

Roundtable

Office of Advocacy Roundtable on the Department of Justice's Request for Information on Burdensome State Laws

Tuesday, September 9, 2025 2:00 PM – 3:30 PM ET Microsoft Teams Webinar

The Office of Advocacy will host a virtual Small Business Roundtable to discuss a recent request from the U.S. Department of Justice (DOJ) for input on state laws that have significant adverse effects on the national economy or significant adverse effects on interstate commerce. Small business stakeholders are encouraged to participate in the event and raise the issues they've encountered with state laws that unduly burden interstate commerce, raise costs, or harm markets. The roundtable will be held on September 9, 2025, at 2 PM ET on the Microsoft Teams platform.

View the roundtable agenda and <u>register to attend</u> the webinar.

AGENDA

I. Welcome and Introduction to the SBA Office of Advocacy

Dr. Casey Mulligan, Chief Counsel, SBA Office of Advocacy Rosalyn Steward, Assistant Chief Counsel, SBA Office of Advocacy

II. Brief Overview of the DOJ's Request for Information (RFI)

What is interstate commerce? What sectors of the economy are affected by interstate commerce? What information is the DOJ requesting from you?

III. Examples of State Laws that Small Entities have Claimed are Burdensome

- **IV. Open Discussion**
- V. Closing Remarks and Follow-up Instructions
- VI. Adjourn

^{*} SBA Advocacy is an independent government office responsible for advancing the views of small businesses in the regulatory policy across the federal government. We conduct roundtables to hear the experiences, challenges, and recommendations of small businesses related to regulations, and to identify alternative approaches for policy development at federal regulatory agencies. Our roundtables are largely held online, to facilitate the attendance of stakeholders from a diverse range of backgrounds, industries, and geographic regions.



** Roundtable meetings are open to all interested persons and are intended to facilitate an open and frank discussion about issues of interest to small businesses. These meetings are off record and not intended for press purposes. Direct quotations of presenters or attendees may not be used without direct written approval of the person(s) making the statement. All press inquiries should be sent to Chandler.Baxter@sba.gov. Agendas and presentations are available to all. Please direct any requests for further information or disability accommodations to Assistant Chief Counsel Rosalyn Steward at Rosalyn. Steward@sba.gov.

Visit https://advocacy.sba.gov/category/regulation/regulatory-alerts/ to comment on important proposed regulations.

Topic Summary

Discussion of the DOJ's RFI on State Laws.

What: On August 15, 2025, the U.S. Department of Justice (DOJ) published a Request for Information (RFI) seeking comments on state laws that have significant adverse effects on the national economy or significant adverse effects on interstate commerce. This notice is an outgrowth of Executive Order 14219, which directed federal agencies to initiate a process to review all regulations and identify regulations that, among other things, impose undue burdens on small businesses and impede private enterprise and entrepreneurship.

Why: Federal regulatory burdens are only part of the story. State-level practices can drive up nationwide costs and undermine American safety and federalism by projecting the regulatory preferences of a few states into all states.

Action: Small businesses should provide feedback on:

- State laws that unduly burden interstate commerce, raise costs, or harm markets;
- Whether such laws may be preempted under existing federal authority, and if so, which authority;
- Potential federal legislative or regulatory remedies for these laws or their effects; and
- Which federal agencies are best suited to address these concerns.

Advocacy is asking small businesses engaged in manufacturing, agriculture, transportation, retail (including e-commerce), professional services, and other sectors impacted by interstate commerce to provide feedback. Some examples of unduly burdensome state laws include, but are not limited to:

- State-Specific Labeling and Product Standards: Laws that require unique in-state warning labels (like California Prop 65) or specific product formulations, which force manufacturers to create different versions of products just for one state, raising production and distribution costs.
- Occupational Licensing Requirements: States that require extensive licensing for professions such as hair braiding, floristry, or interior design can prevent qualified out-of-state professionals from working and increase consumer costs.
- State Trucking and Transportation Rules: State-specific size, weight, or equipment requirements for trucks can complicate interstate logistics and create extra compliance costs for businesses shipping goods across state lines.
- **Direct-To-Consumer Alcohol Shipping Bans**: States that restrict or prohibit the shipment of wine (or other alcohol) from out-of-state wineries, harming smaller producers and limiting consumer choice.
- **Bans on Importing Out-of-State Waste**: Laws prohibiting landfills from accepting out-of-state garbage, which have often been struck down as unconstitutional burdens on interstate commerce.
- Complex State Sales Tax Regimes: State and local governments with inconsistent or complicated online sales tax collection laws can burden out-of-state small businesses selling products in multiple states.
- State Data Privacy Laws: California's CCPA and similar future state-specific privacy laws are costly for national companies to comply with on a state-by-state basis.

To help identify burdens, here are some questions to consider:

- Are there specific state laws or regulations that have significantly increased your operating costs in the past year?
- Do you face state licensing, permit, or certification requirements that seem excessive for the size or nature of your business?
- Have recent changes in state laws or regulations affected your ability to offer existing products or services?
- Have you encountered delays or challenges in compliance with state laws due to complex or unclear regulatory requirements?
- Are there state taxes, fees, or surcharges that disproportionately impact your business compared to larger companies?
- Are there state regulations that restrict your ability to access certain markets or customers?
- Are there barriers to hiring or retaining employees because of state labor laws, wage mandates, or benefit requirements?
- Have you had to alter supply chain relationships or vendor contracts due to state-imposed restrictions?
- Do you spend more time or resources on regulatory compliance with state laws than on business growth or customer service?
- Are there industry-specific rules in your state that are stricter than the federal standards, and do they create competitive disadvantages?
- Have you considered relocating to or expanding in another state because of a more favorable regulatory environment?
- Do you participate in advocacy efforts or industry groups that discuss regulatory burdens, and have your concerns been acknowledged by state policymakers?

Advocacy is holding this roundtable to give small entities a chance to explain how they are impacted by burdensome state laws or regulations and to recommend any solutions they may have.

Advocacy looks forward to engaging a broad cross-section of small entities on this important topic.