

SECOND REGULAR SESSION

[TRULY AGREED TO AND FINALLY PASSED]

SENATE SUBSTITUTE FOR

SENATE COMMITTEE SUBSTITUTE FOR

# SENATE BILLS NOS. 894 & 825

102ND GENERAL ASSEMBLY

2024

3490S.04T

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## AN ACT

To repeal sections 536.300, 536.303, 536.305, 536.310, 536.315, 536.323, 536.325, and 536.328, RSMo, and to enact in lieu thereof ten new sections relating to the promotion of business development.

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

Section A. Sections 536.300, 536.303, 536.305, 536.310,  
2 536.315, 536.323, 536.325, and 536.328, RSMo, are repealed and  
3 ten new sections enacted in lieu thereof, to be known as  
4 sections 34.195, 536.300, 620.3800, 620.3900, 620.3905,  
5 620.3910, 620.3915, 620.3920, 620.3925, and 620.3930, to read  
6 as follows:

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

**2. No later than June 30, 2026, and annually  
3 thereafter, the commissioner of administration shall file a  
4 report with the general assembly that includes, but is not  
5 limited to:  
6**

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

**(2) The percentage of the number of contracts awarded  
8  
9 to businesses that have been in operation for less than  
10**

**EXPLANATION-Matter enclosed in bold-faced brackets [thus] in this bill is not enacted and is intended to be omitted in the law.**

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 businesses owned by each racial minority group,  
22 as such term is defined in section 37.013, women-owned  
23 businesses, and veteran-owned businesses compared to the  
24 total number and dollar amount of contracts awarded.

25 3. The commissioner of administration, in conjunction  
26 with the office of entrepreneurship under section 620.3800,  
27 shall produce and file a report with the general assembly  
28 making recommendations on improving access and resources for  
29 new Missouri businesses that have been in operation for less  
30 than three years on or before January 1, 2026. The report  
31 shall also include recommendations on improving access and  
32 resources for new businesses owned by a racial minority  
33 group, as such term is defined in section 37.013, women-  
34 owned businesses, and veteran-owned Missouri businesses that  
35 have been in operation for less than three years on or  
36 before January 1, 2026.

536.300. 1. Prior to submitting proposed rules for  
2 adoption, amendment, revision, or repeal, under this chapter  
3 the state agency shall determine whether the proposed  
4 rulemaking affects small businesses and, if so, the  
5 availability and practicability of less-restrictive  
6 alternatives that could be implemented to achieve the same

7 results of the proposed rulemaking. This requirement shall  
8 not apply to emergency rulemaking pursuant to section  
9 536.025 or to constitutionally authorized rulemaking  
10 pursuant to Article IV, Section 45 of the Missouri  
11 Constitution. This requirement shall be in addition to the  
12 fiscal note requirement of sections 536.200 to 536.210.

13 2. If the proposed rules affect small businesses, the  
14 state agency shall consider creative, innovative, or  
15 flexible methods of compliance for small business and  
16 prepare a small business impact statement to be submitted to  
17 the secretary of state and the joint committee on  
18 administrative rules with the proposed rules. [A copy of  
19 the proposed rules and the small business impact statement  
20 shall also be filed with the board on the same date as they  
21 are filed with the secretary of state.] Such business  
22 impact statement and proposed rules shall be submitted to  
23 the board prior to providing notice for a public hearing.  
24 The statement shall provide a reasonable determination of  
25 the following:

26 (1) The methods the agency considered or used to  
27 reduce the impact on small businesses such as consolidation,  
28 simplification, differing compliance, or reporting  
29 requirements, less stringent deadlines, performance rather  
30 than design standards, exemption, or any other mitigating  
31 techniques;

32 (2) How the agency involved small businesses in the  
33 development of the proposed rules;

34 (3) The probable monetary costs and benefits to the  
35 implementing agency and other agencies directly affected,  
36 including the estimated total amount the agency expects to  
37 collect from any additionally imposed fees and the manner in

38 which the moneys will be used, if such costs are capable of  
39 determination;

40 (4) A description of the small businesses that will be  
41 required to comply with the proposed rules and how they may  
42 be adversely affected, except in cases where the state  
43 agency has filed a fiscal note that complies with all of the  
44 provisions of section 536.205;

45 (5) In dollar amounts, the increase in the level of  
46 direct costs, such as fees or administrative penalties, and  
47 indirect costs, such as reporting, record keeping,  
48 equipment, construction, labor, professional services,  
49 revenue loss, or other costs associated with compliance if  
50 such costs are capable of determination, except in cases  
51 where the state agency has filed a fiscal note that complies  
52 with all of the provisions of section 536.205;

53 (6) The business that will be directly affected by,  
54 bear the cost of, or directly benefit from the proposed  
55 rules;

56 (7) Whether the proposed rules include provisions that  
57 are more stringent than those mandated by any comparable or  
58 related federal, state, or county standards, with an  
59 explanation of the reason for imposing the more-stringent  
60 standard.

61 3. Any proposed rule that is required to have a small  
62 business impact statement but does not include such a  
63 statement shall be invalid and the secretary of state should  
64 not publish the rule until such time as the statement is  
65 provided. If the state agency determines that its proposed  
66 rule does not affect small business, the state agency shall  
67 so certify this finding in the transmittal letter to the  
68 secretary of state, stating that it has determined that such

69 proposed rule will not have an economic impact on small  
70 businesses and the secretary of state shall publish the rule.

71 4. [Sections 536.300 to 536.310] **This section and**  
72 **section 536.020** shall not apply where the proposed rule is  
73 being promulgated on an emergency basis, where the rule is  
74 federally mandated, or where the rule substantially codifies  
75 existing federal or state law. Notwithstanding the  
76 provisions of this section, federally mandated regulations  
77 are subject to the federal Regulatory Flexibility Act as  
78 amended by the Small Business Regulatory and Enforcement  
79 Fairness Act of 1996, P.L. 96-354, as amended by P.L.  
80 104.121. Any federally mandated regulations that do not  
81 comply with these acts shall be subject to this section.

**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 of Missouri-based businesses with less than**  
6 **ten employees, including entrepreneurship within racial**  
7 **minority groups, as such term is defined in section 37.013,**  
8 **and women and veteran entrepreneurship, in the state. The**  
9 **office shall work with Missouri stakeholders and**  
10 **communities, including minority communities, to provide**  
11 **information and technical support to entrepreneurs. The**  
12 **office shall support and advise the office of administration**  
13 **with preparing the report pursuant to subsection 3 of**  
14 **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 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, or of any  
72 municipally owned utility organized or operating under the  
73 provisions of chapter 91, or of any joint municipal utility  
74 commission organized or operating under the provisions of  
75 sections 393.700 to 393.770.

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 regulations that could potentially be waived  
13 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  
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 and protection of Missouri's environment related to  
31 permanently removing or temporarily waiving regulations  
32 inhibiting the creation or success of new and existing  
33 companies or industries;

34 (3) Propose and enter into reciprocity agreements  
35 between states that use or are proposing to use similar  
36 regulatory sandbox programs as described in sections  
37 620.3900 to 620.3930, provided that such reciprocity  
38 agreement is supported by a majority vote of the advisory  
39 committee and the regulatory relief office is directed by an  
40 order of the governor to pursue such 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, 2024, 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;

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

102           (f) Concerns raised by consumers and stakeholders  
103 regarding demonstrations; and

104           (g) Harms and benefits to the state as a result of  
105 current demonstrations.

106           (2) The department may provide an interim report from  
107 the sandbox program director to the governor and general  
108 assembly on specific, time-sensitive issues for the  
109 functioning of the sandbox program, for the health and  
110 safety of consumers and protection of Missouri's  
111 environment, for the success of participants in the program,  
112 and for other issues of urgent need.

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

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

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

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

10 (4) Two members of the public to be appointed by the  
11 governor;

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

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

17 (7) Two members of the house of representatives, one  
18 to be appointed by the speaker of the house of  
19 representatives and one to be appointed by the minority  
20 leader of the house of representatives; and

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

24 2. (1) Advisory committee members shall be appointed  
25 to a four-year term. Members who cease holding elective  
26 office shall be replaced by the speaker or minority leader  
27 of the house of representatives or the president pro tempore  
28 or minority floor leader of the senate, as applicable. The  
29 sandbox program director may establish the terms of initial  
30 appointments so that approximately half of the advisory  
31 committee is appointed every two years.

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

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

38 3. A majority of the advisory committee shall  
39 constitute a quorum for the purpose of conducting business,  
40 and the action of a majority of a quorum shall constitute

41 the action of the advisory committee, except as provided in  
42 subsection 4 of this section.

43 4. The advisory committee may, at its own discretion,  
44 meet to override a decision of the regulatory relief office  
45 on the admission or denial of an applicant to the sandbox  
46 program, provided such override is decided with a two-thirds  
47 majority vote of the members of the advisory committee, and  
48 further provided that such vote shall be taken within  
49 fifteen business days of the regulatory relief office's  
50 decision, and further provided that the risks posed to  
51 consumer health and safety and protection of Missouri's  
52 environment do not outweigh the intended benefits.

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

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

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

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

73 shall be allowed to attend meetings remotely. The advisory  
74 committee shall provide the public the ability to view any  
75 such remote 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 regulation that the applicant seeks to have  
23 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 or Missouri's environment that the relevant  
88 regulation protects 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 regulations would  
106 potentially significantly harm the health, safety, or  
107 financial well-being of consumers or the public or  
108 Missouri's environment and the assessed likelihood of such  
109 harm occurring.

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

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

124 regulations for an applicant seeking to participate in the  
125 sandbox program.

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

129             (a) Reject an application, provided such rejection  
130 occurs within forty-five days after the day on which the  
131 applicable agency receives a complete application for  
132 review, or within fifty days if an extension has been  
133 requested by the applicable agency, if the applicable agency  
134 determines, in the applicable agency's sole discretion, that  
135 the applicant's offering fails to comply with standards or  
136 specifications:

137                 a. Required by federal rule or regulation;  
138                 b. Previously approved for use by a federal agency; or  
139                 c. In which the rule or regulation is supported by way  
140 of federal funding; or

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

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

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

153             (2) If any applicable agency rejects an application on  
154 a nonpreliminary basis pursuant to subdivision (1) of this

155 subsection, the regulatory relief office shall not approve  
156 the application.

157         7. (1) The sandbox program director shall provide all  
158 applications and associated written reports to the advisory  
159 committee upon receiving a written report from an applicable  
160 agency.

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

164         (3) After receiving and reviewing the application and  
165 each associated written report, the advisory committee shall  
166 provide to the sandbox program director the advisory  
167 committee's recommendation as to whether the applicant  
168 should be admitted as a sandbox participant.

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

172         8. The regulatory relief office shall consult with  
173 each applicable agency and the advisory committee before  
174 admitting an applicant into the sandbox program. Such  
175 consultation may include seeking information and giving  
176 consideration to whether:

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

179             (2) The applicable agency has previously investigated,  
180 sanctioned, or pursued legal action against the applicant  
181 and the reasons for such actions.

182         9. In reviewing an application under this section, the  
183 regulatory relief office and applicable agencies shall  
184 consider whether:

185             (1) A competitor to the applicant is or has been a  
186 sandbox participant and, if so, weigh that as a factor in

187 favor of allowing the applicant to also become a sandbox  
188 participant;

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

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

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

199 10. An applicant shall become a sandbox participant if  
200 the regulatory relief office approves the application for  
201 the sandbox program and enters into a written agreement with  
202 the applicant describing the specific regulations that are  
203 waived or suspended as part of participation in the sandbox  
204 program. Notwithstanding any other provision of this  
205 section to the contrary, the regulatory relief office shall  
206 not enter into a written agreement with an applicant that  
207 exempts the applicant from any income, property, or sales  
208 tax liability unless such applicant otherwise qualifies for  
209 an exemption from such tax.

210 11. (1) The sandbox program director may deny at his  
211 or her sole discretion any application submitted under this  
212 section for any reason, including if the sandbox program  
213 director determines that the preponderance of evidence  
214 demonstrates that suspending or waiving enforcement of a  
215 regulation would cause significant risk of harm to consumers  
216 or residents of the state.

217 (2) If the sandbox program director denies an  
218 application submitted under this section, the regulatory

219 relief office shall provide to the applicant a written  
220 description of the reasons for not allowing the applicant to  
221 become a sandbox participant.

222 (3) The denial of an application submitted under this  
223 section shall not be subject to judicial or administrative  
224 review.

225 (4) The acceptance or denial of an application  
226 submitted under this section may be overridden by an  
227 affirmative vote of a two-thirds majority of the advisory  
228 committee at the discretion of the advisory committee,  
229 provided such vote shall take place within fifteen business  
230 days of the sandbox program director's decision.

231 Notwithstanding any other provision of this section to the  
232 contrary, the advisory committee shall not override a  
233 rejection made by an applicable agency.

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

244 12. When an applicant is approved for participation in  
245 the sandbox program, the sandbox program director shall  
246 provide notice of the approval on the department's website.

247 13. Applications to participate in the sandbox program  
248 shall be considered public records for the purposes of  
249 chapter 610, provided, however, that any information  
250 contained in such applications that constitutes proprietary

251 or confidential trade secrets shall not be subject to  
252 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  
10 regulation shall be waived or suspended if waiving or  
11 suspending such regulation would prevent a consumer from  
12 seeking restitution in the event that the consumer is harmed.

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

18 4. (1) During the demonstration period, a sandbox  
19 participant shall not be subject to the enforcement of state  
20 regulations identified in the written agreement between the  
21 regulatory relief office and the sandbox participant.

22 (2) A prosecutor shall not file or pursue charges for  
23 failing to comply with the regulation identified in the  
24 written agreement between the regulatory relief office and  
25 the sandbox participant that occurs during an approved  
26 demonstration period.

27 (3) A state agency shall not file or pursue any  
28 punitive action against a sandbox participant, including a  
29 fine or license suspension or revocation, for the violation  
30 of a regulation that is identified as being waived or

31 suspended in the written agreement between the regulatory  
32 relief office and the sandbox participant that occurs during  
33 the demonstration period.

34 5. Notwithstanding any provision of this section to  
35 the contrary, a sandbox participant shall not have immunity  
36 related to any criminal offense committed during the sandbox  
37 participant's participation in the sandbox program.

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

47 7. The regulatory relief office and regulatory relief  
48 office's employees shall not be liable for any business  
49 losses or the recouping of application expenses or other  
50 expenses related to the sandbox program, including for:

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

53 (2) Ending a sandbox participant's participation in  
54 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 regulations have been  
13 waived for the sandbox participant for the duration of its  
14 demonstration in the sandbox program, with a summary of such  
15 waived 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 regulations that are not suspended or  
26 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 regulations that were waived  
20 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) Notwithstanding the provisions of subsection 3 of  
37 this section to the contrary, if a sandbox participant is  
38 granted an extension pursuant to this subsection beyond the  
39 twenty-four-month demonstration period, the demonstration  
40 shall not be subject to enforcement of the regulations that  
41 were waived or suspended as part of the sandbox program  
42 until the end of the extended demonstration period.

43           5. (1) A sandbox participant shall retain records,  
44 documents, and data produced in the ordinary course of  
45 business regarding an innovative offering demonstrated in  
46 the sandbox program for twenty-four months after exiting the  
47 sandbox program.

48           (2) The regulatory relief office may request relevant  
49 records, documents, and data from a sandbox participant,  
50 and, upon the regulatory relief office's request, the  
51 sandbox participant shall make such records, documents, and  
52 data available for inspection by the regulatory relief  
53 office.

54           (3) The failure to timely provide the records,  
55 documents, and data required in this subsection shall result  
56 in removal from the program.

57           6. If a sandbox participant ceases to provide an  
58 innovative offering before the end of a demonstration  
59 period, the sandbox participant shall notify the regulatory

60 relief office and each applicable agency and report on  
61 actions taken by the sandbox participant to ensure consumers  
62 have not been harmed as a result.

63 7. The regulatory relief office shall establish  
64 quarterly reporting requirements for each sandbox  
65 participant, including information about any consumer  
66 complaints.

67 8. No later than thirty days after the day on which a  
68 sandbox participant exits the sandbox program, the sandbox  
69 participant shall submit a written report to the regulatory  
70 relief office and each applicable agency describing an  
71 overview of the sandbox participant's demonstration.  
72 Failure to submit such a report shall result in the sandbox  
73 participant and any entity that later employs a member of  
74 the leadership team of the sandbox participant being  
75 prohibited from future participation in the sandbox  
76 program. Such report shall include any:

- 77 (1) Incidents of harm to consumers;  
78 (2) Legal action filed against the sandbox participant  
79 as a result of the participant's demonstration; or  
80 (3) Complaint filed with an applicable agency as a  
81 result of the sandbox participant's demonstration.

82 Any incident reports of harm to consumers, legal actions  
83 filed against a sandbox participant, or complaints filed  
84 with an applicable agency shall be compiled and made  
85 publicly available on the regulatory sandbox webpage  
86 provided, however, that any information contained in such  
87 reports or complaints that constitutes proprietary or  
88 confidential trade secrets shall not be subject to  
89 disclosure pursuant to chapter 610.

90           9. No later than thirty days after the day on which an  
91 applicable agency receives the quarterly report required by  
92 subsection 7 of this section or a written report from a  
93 sandbox participant as required by subsection 8 of this  
94 section, the applicable agency shall provide a written  
95 report to the regulatory relief office on the demonstration,  
96 which describes any statutory or regulatory reform the  
97 applicable agency recommends as a result of the  
98 demonstration.

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

2           [536.303. 1. For any proposed rules that  
3 affect small business, the agency shall also  
4 submit a small business statement to the board  
5 after a public hearing is held. This section  
6 shall not apply to emergency rules. The small  
7 business statement required by this section  
shall provide the following information:

8 (1) A description of how the opinions or  
9 comments from affected small businesses were  
10 solicited;

11 (2) A summary of the public and small  
12 business comments;

13 (3) A summary of the agency's response to  
14 those comments; and

15 (4) The number of persons who attended the  
16 public hearing, testified at the hearing, and  
17 submitted written comments.

18 2. If a request to change the proposed  
19 rule was made at the hearing in a way that  
20 affected small business, a statement of the  
21 reasons for adopting the proposed rule without  
22 the requested change shall be included in the  
23 small business statement.]

2 [536.305. 1. There is hereby established  
3 the "Small Business Regulatory Fairness Board".  
4 The department of economic development shall  
5 provide staff support for the board.

6 2. The board shall be composed of nine  
7 members appointed in the following manner:

8 (1) One member who is the chair of the  
9 minority business advocacy commission;

10 (2) One member appointed by the president  
11 pro tempore of the senate;

12 (3) One member appointed by the minority  
13 leader of the senate;

14 (4) One member appointed by the speaker of  
15 the house of representatives;

16 (5) One member appointed by the minority  
17 leader of the house of representatives; and

18 (6) Four members appointed by the governor.

19 3. Each member of the board, except for  
20 the public members and the chair of the minority  
21 business advocacy commission, shall be a current  
22 or former owner or officer of a small business.

23 All members of the board shall represent a  
24 variety of small businesses, both rural and  
25 urban, and be from a variety of geographical  
26 areas of this state, provided that no more than  
27 two members shall represent the same type of  
small business.

28           4. Members of the board shall serve a term  
29 of three years and may be reappointed at the  
30 conclusion of the term. No member shall serve  
31 more than three consecutive terms. Appointments  
32 shall be made so that one-third of the  
33 membership of the board shall terminate each  
34 year. The governor shall appoint the initial  
35 chairperson of the board and a majority of the  
36 board shall elect subsequent chairpersons. The  
37 chairperson shall serve as chair for a term of  
38 not more than two years.

39           5. Members of the board shall serve  
40 without compensation, but may be reimbursed for  
41 reasonable and necessary expenses relating to  
42 their performance of duties, according to the  
43 rules and regulations of travel issued by the  
44 office of administration. Members will be  
45 required to submit an expense account form in  
46 order to obtain reimbursement for expenses  
47 incurred.

48           6. The board shall meet as often as  
49 necessary, as determined by the chairperson of  
50 the board. All meetings of the board will be  
51 conducted in accordance with the governmental  
52 bodies and records act, chapter 610, including  
53 closed sessions. Notice will be posted and will  
54 be provided to the joint committee on  
55 administrative rules. Minutes of the meetings  
56 shall be provided to all members, the office of  
57 the governor, and the joint committee on  
58 administrative rules.

59           7. In addition to any other powers  
60 provided by sections 536.300 to 536.328, the  
61 board may adopt any rules necessary to implement  
62 sections 536.300 to 536.328 and take any action  
63 necessary to effectuate the purposes of sections  
64 536.300 to 536.328. Any rule or portion of a  
65 rule, as that term is defined in section  
66 536.010, that is created under the authority  
67 delegated in this section shall become effective  
68 only if it complies with and is subject to all  
69 of the provisions of this chapter and, if  
70 applicable, section 536.028. This section and  
71 this chapter are nonseverable and if any of the

72 powers vested with the general assembly pursuant  
73 to this chapter to review, to delay the  
74 effective date, or to disapprove and annul a  
75 rule are subsequently held unconstitutional,  
76 then the grant of rulemaking authority and any  
77 rule proposed or adopted after August 28, 2005,  
78 shall be invalid and void.]

[536.310. 1. The board shall:

2 (1) Provide state agencies with input  
3 regarding rules that adversely affect small  
4 businesses;  
5 (2) Solicit input and conduct hearings  
6 from small business owners and state agencies  
7 regarding any rules proposed by a state agency;  
8 and  
9 (3) Provide an evaluation report to the  
10 governor and the general assembly, including any  
11 recommendations and evaluations of state  
12 agencies regarding regulatory fairness for  
13 Missouri's small businesses. The report shall  
14 include comments from small businesses, state  
15 agency responses, and a summary of any public  
16 testimony on rules brought before the board for  
17 consideration.

18 2. In any inquiry conducted by the board  
19 because of a request from a small business  
20 owner, the board may make recommendations to the  
21 state agency. If the board makes  
22 recommendations, such recommendations shall be  
23 based on any of the following grounds:

24 (1) The rule creates an undue barrier to  
25 the formation, operation, and expansion of small  
26 businesses in a manner that significantly  
27 outweighs the rule's benefits to the public; or

28 (2) New or significant economic  
29 information indicates the proposed rule would  
30 create an undue impact on small businesses; or

31 (3) Technology, economic conditions, or  
32 other relevant factors justifying the purpose  
33 for the rule has changed or no longer exists; or

34 (4) If the rule was adopted after August  
35 28, 2004, whether the actual effect on small  
36 businesses was not reflected in or significantly

37 exceeded the small business impact statement  
38 submitted prior to the adoption of the rules.

39 3. Subject to appropriations, by a  
40 majority vote of the board, the board may hire a  
41 one-half full-time equivalent employee for  
42 clerical support and a full-time equivalent  
43 employee with total salaries funded from the  
44 department of economic development  
45 appropriations up to one hundred fifty thousand  
46 dollars adjusted annually for inflation for  
47 professional positions to:

48 (1) Conduct internet website additions,  
49 corrections, and deletions;

50 (2) Develop training programs for agencies;

51 (3) Send regulatory alerts to interested  
52 small business subscribers;

53 (4) Track small business comments  
54 regarding agencies and review and respond to the  
55 agency and small business accordingly;

56 (5) Prepare for board meetings and  
57 hearings, including outreach, travel, agendas,  
58 and minutes;

59 (6) Prepare member maintenance expense  
60 reports and appointments;

61 (7) Analyze small business impact  
62 statements. After such analysis, the employee  
63 shall review such statements, offer suggestions,  
64 and work with agencies to meet the statute  
65 requirements;

66 (8) Analyze biannual report reviews;

67 (9) Conduct agency correspondence and  
68 training;

69 (10) Conduct small business outreach by  
70 speaking at chamber and association events;

71 (11) Review the Missouri Register and  
72 other sources to look for proposed rules that  
73 may affect small business.

74 4. Subject to appropriations, the board  
75 may receive additional funds for:

76 (1) Upkeep of its internet website;

77 (2) Information technology;

78 (3) Mileage for board members;

79 (4) Publication, printing, and  
80 distribution of annual reports;



81 (5) Outreach costs; and  
82 (6) Expenses and equipment for the one and  
83 one-half full-time equivalent employee of the  
84 board.

85 5. A majority vote of the board members  
86 shall be required for the hiring, retention, and  
87 termination of board employees. All duties of  
88 board employees shall be dedicated solely to the  
89 support of and for the furtherance of the  
90 purpose and mission of the board.]

[536.315. Any state agency receiving  
2 recommendations from the board shall promptly  
3 consider such recommendations and may file a  
4 response with the board within sixty days of  
5 receiving the board's recommendations. If the  
6 state agency determines that no action shall be  
7 taken on the board's recommendations, the agency  
8 should explain its reasons for its  
9 determination. If the state agency determines  
10 that the board's recommendations merit adoption,  
11 amendment or repeal of a rule, the agency should  
12 indicate this in its response.]

[536.323. 1. In addition to the basis for  
2 filing a petition provided in section 536.041,  
3 any affected small business may file a written  
4 petition with the agency that has adopted rules  
5 objecting to all or part of any rule affecting  
6 small business on any of the following grounds:

7 (1) The actual effect on small business  
8 was not reflected in or significantly exceeded  
9 the small business impact statement submitted  
10 prior to the adoption of the rules;

11 (2) The small business impact statement  
12 did not consider new or significant economic  
13 information that reveals an undue impact on  
14 small business; or

15 (3) The impacts were not previously  
16 considered at the public hearing on the rules.

17 2. For any rule adopted prior to August  
18 28, 2005, an affected small business may file a  
19 written petition with the agency that adopted  
20 the rule objecting to all or part of any rule

21 affecting small business on any of the following  
22 grounds:

23 (1) The rule creates an undue barrier to  
24 the formation, operation, and expansion of small  
25 businesses in a manner that significantly  
26 outweighs the rule's benefit to the public;

27 (2) The rule duplicates, overlaps, or  
28 conflicts with rules adopted by the agency or  
29 any other agency or violates the substantive  
30 authority under which the rule was adopted; or

31 (3) The technology, economic conditions,  
32 or other relevant factors justifying the purpose  
33 for the rule has changed or no longer exist.

34 3. Upon submission of the petition, the  
35 agency shall forward a copy of the petition to  
36 the board and the joint committee on  
37 administrative rules, as required by section  
38 536.041, as notification of a petition filed  
39 under sections 536.300 to 536.328. The agency  
40 shall promptly consider the petition and may  
41 seek advice and counsel regarding the petition.  
42 Within sixty days after the receipt of the  
43 petition, the agency shall determine whether the  
44 impact statement or public hearing addressed the  
45 actual and significant impact on small  
46 business. The agency shall submit a written  
47 response of the agency's determination to the  
48 board within sixty days of the receipt of the  
49 petition. If the agency determines that the  
50 petition merits the adoption, amendment, or  
51 repeal of a rule, it may initiate proceedings in  
52 accordance with the applicable requirements of  
53 this chapter.

54 4. If the agency determines that the  
55 petition does not merit the adoption, amendment,  
56 or repeal of a rule, any affected small business  
57 may seek a review of the decision by the board.  
58 The board may convene a hearing or by other  
59 means solicit testimony that will assist in its  
60 determination of whether to recommend that the  
61 agency initiate proceedings in accordance with  
62 this chapter. For rules adopted after August  
63 28, 2005, the board shall base its  
64 recommendations on any of the following reasons:

65 (1) The actual effect on small business  
66 was not reflected in or significantly exceeded  
67 the impact statement submitted prior to the  
68 adoption of the rule;

69 (2) The impact statement did not consider  
70 new or significant economic information that  
71 reveals an undue impact on small business;

72 (3) Such impacts were not previously  
73 considered by the agency; or

74 (4) Such impacts were not previously  
75 considered at the public hearing on the rules.

76 5. For rules adopted prior to August 28,  
77 2005, the board shall base its recommendations  
78 on any of the following reasons:

79 (1) The rules created an undue barrier to  
80 the formation, operation, and expansion of small  
81 businesses in a manner that significantly  
82 outweighs its benefit to the public;

83 (2) The rules duplicate, overlap, or  
84 conflict with rules adopted by the agency or any  
85 other agency or violate the substantive  
86 authority under which the rules were adopted; or

87 (3) The technology, economic conditions,  
88 or other relevant factors justifying the purpose  
89 for the rules have changed or no longer exist.

90 6. The board shall make an evaluation  
91 report to the governor and the general assembly  
92 on rulemaking proceedings, comments from small  
93 business, and agency response as provided in  
94 this section. The governor or general assembly  
95 may subsequently take such action in response to  
96 the evaluation report and agency response as  
97 they find appropriate.]

[536.325. 1. The board shall provide to  
2 the head of each agency a list of any rules  
3 adopted by the agency that affect small business  
4 and have generated complaints or concerns,  
5 including any rules that the board determines  
6 may duplicate, overlap, or conflict with other  
7 rules or exceed statutory authority. Within  
8 forty-five days after being notified by the  
9 board the list of rules adopted, the agency  
10 shall submit a written report to the board in

11 response to the complaints or concerns. The  
12 agency shall also state whether the agency has  
13 considered the continued need for the rules and  
14 the degree to which technology, economic  
15 conditions, and other relevant factors may have  
16 diminished or eliminated the need for  
17 maintaining the rules.

18 2. The board may solicit testimony from  
19 the public at a public meeting regarding any  
20 report submitted by the agency under this  
21 section or section 536.175. The board shall  
22 electronically submit an evaluation report to  
23 the governor and the general assembly regarding  
24 small business comments, agency response, and  
25 public testimony on rules in this section and  
26 the report shall be maintained on the board's  
27 website. The governor and the general assembly  
28 may take such action in response to the report  
29 as they find appropriate.]

2 [536.328. For any regulation subject to  
3 sections 536.300 to 536.328, a small business  
4 that is adversely affected or aggrieved by final  
5 agency action is entitled to judicial review of  
6 agency compliance with the requirements of  
7 sections 536.300 to 536.328. Judicial review  
8 shall be commenced in the circuit court of the  
9 county in which the small business has its  
10 primary place of business, or in Cole County.  
11 If the small business does not have a primary  
12 place of business in the state, proper venue  
13 shall be in Cole County. Notwithstanding any  
14 provisions of this chapter to the contrary, an  
15 affected small business may seek such judicial  
16 review during the period beginning on the date  
17 the proposed rule becomes final and ending one  
year later.]

✓