MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

REGISTERED LOBBYIST:

WITNESS NAME: **BRAD JONES**		PHONE NUMBER: **619-3077**	
REPRESENTING: **NFIB (NATIONAL FEDERATION OF INDEPENDENT BUSINESS)**		TITLE: **STATE DIRECTOR**	
ADDRESS: **308 E. HIGH**			
CITY: **JEFFERSON CITY**		STATE: **MO**	ZIP: **65101**
EMAIL: **Brad.Jones@nfib.org**	ATTENDANCE: **In-Person**	SUBMIT DATE: **1/9/2024 11:06 AM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

REGISTERED LOBBYIST:

WITNESS NAME: **JAMES HARRIS**		PHONE NUMBER: **573-761-7875**	
REPRESENTING: **CICERO ACTION; OPPORTUNITY SOLUTIONS PROJECT**		TITLE:	
ADDRESS: **122 EAST HIGH STREET, SUITE 200**			
CITY: **JEFFERSON CITY**		STATE: **MO**	ZIP: **65102**
EMAIL:	ATTENDANCE:	SUBMIT DATE: **1/10/2024 12:00 AM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **JEREMY CADY**	PHONE NUMBER: **573-799-3277**	
BUSINESS/ORGANIZATION NAME: **AMERICANS FOR PROSPERITY**	TITLE: **STATE DIRECTOR**	
ADDRESS: **P O BOX 94**		
CITY: **JEFFERSON CITY**	STATE: **MO**	ZIP: **65102**
EMAIL:	ATTENDANCE:	SUBMIT DATE: **1/10/2024 12:00 AM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

REGISTERED LOBBYIST:

WITNESS NAME: **KARA CORCHES**		PHONE NUMBER:	
REPRESENTING: **MISSOURI CHAMBER OF COMMERCE AND INDUSTRY**		TITLE:	
ADDRESS: **420 EAST CAPITOL AVENUE**			
CITY: **JEFFERSON CITY**		STATE: **MO**	ZIP: **65101**
EMAIL:	ATTENDANCE:	SUBMIT DATE: **1/10/2024 12:00 AM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **MATT MORROW**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME: **SPRINGFIELD AREA CHAMBER OF COMMERCE**	TITLE: **PRESIDENT**	
ADDRESS: **202 SOUTH JOHN Q HAMMOND**		
CITY: **SPRINGFIELD**	STATE: **MO**	ZIP: **65801**
EMAIL:	ATTENDANCE:	SUBMIT DATE: **1/10/2024 12:00 AM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

REGISTERED LOBBYIST:

WITNESS NAME: **NANCY GIDDENS**		PHONE NUMBER: **573-230-6203**	
REPRESENTING: **UNITED WE; CITY OF KANSAS CITY, CIVIC COUNCIL OF GREATER KANSAS CITY; GREATER KANSAS CITY CHAMBER OF COMMERCE**		TITLE: **LOBBYIST**	
ADDRESS: **208 MADISON STREET**			
CITY: **JEFFERSON CITY**		STATE: **MO**	ZIP: **65101**
EMAIL: **nancy@thegiddensgroup.com**	ATTENDANCE: **In-Person**	SUBMIT DATE: **1/10/2024 8:46 AM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

Support the innovation, economic development, and entrepreneurial interest of the legislation.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

BUSINESS/ORGANIZATION:

WITNESS NAME: **RAY MCCARTY**		PHONE NUMBER: **573-634-2246**	
BUSINESS/ORGANIZATION NAME: **ASSOCIATED INDUSTRIES OF MISSOURI**		TITLE: **PRESIDENT/CEO**	
ADDRESS: **3234 W TRUMAN BLVD**			
CITY: **JEFFERSON CITY**		STATE: **MO**	ZIP: **65109**
EMAIL: **rmccarty@aimo.com**	ATTENDANCE: **Written**	SUBMIT DATE: **1/8/2024 4:11 PM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

Associated Industries of Missouri supports this bill that allows state agencies to provide very limited exemption from regulations for a limited period of time to test new processes and ideas.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☑ IN SUPPORT OF ☐ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

REGISTERED LOBBYIST:

WITNESS NAME: **SARAH SCHLEMEIER**		PHONE NUMBER: **573-826-1274**	
REPRESENTING: **NEXT MISSOURI AND BIOSTL**		TITLE:	
ADDRESS: **213 EAST CAPITOL AVENUE**			
CITY: **JEFFERSON CITY**		STATE: **MO**	ZIP: **65101**
EMAIL:	ATTENDANCE:	SUBMIT DATE: **1/10/2024 12:00 AM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **JOE D PITTS**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:

EMAIL: **joe.pitts@suddenlink.net**	ATTENDANCE: **Written**	SUBMIT DATE: **1/9/2024 3:48 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

Just as its previous iterations this Regulatory Sandbox Act (RSA) would create 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 suspensions. These exemptions are vaguely defined and are ostensibly granted to "help" a business provide an "innovative product or innovative offering." Under this act, the Regulatory Relief Office could potentially grant an exemption to the permit denial proposed by DNR for the Missouri Prime Beef Packers wastewater treatment system. The iLeaf system is an experimental technology that does not have enough data on its practical applications to ensure the wastewater produced would meet permit conditions.This would have the potential to destroy the fishery and recreational uses of this stretch of the Pomme De Terre River and Pomme De Terre Lake which would be the ultimate receiver of the waste. This particular case should serve as a Prime example of the danger inherent to enactment of this dangerously flawed legislation.The RSA is unfair and unconstitutional. The laws and regulations of Missouri should be enforced impartially and equally for all people and companies in the state. There should not be a mechanism by which some companies in the state can apply to play by different rules than other companies. This dangerous Act delegates legislative and regulatory authority to the executive branch, in violation of the separation of powers. The bill is duplicative because we already have standing agencies to enforce law and implement regulations. This bill will reinforce the notion that a business can damage the environment, health, or well-being of Missouri citizens to make a profit.There is no problem with innovation itself. However, innovation becomes dangerous when done at the cost of Missourians health and well being. To sidestep laws is to put our health at risk. Legislators should not put the health of their constituents at risk for corporations' profit.To quote New York's former head banking regulator, Maria Vullo, "Toddlers play in sandboxes. Adults play by the rules." the scales are already tipped toward businesses and industries in Missouri, and we do not need to provide them with a protected playground.Respectfully submitted byJoe Pitts (Retired)Ozark, Missouri.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

REGISTERED LOBBYIST:

WITNESS NAME: **MICHAEL BERG**		PHONE NUMBER: **314-644-1011**	
REPRESENTING: **SIERRA CLUB MISSOURI CHAPTER**		TITLE: **SIERRA CLUB MISSOURI CHAPTER POLITICAL DIRECTOR**	
ADDRESS: **1459 GREGG AVE**			
CITY: **ST. LOUIS**		STATE: **MO**	ZIP: **63139**
EMAIL: **Michael.Berg@sierraclub.org**	ATTENDANCE: **In-Person**	SUBMIT DATE: **1/9/2024 1:28 PM**	

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

Chair Hudson and Members of the Missouri House Economic Development Committee,I submit this testimony on behalf of the over 11,000 Sierra Club members throughout Missouri.The Sierra Club opposes House Bill 1960 the "Regulatory Sandbox Act".This bill is a solution in search of a problem, and one which would grow our state government without any benefit for the public. It would also represent a power-grab for the new "regulatory relief office," hurting the ability of the career staff and experts at our state agencies to make decisions about how best to regulate transportation, insurance, state lands, social services, and businesses, among other issues.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 the people of our state. 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 it inevitably would lead to more and more companies applying for waivers, bit by bit undermining the laws and regulations of the state.The bill would allow an executive agency, the Regulatory Relief Office in the Department of Economic Development, to waive or suspend state laws and regulations during a demonstration period of at least two years subject to one-year extensions. The regulatory relief office must sign a binding contract with the participant specifying the laws and regulations to be waived or suspended. Sec. 620.3915.10. This is an unconstitutional delegation of legislative authority in violation of the separation of powers. The Act provides, in Section 620.3920.5, that program participants will be immune from the enforcement of state law, including criminal prosecution, for the duration of the demonstration period. This license for illegal activity is against the public interest.The definition of what is an "innovative product" or "innovative offering" is vague – vague enough to give wide discretion to the "Regulatory Relief Office" and the "General Regulatory Sandbox Program Advisory Committee". This definition only requires the "use or incorporation" of new ideas or technologies. This definition does not seem to exclude any business, opening the sandbox program to established companies who have little to offer in the way of true innovation. This further undermines the perception of fair and impartial rules for all businesses in the state. In contrast, the definition of "consumer" is too narrow, only including the customers of participants in the "sandbox" programs. Many of our state's consumer protection laws and regulations are designed to protect not only the direct consumers of products, but the public at large. Limiting the focus of the program's protections to the customers of sandbox participants is akin to letting someone drive a tank down a 2-lane street simply because we can be sure the tank driver will be protected. This analogy applies not only to traditional consumer protection statutes and regulations, but many other forms of business, agricultural, labor, transportation, and environmental statutes and regulations.

None of these laws are intended to only protect the well-being of people who have purchased a specific product. They are instead designed to support markets that can strike a balance between providing the best goods at the lowest costs, and the general well-being of consumers and the public at large.This awkward definition of "consumer" impacts other portions of the bill as well. Subsection 5. of Section 620.3905 requires an annual report that includes the benefits that participants in the sandbox program and consumers have received. Another voluntary report may also contain information about the health and safety of consumers. Even if the second report is issued each year, it will not give a clear understanding of the actual costs and benefits of the regulatory sandbox program. Many of the problems addressed by state regulations are ones which impact the public at large, not individual consumers. Ignoring these problems will not stop their negative impacts on our state and its people, but it will stop the regulatory relief office from identifying them. As it stands, this bill contains no way to track its impacts on Missouri's environment, infrastructure, and public at large.620.3915 Section 9 Subsection (1) 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.The bill directs the regulatory relief office to "review state laws and regulations that may unnecessarily inhibit the creation and success of new companies or industries." First, the word "unnecessary" is vague and undefined, leaving the regulatory review office itself to initiate inquiries about what level of regulation is necessary, a task best left to subject-matter experts in our state's executive agencies. Second, the concept that unnecessary rules are common in the Missouri Code of State Regulations ignores the rulemaking processes established by the Missouri Administrative Procedure Act. Each of our state's regulations have been adopted after notice and comment rulemaking, and all regulations are subject to petitions to amend or repeal. You can read that specific petition for repeal provision at 536.041 RSMo. This means that after public input and expert testimony, the subject-matter experts at our state agencies decided that there was a compelling reason to implement a regulation. It also means that any person can have an unnecessary regulation repealed through the same process. This robust, stakeholder-driven process is a much better place to determine the necessity of a regulation than the office of an unelected bureaucrat, like those in the regulatory relief office. Concentrating this decision-making process in a new department would eliminate the opportunity for input from the public, regulated entities, and the subject matter experts at our state agencies. This bill would in effect create an ad hoc, individual rulemaking process. This unfair process would take the form of a negotiation between a single business and an unaccountable, unelected bureaucrat. It would also prevent non-sandbox participants from reaping the benefits of the repeal of these "unnecessary" regulations. By excluding the regulated community writ large, the regulatory relief office instead would become a tool for well-connected businesses to get special treatment at the expense of their competitors. If a regulation is necessary, it applies to all regulated entities. If a regulation is unnecessary, it should be repealed for all of them, too. This notion of equality before the law is a foundational aspect of our system of government. No business should be allowed to nullify this bedrock concept of our political system in order to gain an advantage over their competitors. For the reasons above, this bill would be a disaster for Missouri's administrative agencies, our state's business community as a whole, and for our environment. Because of its short-sighted focus on individual consumers, the potential for cronyism and corruption, and the fact that there are already methods to address the problems this bill purports to identify, we respectfully ask the members of the committee to reject this bill. Ways to Improve the Bill if it Must Go ForwardA suggestion was made during House floor debate on a House Bill 2587 in the 2022 session (a "Regulatory Sandbox" bill) to deal with the problems that the "Regulatory Sandbox" is meant to address in a different way. This would set up the "Regulatory Relief Office" as a place to help small businesses better deal with the difficulties in meeting regulations. It would help guide them through the process. The Office would continue to have the features in the present bill which makes the "Regulatory Relief Office" a place to explore, with public input, unnecessary or redundant rules with an eye towards elimination. Importantly, would not give exemptions to certain businesses to evade rules that others must follow - which undermines the concept of consistent and impartial rule of law.We see this as a vastly superior way to accomplish similar goals and we do not support any "Regulatory Sandbox". However, if the concept of a "Regulatory Sandbox" is to move forward, there are ways to improve how it is done in order to protect the public and the environment.The bill sponsor did work with our organization and made some changes over the last two years to improve issues of transparency and give departments more time to review whether sandbox status should be granted for a particular business. In addition, an important section was changed to assure that federal law is not violated in a manner that threatens the Department of Natural Resources (DNR) delegated authority

from the United States Environmental Protection Agency (EPA) to enforce federal environmental law . These were good changes and we appreciate them. Unfortunately, there are still very necessary changes that need to be made in order to assure that:• the environment is considered in decisions over sandbox status; and• every business in Missouri is not eligible to evade regulations through sandbox status.Here are the needed changes. Note that none of these changes would undermine the concept of a regulatory sandbox.Amendment to Make Sure that No Rule is Evaded Without Departments Assessing if "Sandbox Status" Will Damage the EnvironmentThere needs to be a specific mention of "the environment" in the statement of things considered when deciding whether or not to accept an application, whether or not to extend sandbox status, and during the monitoring of the effect of the status, including reporting requirements. That is not in the present bill. Every time the bill mentions "health" or "safety" or "financial well-being of consumers or the public", "environmental protection" should also be added. We should not be waiving regulations without analyzing what kind of effect such a waiver will have on our natural environment. Amendment to Make Sure There are Limits on Which Companies are EligibleThe definition of an "innovation" is broad and determining if an application qualifies lies with the sole discretion of the regulatory relief office. The added language below is designed to prevent a business from simply reclassifying its current activities as "innovations" to evade regulation: - There should be added the underlined and bolded language at in the definition of "Innovation" 629.3900 Section 2 (7) – ""Innovation", the use or incorporation of a new idea, a new or emerging technology, or a new use of existing technology clearly distinguishable from existing technologies or practices to address a problem, provide a benefit, or otherwise offer a product, production method, or service;"- At 620.3915, Section 1, (5) there is a list of what the information that the applicant must provide in his or her application. At the end of this list there this should be added(l) how the innovative offering shall be distinguished from the ordinary operation of the applicant's business during the demonstration periodPresumption of "No"There should be a presumption to deny sandbox status, not a presumption to grant. An application should only be authorized if all the relevant regulatory agencies proactively sign off on it, even if the allotted time has passed. No application should be granted just because an agency has not gotten around to deciding yet - which could happen the way the bill is written. The State of Missouri should not be granting a waiver for a business to have the right to evade legal requirements based solely on a lack of capacity from one agency to act swiftly enough (620.3915 Section 5 (3)). This language can be added as a 620.3815 Section 5 (3) (c), with wording such as "No application should be approved without explicit approval from all applicable agencies".Proper Notification of PublicThe bill provides only that competitors and the general public "may" be notified when a participant is accepted into the sandbox program. Sec. 620.3195. That "may" should be changed to "shall" to guarantee transparency in the process. A statement could be made in that section that explicitly declares that "After an application is filed, the Regulatory Relief Office shall make the application publicly available with redacting of any information provided by the applicant that the agency reasonably believes would result in actual economic harm to the applicant."

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **PETER K SCHNEEBERGER**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:

EMAIL: **pschnee@yahoo.com**	ATTENDANCE: **Written**	SUBMIT DATE: **1/9/2024 8:25 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

1. Most problematically, if a government officer can give special exemption to a single person, company, or organization from our laws, it opens the system to corruption. The biggest corporate PAC will do whatever is required to get the exemption for their parent company. This corruption is not good for our state. It has happened in other states like Indiana.2. Giving exemption to particular entities is too much like government picking economic winners and losers. There is no evidence that the government has the good sense to know which entity should get a particular exemption over another. If everyone is getting the exemption, then the law has no authority and it would be the equivalent of the Legislature giving a backdoor to the Executive to cancel the laws they pass. The best way to identify successful economic agents is to let various actors compete in an open competition under a set of standard rules and regulations that apply equally to all parties. 3. Laws exist to protect the health and well-being of Missourians and Missouri's markets. If the laws are bad or incorrect, they should be properly repealed.

MISSOURI HOUSE OF REPRESENTATIVES

WITNESS APPEARANCE FORM

BILL NUMBER: **HB 1960**	DATE: **1/10/2024**
COMMITTEE: **Economic Development**	

TESTIFYING: ☐ IN SUPPORT OF ☑ IN OPPOSITION TO ☐ FOR INFORMATIONAL PURPOSES

WITNESS NAME

INDIVIDUAL:

WITNESS NAME: **RACHEL SPEED**	PHONE NUMBER:	
BUSINESS/ORGANIZATION NAME:	TITLE:	
ADDRESS:		
CITY:	STATE:	ZIP:

EMAIL: **rachelghana@yahoo.com**	ATTENDANCE: **Written**	SUBMIT DATE: **1/9/2024 1:58 PM**

THE INFORMATION ON THIS FORM IS PUBLIC RECORD UNDER CHAPTER 610, RSMo.

Innovation, in above itself is a positive concept.However, when implemented without regard to the cost of Missourians, it can be dangerous. Laws are made to protect the health and well-being of Missourians. Corporate profit should not be prioritized when the risk of peoples health is at stake.Furthermore, the laws and regulations of Missouri should be enforced impartially and equally for all companies. These bills give advantages to certain companies. All companies should play by the same rules which is the ethical way to proceed.