



Mr. Daniel Murray
Kansas State Director, National Federation of Independent Business

Testimony in Support of HB2821
House Committee on Commerce, Economic Development & Labor
Monday, March 18, 2024

Chair and members of the committee, I am pleased to submit testimony in strong support of HB2821. NFIB Kansas is the leading small business organization in Kansas representing small and independent businesses. A non-profit, nonpartisan organization founded in 1943, NFIB Kansas represents the consensus views of its nearly 3,600 members in Kansas.

NFIB Kansas supports legislation, like HB2821, which seeks to ease the regulatory burden on businesses and start-up companies. NFIB is in favor of enabling businesses with new ideas to petition for waivers from state regulations that might hamper getting their innovations to market.

Businesses deserve a 'safe space' in which they can test innovative products, services, business models and delivery mechanisms without immediately incurring all the normal regulatory consequences of engaging in the activity in question.

A regulatory sandbox can benefit consumers and the economy. This occurs when regulatory state agencies use sandboxes to keep up to date with fast-paced innovation and promote market competition without sacrificing consumer protection. States focused on advancing innovation see sandboxes as a means, not an end. This program would allow agencies to embrace insights gained from a regulatory sandbox to improve rulemaking, supervision, and enforcement policies so that the entire market can benefit.

Among other provisions, this bill would also establish a regulatory relief office to review state laws and regulations that may unnecessarily inhibit the creation and success of new companies or industries. This office would then have the authority to provide lawmakers recommendations on modifying or repealing such state laws and regulations that create barriers to entrepreneurs looking to promote innovation growth.

Utah is the first state to enact a regulatory sandbox. It is my understanding that they only have one staff member dedicated to the program and that the person who runs the sandbox also has other responsibilities. It is neither expensive to operate nor burdensome to the agency that manages it. Utah officials have said the benefits far outweigh the risks as the office creates a safe space for entrepreneurs to work with a state agency to navigate compliance issues around regulations impacting their business operations.

Thank you for your consideration of our comments and we urge you to pass out HB2821 favorably.