

What Is a **REGULATORY SANDBOX?**

THE PROBLEM

As human progress has been moving forward by leaps and bounds in recent decades, government has begun regulating nearly everything.

States follow this pattern, creating thousands of crimes and penalties, and almost never repealing outdated rules. This hurts businesses, yes, but also the end consumer.



There are 200,000 pages of federal code!

HOW CAN A SANDBOX HELP?

1. It provides a space for entrepreneurs and innovators, from small start-ups and large corporations, to try new ways of doing things without excessive, outdated regulation.
2. Sandboxes allow regulators the flexibility to safely monitor and foster new ideas instead of simply shutting them down.
3. An "all-inclusive" regulatory sandbox is big enough to include all industries—especially future industries that no one has thought of yet.



WHERE THINGS STAND NOW

➔ Utah now has three **industry-specific** sandboxes that are proving safe and effective.

In 2019, the Utah Legislature passed a regulatory sandbox for the Financial Technology industry. In 2020, one was established for the Insurance industry. The Utah court system has also recently implemented a sandbox for Legal Services.

➔ Industry-specific sandboxes are great, but too narrow.

An **all-inclusive** sandbox is a sandbox for everything. Given the success of the other sandboxes, Utah is ready to expand those same opportunities to every industry sector of our economy, including those not yet invented!

➔ Outdated and unnecessary regulations don't just hurt businesspeople.

We can't know how many business ideas either fail or are never attempted due to anachronistic regulations that shouldn't be applied to modern models. Sandboxes let businesses do what they do best: **solve problems for consumers.**

SAFETY AND OPPORTUNITY

➔ Public health, safety, and financial well-being **can** be protected within a regulatory sandbox.

Libertas has been working with bureaucrats and regulators to help ensure, to the extent possible, the health, safety, and well-being of consumers while still allowing dynamic innovation.

➔ Utah would become a leader on the topic.

Several states have also created industry-specific sandboxes; Utah would be the first to create an all-inclusive one, shining a light on our pro-business state.



HB 217 creates a regulatory sandbox for all industries. It allows breathing room for businesses to test themselves in the market before being subject to regulation that may not even be necessary, boosting our economy and improving the lives of all Utahns.