

No "Regulatory Sandbox" Support the Transparent Rule of Law Oppose SB 1068 and HB 2587



House Bill 2587 and Senate Bill 1068, "The Regulatory Sandbox Act" would allow a new executive agency, the Regulatory Relief Office in the Department of Economic Development, to waive or suspend state laws and regulations for participating businesses during a demonstration period of at least two years subject to indefinite one-year extensions. These exemptions are granted for the vaguely defined reason of helping a business to provide an "innovative product" or "innovative offering".

Unfair & Unconstitutional

The laws and regulations of Missouri should be enforced impartially and equally for all people and companies in the state. We have our legal structure to protect the environment and the health and well-being of all Missourians. There should not be a mechanism by which some companies in the state can apply to play by different rules than other companies. This is unfair, and likely unconstitutional, as it delegates legislative authority to the executive branch, in violation of the separation of powers.



Undermines Rule of Law

The Act requires the department to weigh whether an applicant's competitor is a sandbox participant in favor of granting an application. This provision seems like a slippery slope to let in less-qualified or scrupulous actors on the heels of an initial participant. In addition, there's no requirement that the tested products or services to be trialed in the sandbox be related; only that the applicants themselves be "competitors" – which is an undefined term. So, one applicant could improve their chances to get into the system by pointing to an alleged competitor, even if seeking to trial a totally unrelated product/service. This situation inevitably would lead to more and more companies applying for waivers, bit by bit undermining the laws and regulations of the state.

Lack of Transparency

The bills provides only that competitors and the general public "may" be notified when a participant is accepted into the sandbox program. The only "consumers" informed under the act are those few who consent to be the subjects of demonstrations of products under the Act.

To quote New York's former head banking regulator, Maria Vullo, "Toddlers play in sandboxes. Adults play by the rules."

SB 1068 is sponsored by Senator Hoskins and HB 2587 is sponsored by Representative Riley.