**Testimony on HB 1165, Waiver of Requirements for New Businesses, aka, “Regulatory Sandbox”**

**House Government and Regulatory Reform Committee**

**Tue., Jan. 16, 2024, 10:30 AM, Rm. 156-C**

Thank you, Chairman Miller, and members of the committee. I’m Natalie Robinson, Indiana State Director of the National Federation of Independent Business (NFIB). NFIB is the nation’s leading advocacy organization for small business with more than 300,000 members across the country and over 11k here in IN.

NFIB thanks Rep. Teshka for authoring HB 1165 and supports this legislation which is designed to ease the regulatory burden on 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, so we consulted with them about their program. They informed us that they only have one staff member dedicated to the program and that the person that runs the sandbox also has other responsibilities. It is neither expensive to operate nor burdensome to the agency that manages it.

Furthermore, they said the benefits far outweigh the risks as it creates a safe space for entrepreneurs to work with a state agency to navigate compliance issues around regulations impacting their business operations. Few waivers have been granted by hundreds of small business owners who have been provided with regulatory guidance which is a win-win for everyone.