

Regulatory Sandbox Act

REGULATORY RED TAPE HINDERS INNOVATION

Outdated regulations—designed before new products or services were imagined—**stand in the way of new business models.**

REGULATORY SANDBOXES WILL HELP STATES GROW

Regulatory sandboxes are short-term periods where the state temporarily waives certain regulations.



Businesses can demonstrate a product or service that would **otherwise not be allowed** by state regulations.



Consumers get access to **new products and services** that could improve their quality of life.



Policymakers become more involved in **fostering cutting-edge technologies**, allowing them to update harmful regulations.

INCENTIVES MATTER



Research finds that sandboxes **relieve regulatory uncertainty and grow venture investment**, and participants in the UK's sandbox reached market 40% faster.

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REGULATORY SANDBOXES ARE A CRITICAL COMPONENT FOR ANY REGULATORY REFORM AGENDA



It is often difficult and expensive for small businesses to effectively lobby for the regulatory changes they need

Sandboxes offer a streamlined path for proving new business models or technologies



Each time regulatory change is needed, businesses must wait months or years for the regulatory or legislative process

Sandboxes allow for innovation while flagging regulations that should be reformed



Participating businesses remain subject to laws protecting consumers from harm, such as anti-fraud, deceptive trade practices, and tort liability

Any permanent changes to state laws must be made by the legislature, and the legislative representatives have veto power over the sandbox's decisions

REGULATORY SANDBOXES ARE A NEW POLICY INNOVATION

11 states have created various types of sandboxes since 2018



Utah created the first industry-agnostic sandbox in 2021

BOTTOM LINE

Regulatory sandboxes are a way for states to welcome the entrepreneurship that makes their economies innovative and dynamic