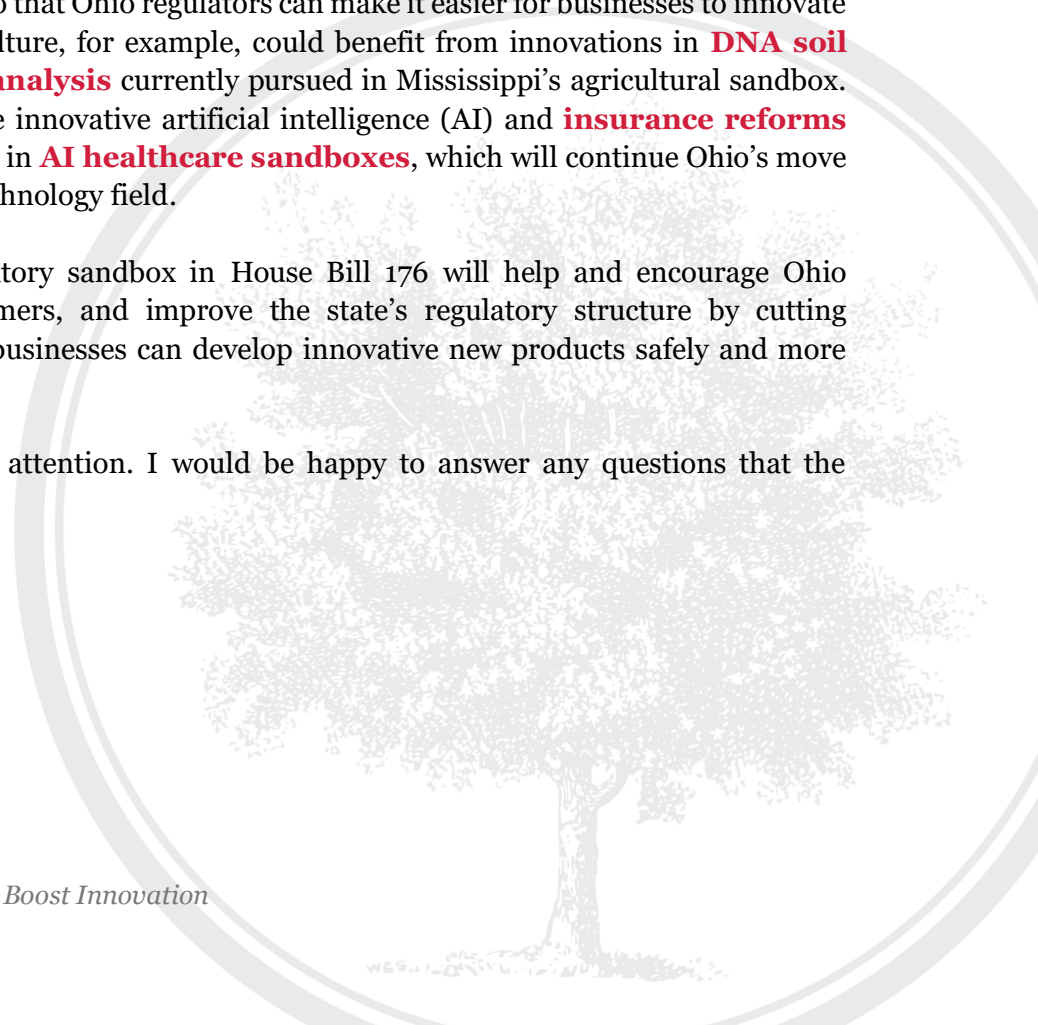
House Bill 176 adopts a universal regulatory sandbox to help Ohio businesses and regulators work together to bring products to market safely and with fewer bureaucratic hurdles. Expanding upon the state’s financial sector sandbox, House Bill 176 would make Ohio the sixth state with a universal sandbox across economic sectors, benefiting entrepreneurs, business startups, and consumers by encouraging teamwork between businesses and state regulators.

Businesses like regulatory sandboxes because they can react more quickly to changing market conditions. Sandboxes make regulatory compliance **more affordable**, particularly for entrepreneurs, and **help businesses** access more capital and tolerate more risk, critical needs for startups and expansions. Regulatory sandboxes help consumers by improving access to better, safer products.

In addition to significantly expanding the state’s sandbox model to all sectors, House Bill 176 also substantially improves Ohio’s current financial sector sandbox by extending its timeline from two to five years. The longer time horizon will **help businesses recoup their investments**, which will decrease their risk. And the bill wisely creates a path to reciprocity with other states that have adopted their own sandboxes so that Ohio regulators can make it easier for businesses to innovate across state lines. Ohio agriculture, for example, could benefit from innovations in **DNA soil sampling and drone crop analysis** currently pursued in Mississippi’s agricultural sandbox. And Ohio healthcare could see innovative artificial intelligence (AI) and **insurance reforms** developed alongside regulators in **AI healthcare sandboxes**, which will continue Ohio’s move to the fore of the healthcare technology field.

Adopting the universal regulatory sandbox in House Bill 176 will help and encourage Ohio entrepreneurs, protect consumers, and improve the state’s regulatory structure by cutting bureaucratic red tape so that businesses can develop innovative new products safely and more affordably.

Thank you for your time and attention. I would be happy to answer any questions that the Committee might have.



### ***About The Buckeye Institute***

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