

FIRST REGULAR SESSION

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILLS NOS. 3 & 69

102ND GENERAL ASSEMBLY

0363S.03C

KRISTINA MARTIN, Secretary

## AN ACT

To amend chapters 34 and 620, RSMo, by adding thereto nine new sections relating to the promotion of business development.

*Be it enacted by the General Assembly of the State of Missouri, as follows:*

Section A. Chapters 34 and 620, RSMo, are amended by  
2 adding thereto nine new sections, to be known as sections  
3 34.195, 620.3800, 620.3900, 620.3905, 620.3910, 620.3915,  
4 620.3920, 620.3925, and 620.3930, to read as follows:

**34.195. 1. This section shall be known and may be  
2 cited as the "Right-to-Start Act".**

**3 2. No later than June 30, 2025, and annually  
4 thereafter, the commissioner of administration shall file a  
5 report with the general assembly that includes, but is not  
6 limited to:**

**7 (1) The number of contracts awarded to businesses that  
8 have been in operation for less than three years;**

**9 (2) The percentage of the number of contracts awarded  
10 to businesses that have been in operation for less than  
11 three years compared to the total number of contracts  
12 awarded;**

**13 (3) The total dollar amount of all contracts awarded  
14 to businesses that have been in operation for less than  
15 three years;**

16           (4) The percentage of the total dollar amount of  
17 contracts awarded to businesses that have been in operation  
18 for less than three years compared to the total dollar  
19 amount of contracts awarded; and

20           (5) The number and total dollar amount of contracts  
21 awarded to minority-owned businesses compared to the total  
22 number and dollar amount of contracts awarded.

23           3. The commissioner of administration, in conjunction  
24 with the office of entrepreneurship under section 620.3800,  
25 shall produce and file a report with the general assembly  
26 making recommendations on improving access and resources for  
27 new Missouri businesses that have been in operation for less  
28 than three years on or before January 1, 2025. The report  
29 shall also include recommendations on improving access and  
30 resources for new minority-owned Missouri businesses that  
31 have been in operation for less than three years on or  
32 before January 1, 2025.

          620.3800. There is hereby created within the  
2 department of economic development the "Office of  
3 Entrepreneurship". The office shall employ an individual to  
4 promote policies and initiatives to support the growth of  
5 entrepreneurship, including minority entrepreneurship, in  
6 the state. The office shall work with stakeholders and  
7 communities, including minority communities, to provide  
8 information and technical support to entrepreneurs. The  
9 office shall support and advise the office of administration  
10 with preparing the report pursuant to subsection 3 of  
11 section 34.195.

          620.3900. 1. Sections 620.3900 to 620.3930 shall be  
2 known and may be cited as the "Regulatory Sandbox Act".

3           2. For the purposes of sections 620.3900 to 620.3930,  
4 the following terms shall mean:

5           (1) "Advisory committee", the general regulatory  
6 sandbox program advisory committee created in section  
7 620.3910;

8           (2) "Applicable agency", a department or agency of the  
9 state that by law regulates a business activity and persons  
10 engaged in such business activity, including the issuance of  
11 licenses or other types of authorization, and which the  
12 regulatory relief office determines would otherwise regulate  
13 a sandbox participant. A participant may fall under  
14 multiple applicable agencies if multiple agencies regulate  
15 the business activity that is subject to the sandbox program  
16 application. "Applicable agency" shall not include the  
17 division of professional registration and its boards,  
18 commissions, committees, and offices;

19           (3) "Applicant" or "sandbox applicant", a person or  
20 business that applies to participate in the sandbox program;

21           (4) "Consumer", a person who purchases or otherwise  
22 enters into a transaction or agreement to receive a product  
23 or service offered through the sandbox program pursuant to a  
24 demonstration by a program participant;

25           (5) "Demonstrate" or "demonstration", to temporarily  
26 provide an offering of an innovative product or service in  
27 accordance with the provisions of the sandbox program;

28           (6) "Department", the department of economic  
29 development;

30           (7) "Innovation", the use or incorporation of a new  
31 idea, a new or emerging technology, or a new use of existing  
32 technology to address a problem, provide a benefit, or  
33 otherwise offer a product, production method, or service;

34           (8) "Innovative offering", an offering of a product or  
35 service that includes an innovation;

36           (9) "Product", a commercially distributed good that is:

- 37           (a) Tangible personal property; and
- 38           (b) The result of a production process;
- 39           (10) "Production", the method or process of creating
- 40 or obtaining a good, which may include assembling, breeding,
- 41 capturing, collecting, extracting, fabricating, farming,
- 42 fishing, gathering, growing, harvesting, hunting,
- 43 manufacturing, mining, processing, raising, or trapping a
- 44 good;
- 45           (11) "Regulatory relief office", the office
- 46 responsible for administering the sandbox program within the
- 47 department;
- 48           (12) "Sandbox participant" or "participant", a person
- 49 or business whose application to participate in the sandbox
- 50 program is approved in accordance with the provisions of
- 51 section 620.3915;
- 52           (13) "Sandbox program", the general regulatory sandbox
- 53 program created in sections 620.3900 to 620.3930 that allows
- 54 a person to temporarily demonstrate an innovative offering
- 55 of a product or service under a waiver or suspension of one
- 56 or more state laws or regulations;
- 57           (14) "Sandbox program director", the director of the
- 58 regulatory relief office;
- 59           (15) "Service", any commercial activity, duty, or
- 60 labor performed for another person or business. "Service"
- 61 shall not include a product or service when its use would
- 62 impact rates, statutorily authorized service areas, or
- 63 system safety or reliability of an electrical corporation or
- 64 gas corporation, as defined in section 386.020, as
- 65 determined by the public service commission, or of any rural
- 66 electric cooperative organized or operating under the
- 67 provisions of chapter 394, or to any corporation organized
- 68 on a nonprofit or a cooperative basis as described in

69 subsection 1 of section 394.200, or to any electrical  
70 corporation operating under a cooperative business plan as  
71 described in subsection 2 of section 393.110.

620.3905. 1. There is hereby created within the  
2 department of economic development the "Regulatory Relief  
3 Office", which shall be administered by the sandbox program  
4 director. The sandbox program director shall report to the  
5 director of the department and may appoint staff, subject to  
6 the approval of the director of the department.

7 2. The regulatory relief office shall:

8 (1) Administer the sandbox program pursuant to  
9 sections 620.3900 to 620.3930;

10 (2) Act as a liaison between private businesses and  
11 applicable agencies that regulate such businesses to  
12 identify state laws or regulations that could potentially be  
13 waived or suspended under the sandbox program;

14 (3) Consult with each applicable agency; and

15 (4) Establish a program to enable a person to obtain  
16 monitored access to the market in the state along with legal  
17 protections for a product or service related to the laws or  
18 regulations that are being waived as a part of participation  
19 in the sandbox program, in order to demonstrate an  
20 innovative product or service without obtaining a license or  
21 other authorization that might otherwise be required.

22 3. The regulatory relief office shall:

23 (1) Review state laws and regulations that may  
24 unnecessarily inhibit the creation and success of new  
25 companies or industries and provide recommendations to the  
26 governor and the general assembly on modifying or repealing  
27 such state laws and regulations;

28 (2) Create a framework for analyzing the risk level of  
29 the health, safety, and financial well-being of consumers

30 related to permanently removing or temporarily waiving laws  
31 and regulations inhibiting the creation or success of new  
32 and existing companies or industries;

33 (3) Propose and enter into reciprocity agreements  
34 between states that use or are proposing to use similar  
35 regulatory sandbox programs as described in sections  
36 620.3900 to 620.3930, provided that such reciprocity  
37 agreement is supported by a two-thirds majority vote of the  
38 advisory committee and the regulatory relief office is  
39 directed by an order of the governor to pursue such  
40 reciprocity agreement;

41 (4) Enter into agreements with or adopt best practices  
42 of corresponding federal regulatory agencies or other states  
43 that are administering similar programs;

44 (5) Consult with businesses in the state about  
45 existing or potential proposals for the sandbox program; and

46 (6) In accordance with the provisions of chapter 536  
47 and the provisions of sections 620.3900 to 620.3930, make  
48 rules regarding the administration of the sandbox program,  
49 including making rules regarding the application process and  
50 the reporting requirements of sandbox participants. Any  
51 rule or portion of a rule, as that term is defined in  
52 section 536.010, that is created under the authority  
53 delegated in this section shall become effective only if it  
54 complies with and is subject to all of the provisions of  
55 chapter 536 and, if applicable, section 536.028. This  
56 section and chapter 536 are nonseverable and if any of the  
57 powers vested with the general assembly pursuant to chapter  
58 536 to review, to delay the effective date, or to disapprove  
59 and annul a rule are subsequently held unconstitutional,  
60 then the grant of rulemaking authority and any rule proposed  
61 or adopted after August 28, 2023, shall be invalid and void.

62           4. (1) The regulatory relief office shall create and  
63 maintain on the department's website a web page that invites  
64 residents and businesses in the state to make suggestions  
65 regarding laws and regulations that could be modified or  
66 eliminated to reduce the regulatory burden on residents and  
67 businesses in the state.

68           (2) On at least a quarterly basis, the regulatory  
69 relief office shall compile the relevant suggestions from  
70 the web page created pursuant to subdivision (1) of this  
71 subsection and provide a written report to the governor and  
72 the general assembly.

73           (3) In creating the report described in subdivision  
74 (2) of this subsection, the regulatory relief office:

75           (a) Shall provide the identity of residents and  
76 businesses that make suggestions on the web page if those  
77 residents and businesses wish to comment publicly, and shall  
78 ensure that the private information of residents and  
79 businesses that make suggestions on the web page is not made  
80 public if they do not wish to comment publicly; and

81           (b) May evaluate the suggestions and provide analysis  
82 and suggestions regarding which state laws and regulations  
83 could be modified or eliminated to reduce the regulatory  
84 burden on residents and businesses in the state while still  
85 protecting consumers.

86           5. (1) By October first of each year, the department  
87 shall submit an annual report to the governor, the general  
88 assembly, and to each state agency which shall include:

89           (a) Information regarding each participant in the  
90 sandbox program, including industries represented by each  
91 participant and the anticipated or actual cost savings that  
92 each participant experienced;

93 (b) The anticipated or actual benefit to consumers  
94 created by each demonstration in the sandbox program;

95 (c) Recommendations regarding any laws or regulations  
96 that should be permanently modified or repealed;

97 (d) Information regarding any health and safety events  
98 related to the activities of a participant in the sandbox  
99 program; and

100 (e) Recommendations for changes to the sandbox program  
101 or other duties of the regulatory relief office.

102 (2) The department may provide an interim report from  
103 the sandbox program director to the governor and general  
104 assembly on specific, time-sensitive issues for the  
105 functioning of the sandbox program, for the health and  
106 safety of consumers, for the success of participants in the  
107 program, and for other issues of urgent need.

620.3910. 1. There is hereby created the "General  
2 Regulatory Sandbox Program Advisory Committee", to be  
3 composed of the following members:

4 (1) The director of the department of economic  
5 development or his or her designee;

6 (2) The director of the department of commerce and  
7 insurance or his or her designee;

8 (3) The attorney general or his or her designee;

9 (4) A member of the public to be appointed by the  
10 governor;

11 (5) A member of the public or of an institution of  
12 higher education, to be appointed by the governor;

13 (6) A member of an institution of higher education, to  
14 be appointed by the director of the department of higher  
15 education and workforce development;

16 (7) Two members of the house of representatives, one  
17 to be appointed by the speaker of the house of

18 representatives and one to be appointed by the minority  
19 leader of the house of representatives;

20 (8) Two members of the senate, one to be appointed by  
21 the president pro tempore of the senate and one to be  
22 appointed by the minority leader of the senate; and

23 (9) An employee of the office of public counsel, to be  
24 appointed by the public counsel.

25 2. (1) Advisory committee members shall be appointed  
26 to a four-year term. Members who cease holding elective  
27 office shall be replaced by the speaker or minority leader  
28 of the house of representatives or the president pro tempore  
29 or minority floor leader of the senate, as applicable. The  
30 sandbox program director may establish the terms of initial  
31 appointments so that approximately half of the advisory  
32 committee is appointed every two years.

33 (2) The sandbox program director shall select a chair  
34 of the advisory committee every two years in consultation  
35 with the members of the advisory committee.

36 (3) No appointee of the governor, speaker of the house  
37 of representatives, or president pro tempore of the senate  
38 may serve more than two complete terms.

39 3. A majority of the advisory committee shall  
40 constitute a quorum for the purpose of conducting business,  
41 and the action of a majority of a quorum shall constitute  
42 the action of the advisory committee, except as provided in  
43 subsection 4 of this section.

44 4. The advisory committee may, at its own discretion,  
45 meet to override a decision of the regulatory relief office  
46 on the admission or denial of an applicant to the sandbox  
47 program, provided such override is decided with a two-thirds  
48 majority vote of the members of the advisory committee, and  
49 further provided that such vote shall be taken within

50 fifteen business days of the regulatory relief office's  
51 decision.

52 5. The advisory committee shall advise and make  
53 recommendations to the regulatory relief office on whether  
54 to approve applications to the sandbox program pursuant to  
55 section 620.3915.

56 6. The regulatory relief office shall provide  
57 administrative staff support for the advisory committee.

58 7. The members of the advisory committee shall serve  
59 without compensation, but may be reimbursed for any actual  
60 and necessary expenses incurred in the performance of the  
61 advisory committee's official duties.

62 8. Meetings of the advisory committee shall be  
63 considered public meetings for the purposes of chapter 610.  
64 However, a meeting of the committee shall be a closed  
65 meeting if the purpose of the meeting is to discuss an  
66 application for participation in the regulatory sandbox and  
67 failing to hold a closed meeting would reveal information  
68 that constitutes proprietary or confidential trade secrets.  
69 Upon approval by a majority vote by members of the advisory  
70 committee, the advisory committee shall be allowed to  
71 conduct remote meetings, and individual members shall be  
72 allowed to attend meetings remotely. The advisory committee  
73 shall provide the public the ability to view any such remote  
74 meetings.

620.3915. 1. An applicant for the sandbox program  
2 shall provide to the regulatory relief office an application  
3 in a form prescribed by the regulatory relief office that:

4 (1) Confirms the applicant is subject to the  
5 jurisdiction of the state;

6 (2) Confirms the applicant has established physical  
7 residence or a virtual location in the state from which the

8 demonstration of an innovative offering will be developed  
9 and performed, and where all required records, documents,  
10 and data will be maintained;

11 (3) Contains relevant personal and contact information  
12 for the applicant, including legal names, addresses,  
13 telephone numbers, email addresses, website addresses, and  
14 other information required by the regulatory relief office;

15 (4) Discloses criminal convictions of the applicant or  
16 other participating personnel, if any; and

17 (5) Contains a description of the innovative offering  
18 to be demonstrated, including statements regarding:

19 (a) How the innovative offering is subject to  
20 licensing, legal prohibition, or other authorization  
21 requirements outside of the sandbox program;

22 (b) Each law or regulation that the applicant seeks to  
23 have waived or suspended while participating in the sandbox  
24 program;

25 (c) How the innovative offering would benefit  
26 consumers;

27 (d) How the innovative offering is different from  
28 other innovative offerings available in the state;

29 (e) The risks that might exist for consumers who use  
30 or purchase the innovative offering;

31 (f) How participating in the sandbox program would  
32 enable a successful demonstration of the innovative offering  
33 of an innovative product or service;

34 (g) A description of the proposed demonstration plan,  
35 including estimated time periods for beginning and ending  
36 the demonstration;

37 (h) Recognition that the applicant will be subject to  
38 all laws and regulations pertaining to the applicant's

39 innovative offering after the conclusion of the  
40 demonstration;

41 (i) How the applicant will end the demonstration and  
42 protect consumers if the demonstration fails;

43 (j) A list of each applicable agency, if any, that the  
44 applicant knows regulates the applicant's business; and

45 (k) Any other required information as determined by  
46 the regulatory relief office.

47 2. An applicant shall remit to the regulatory relief  
48 office an application fee of three hundred dollars per  
49 application for each innovative offering. Such application  
50 fees shall be used by the regulatory relief office solely  
51 for the purpose of implementing the provisions of sections  
52 620.3900 to 620.3930.

53 3. An applicant shall file a separate application for  
54 each innovative offering that the applicant wishes to  
55 demonstrate.

56 4. An applicant for the sandbox program may contact  
57 the regulatory relief office to request a consultation  
58 regarding the sandbox program before submitting an  
59 application. The regulatory relief office may provide  
60 assistance to an applicant in preparing an application for  
61 submission.

62 5. (1) After an application is filed, the regulatory  
63 relief office shall:

64 (a) Consult with each applicable agency that regulates  
65 the applicant's business regarding whether more information  
66 is needed from the applicant; and

67 (b) Seek additional information from the applicant  
68 that the regulatory relief office determines is necessary.

69           (2) No later than fifteen business days after the day  
70 on which a completed application is received by the  
71 regulatory relief office, the regulatory relief office shall:

72           (a) Review the application and refer the application  
73 to each applicable agency that regulates the applicant's  
74 business; and

75           (b) Provide to the applicant:

76           a. An acknowledgment of receipt of the application; and

77           b. The identity and contact information of each  
78 applicable agency to which the application has been referred  
79 for review.

80           (3) No later than sixty days after the day on which an  
81 applicable agency receives a completed application for  
82 review, the applicable agency shall provide a written report  
83 to the sandbox program director with the applicable agency's  
84 findings. Such report shall:

85           (a) Describe any identifiable, likely, and significant  
86 harm to the health, safety, or financial well-being of  
87 consumers that the relevant law or regulation protects  
88 against; and

89           (b) Make a recommendation to the regulatory relief  
90 office that the applicant either be admitted or denied  
91 entrance into the sandbox program.

92           (4) An applicable agency may request an additional ten  
93 business days to deliver the written report required by  
94 subdivision (3) of this subsection by providing notice to  
95 the sandbox program director, which request shall  
96 automatically be granted. An applicable agency may request  
97 only one extension per application. The sandbox program  
98 director may also provide an additional extension to the  
99 applicable agency for cause.

100           (5) If an applicable agency recommends an applicant  
101 under this section be denied entrance into the sandbox  
102 program, the written report required by subdivision (3) of  
103 this subsection shall include a description of the reasons  
104 for such recommendation, including the reason a temporary  
105 waiver or suspension of the relevant laws or regulations  
106 would potentially significantly harm the health, safety, or  
107 financial well-being of consumers or the public and the  
108 assessed likelihood of such harm occurring.

109           (6) If an applicable agency determines that the  
110 consumer's or public's health, safety, or financial well-  
111 being can be protected through less restrictive means than  
112 the existing relevant laws or regulations, the applicable  
113 agency shall provide a recommendation of how that can be  
114 achieved.

115           (7) If an applicable agency fails to deliver the  
116 written report required by subdivision (3) of this  
117 subsection, the sandbox program director shall provide a  
118 final notice to the applicable agency for delivery of the  
119 written report. If the report is not delivered within five  
120 days of such final notice, the sandbox program director  
121 shall assume that the applicable agency does not object to  
122 the temporary waiver or suspension of the relevant laws or  
123 regulations for an applicant seeking to participate in the  
124 sandbox program.

125           6. (1) Notwithstanding any provision of this section  
126 to the contrary, an applicable agency may, by written notice  
127 to the regulatory relief office:

128           (a) Reject an application, provided such rejection  
129 occurs within forty-five days after the day on which the  
130 applicable agency receives a complete application for  
131 review, or within fifty days if an extension has been

132 requested by the applicable agency, if the applicable agency  
133 determines, in the applicable agency's sole discretion, that  
134 the applicant's offering fails to comply with standards or  
135 specifications:

136       a. Required by federal rule or regulation; or  
137       b. Previously approved for use by a federal agency; or

138       (b) Reject an application preliminarily approved by  
139 the regulatory relief office, if the applicable agency:

140       a. Recommends rejection of the application in the  
141 applicable agency's written report submitted pursuant to  
142 subdivision (3) of subsection 5 of this section; and

143       b. Provides in the written report submitted pursuant  
144 to subdivision (3) of subsection 5 of this section a  
145 description of the applicable agency's reasons approval of  
146 the application would create a substantial risk of harm to  
147 the health or safety of the public, or create unreasonable  
148 expenses for taxpayers in the state.

149       (2) If any applicable agency rejects an application on  
150 a nonpreliminary basis pursuant to subdivision (1) of this  
151 subsection, the regulatory relief office shall not approve  
152 the application.

153       7. (1) The sandbox program director shall provide all  
154 applications and associated written reports to the advisory  
155 committee upon receiving a written report from an applicable  
156 agency.

157       (2) The sandbox program director may call the advisory  
158 committee to meet as needed, but not less than once per  
159 quarter if applications are available for review.

160       (3) After receiving and reviewing the application and  
161 each associated written report, the advisory committee shall  
162 provide to the sandbox program director the advisory

163 committee's recommendation as to whether the applicant  
164 should be admitted as a sandbox participant.

165 (4) As part of the advisory committee's review of each  
166 report, the advisory committee shall use criteria used by  
167 applicable agencies to evaluate applications.

168 8. The regulatory relief office shall consult with  
169 each applicable agency and the advisory committee before  
170 admitting an applicant into the sandbox program. Such  
171 consultation may include seeking information about whether:

172 (1) The applicable agency has previously issued a  
173 license or other authorization to the applicant; and

174 (2) The applicable agency has previously investigated,  
175 sanctioned, or pursued legal action against the applicant.

176 9. In reviewing an application under this section, the  
177 regulatory relief office and applicable agencies shall  
178 consider whether:

179 (1) A competitor to the applicant is or has been a  
180 sandbox participant and, if so, weigh that as a factor in  
181 favor of allowing the applicant to also become a sandbox  
182 participant;

183 (2) The applicant's plan will adequately protect  
184 consumers from potential harm identified by an applicable  
185 agency in the applicable agency's written report;

186 (3) The risk of harm to consumers is outweighed by the  
187 potential benefits to consumers from the applicant's  
188 participation in the sandbox program; and

189 (4) Certain state laws or regulations that regulate an  
190 innovative offering should not be waived or suspended even  
191 if the applicant is approved as a sandbox participant,  
192 including applicable anti-fraud or disclosure provisions.

193 10. An applicant shall become a sandbox participant if  
194 the regulatory relief office approves the application for

195 the sandbox program and enters into a written agreement with  
196 the applicant describing the specific laws and regulations  
197 that are waived or suspended as part of participation in the  
198 sandbox program. Notwithstanding any other provision of  
199 this section to the contrary, the regulatory relief office  
200 shall not enter into a written agreement with an applicant  
201 that exempts the applicant from any income, property, or  
202 sales tax liability unless such applicant otherwise  
203 qualifies for an exemption from such tax.

204       11. (1) The sandbox program director may deny at his  
205 or her sole discretion any application submitted under this  
206 section for any reason, including if the sandbox program  
207 director determines that the preponderance of evidence  
208 demonstrates that suspending or waiving enforcement of a law  
209 or regulation would cause significant risk of harm to  
210 consumers or residents of the state.

211       (2) If the sandbox program director denies an  
212 application submitted under this section, the regulatory  
213 relief office shall provide to the applicant a written  
214 description of the reasons for not allowing the applicant to  
215 become a sandbox participant.

216       (3) The denial of an application submitted under this  
217 section shall not be subject to judicial or administrative  
218 review.

219       (4) The acceptance or denial of an application  
220 submitted under this section may be overridden by an  
221 affirmative vote of a two-thirds majority of the advisory  
222 committee at the discretion of the advisory committee,  
223 provided such vote shall take place within fifteen business  
224 days of the sandbox program director's decision.

225 Notwithstanding any other provision of this section to the

226 contrary, the advisory committee shall not override a  
227 rejection made by an applicable agency.

228 (5) The sandbox program director shall deny an  
229 application for participation in the sandbox program if the  
230 applicant or any person who seeks to participate with the  
231 applicant in demonstrating an innovative offering has been  
232 convicted, entered into a plea of nolo contendere, or  
233 entered a plea of guilty or nolo contendere held in  
234 abeyance, for any crime involving significant theft, fraud,  
235 or dishonesty if the crime bears a significant relationship  
236 to the applicant's or other participant's ability to safely  
237 and competently participate in the sandbox program.

238 12. When an applicant is approved for participation in  
239 the sandbox program, the sandbox program director may  
240 provide notice of the approval to competitors of the  
241 applicant and to the general public.

242 13. Applications to participate in the sandbox program  
243 shall be considered public records for the purposes of  
244 chapter 610, provided, however, that any information  
245 contained in such applications that constitutes proprietary  
246 or confidential trade secrets shall not be subject to  
247 disclosure pursuant to chapter 610.

620.3920. 1. If the regulatory relief office approves  
2 an application pursuant to section 620.3915, the sandbox  
3 participant shall have twenty-four months after the day on  
4 which the application was approved to demonstrate the  
5 innovative offering described in the sandbox participant's  
6 application.

7 2. An innovative offering that is demonstrated within  
8 the sandbox program shall only be available to consumers who  
9 are residents of Missouri or of another state. No law or  
10 regulation shall be waived or suspended if waiving or

11 suspending such law or regulation would prevent a consumer  
12 from seeking restitution in the event that the consumer is  
13 harmed.

14 3. Nothing in sections 620.3900 to 620.3930 shall  
15 restrict a sandbox participant that holds a license or other  
16 authorization in another jurisdiction from acting in  
17 accordance with such license or other authorization in that  
18 jurisdiction.

19 4. A sandbox participant shall be deemed to possess an  
20 appropriate license or other authorization under the laws of  
21 this state for the purposes of any provision of federal law  
22 requiring licensure or other authorization by the state.

23 5. (1) During the demonstration period, a sandbox  
24 participant shall not be subject to the enforcement of state  
25 laws or regulations identified in the written agreement  
26 between the regulatory relief office and the sandbox  
27 participant.

28 (2) A prosecutor shall not file or pursue charges  
29 pertaining to any action related to a law or regulation  
30 identified in the written agreement between the regulatory  
31 relief office and the sandbox participant that occurs during  
32 the demonstration period.

33 (3) A state agency shall not file or pursue any  
34 punitive action against a sandbox participant, including a  
35 fine or license suspension or revocation, for the violation  
36 of a law or regulation that is identified as being waived or  
37 suspended in the written agreement between the regulatory  
38 relief office and the sandbox participant that occurs during  
39 the demonstration period.

40 6. Notwithstanding any provision of this section to  
41 the contrary, a sandbox participant shall not have immunity

42 related to any criminal offense committed during the sandbox  
43 participant's participation in the sandbox program.

44 7. By written notice, the regulatory relief office may  
45 end a sandbox participant's participation in the sandbox  
46 program at any time and for any reason, including if the  
47 sandbox program director determines that a sandbox  
48 participant is not operating in good faith to bring an  
49 innovative offering to market; provided, however, that the  
50 sandbox program director's decision may be overridden by an  
51 affirmative vote of a two-thirds majority of the members of  
52 the advisory committee.

53 8. The regulatory relief office and regulatory relief  
54 office's employees shall not be liable for any business  
55 losses or the recouping of application expenses or other  
56 expenses related to the sandbox program, including for:

57 (1) Denying an applicant's application to participate  
58 in the sandbox program for any reason; or

59 (2) Ending a sandbox participant's participation in  
60 the sandbox program at any time and for any reason.

620.3925. 1. Before demonstrating an innovative  
2 offering to a consumer, a sandbox participant shall disclose  
3 the following information to the consumer:

4 (1) The name and contact information of the sandbox  
5 participant;

6 (2) A statement that the innovative offering is  
7 authorized pursuant to the sandbox program and, if  
8 applicable, that the sandbox participant does not have a  
9 license or other authorization to provide an innovative  
10 offering under state laws that regulate offerings outside of  
11 the sandbox program;

12 (3) A statement that specific laws and regulations  
13 have been waived for the sandbox participant for the

14 duration of its demonstration in the sandbox program, with a  
15 summary of such waived laws and regulations;

16 (4) A statement that the innovative offering is  
17 undergoing testing and may not function as intended and may  
18 expose the consumer to certain risks as identified by the  
19 applicable agency's written report;

20 (5) A statement that the provider of the innovative  
21 offering is not immune from civil liability for any losses  
22 or damages caused by the innovative offering;

23 (6) A statement that the provider of the innovative  
24 offering is not immune from criminal prosecution for  
25 violations of state law or regulations that are not  
26 suspended or waived as allowed within the sandbox program;

27 (7) A statement that the innovative offering is a  
28 temporary demonstration that may be discontinued at the end  
29 of the demonstration period;

30 (8) The expected end date of the demonstration period;  
31 and

32 (9) A statement that a consumer may contact the  
33 regulatory relief office and file a complaint regarding the  
34 innovative offering being demonstrated, providing the  
35 regulatory relief office's telephone number, email address,  
36 and website address where a complaint may be filed.

37 2. The disclosures required by subsection 1 of this  
38 section shall be provided to a consumer in a clear and  
39 conspicuous form and, for an internet- or application-based  
40 innovative offering, a consumer shall acknowledge receipt of  
41 the disclosure before any transaction may be completed.

42 3. The regulatory relief office may require that a  
43 sandbox participant make additional disclosures to a  
44 consumer.

620.3930. 1. At least forty-five days before the end  
2 of the twenty-four-month demonstration period, a sandbox  
3 participant shall:

4 (1) Notify the regulatory relief office that the  
5 sandbox participant will exit the sandbox program and  
6 discontinue the sandbox participant's demonstration after  
7 the day on which the twenty-four-month demonstration period  
8 ends; or

9 (2) Seek an extension pursuant to subsection 4 of this  
10 section.

11 2. If the regulatory relief office does not receive  
12 notification as required by subsection 1 of this section,  
13 the demonstration period shall end at the end of the twenty-  
14 four-month demonstration period.

15 3. If a demonstration includes an innovative offering  
16 that requires ongoing services or duties beyond the twenty-  
17 four-month demonstration period, the sandbox participant may  
18 continue to demonstrate the innovative offering but shall be  
19 subject to enforcement of the laws or regulations that were  
20 waived or suspended as part of the sandbox program.

21 4. (1) No later than forty-five days before the end  
22 of the twenty-four-month demonstration period, a sandbox  
23 participant may request an extension of the demonstration  
24 period.

25 (2) The regulatory relief office shall grant or deny a  
26 request for an extension by the end of the twenty-four-month  
27 demonstration period.

28 (3) The regulatory relief office may grant an  
29 extension for not more than twelve months after the end of  
30 the demonstration period.

31 (4) Sandbox participants may apply for additional  
32 extensions in accordance with the criteria used to assess

33 their initial application, up to a cumulative maximum of  
34 seven years inclusive of the original twenty-four-month  
35 demonstration period.

36 5. (1) A sandbox participant shall retain records,  
37 documents, and data produced in the ordinary course of  
38 business regarding an innovative offering demonstrated in  
39 the sandbox program for twenty-four months after exiting the  
40 sandbox program.

41 (2) The regulatory relief office may request relevant  
42 records, documents, and data from a sandbox participant,  
43 and, upon the regulatory relief office's request, the  
44 sandbox participant shall make such records, documents, and  
45 data available for inspection by the regulatory relief  
46 office.

47 6. If a sandbox participant ceases to provide an  
48 innovative offering before the end of a demonstration  
49 period, the sandbox participant shall notify the regulatory  
50 relief office and each applicable agency and report on  
51 actions taken by the sandbox participant to ensure consumers  
52 have not been harmed as a result.

53 7. The regulatory relief office shall establish  
54 quarterly reporting requirements for each sandbox  
55 participant, including information about any consumer  
56 complaints.

57 8. (1) The sandbox participant shall notify the  
58 regulatory relief office and each applicable agency of any  
59 incidents that result in harm to the health, safety, or  
60 financial well-being of a consumer. The parameters for such  
61 incidents that shall be reported shall be laid out in the  
62 written agreement between the applicant and the regulatory  
63 relief office. Any incident reports shall be publicly  
64 available on the regulatory sandbox webpage provided,

65 however, that any information contained in such reports that  
66 constitutes proprietary or confidential trade secrets shall  
67 not be subject to disclosure pursuant to chapter 610.

68 (2) If a sandbox participant fails to notify the  
69 regulatory relief office and each applicable agency of any  
70 incidents required to be reported, or the regulatory relief  
71 office or an applicable agency has evidence that significant  
72 harm to a consumer has occurred, the regulatory relief  
73 office may immediately remove the sandbox participant from  
74 the sandbox program.

75 9. No later than thirty days after the day on which a  
76 sandbox participant exits the sandbox program, the sandbox  
77 participant shall submit a written report to the regulatory  
78 relief office and each applicable agency describing an  
79 overview of the sandbox participant's demonstration.  
80 Failure to submit such a report shall result in the sandbox  
81 participant and any entity that later employs a member of  
82 the leadership team of the sandbox participant being  
83 prohibited from future participation in the sandbox  
84 program. Such report shall include any:

- 85 (1) Incidents of harm to consumers;  
86 (2) Legal action filed against the sandbox participant  
87 as a result of the participant's demonstration; or  
88 (3) Complaint filed with an applicable agency as a  
89 result of the sandbox participant's demonstration.

90 Any incident reports of harm to consumers, legal actions  
91 filed against a sandbox participant, or complaints filed  
92 with an applicable agency shall be compiled and made  
93 publicly available on the regulatory sandbox webpage  
94 provided, however, that any information contained in such  
95 reports or complaints that constitutes proprietary or

96 confidential trade secrets shall not be subject to  
97 disclosure pursuant to chapter 610.

98 10. No later than thirty days after the day on which  
99 an applicable agency receives the quarterly report required  
100 by subsection 7 of this section or a written report from a  
101 sandbox participant as required by subsection 9 of this  
102 section, the applicable agency shall provide a written  
103 report to the regulatory relief office on the demonstration,  
104 which describes any statutory or regulatory reform the  
105 applicable agency recommends as a result of the  
106 demonstration.

107 11. The regulatory relief office may remove a sandbox  
108 participant from the sandbox program at any time if the  
109 regulatory relief office determines that a sandbox  
110 participant has engaged in, is engaging in, or is about to  
111 engage in any practice or transaction that is in violation  
112 of sections 620.3900 to 620.3930 or that constitutes a  
113 violation of a law or regulation for which suspension or  
114 waiver has not been granted pursuant to the sandbox  
115 program. Information on any removal of a sandbox  
116 participant for engaging in any practice or transaction that  
117 constitutes a violation of law or regulation for which  
118 suspension or waiver has not been granted pursuant to the  
119 sandbox program shall be made publicly available on the  
120 regulatory sandbox webpage, provided, however, that any  
121 information that constitutes proprietary or confidential  
122 trade secrets shall not be subject to disclosure pursuant to  
123 chapter 610.

✓