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FACT SHEET 2013

H.B. 87

Allow More Texans to Practice their Profession and Reduce Costs to Customers By Minimizing Unnecessary Licensing Burdens

CURRENT LAW CREATES UNNECESSARY BARRIERS TO LICENSING AND EMPLOYMENT

According to the most recent data by the Texas Legislative Council, the state of Texas has regulated over 500 types of occupations, representing jobs held by nearly 3 million individuals and businesses in the state.¹ License regulations have a two-fold purpose: They grant practitioners the right to practice in a profession or trade, and they prohibit an unlicensed practice of that trade or profession. In theory, holding a license requires a certain level of competence, training, and education, and often requires an examination before the license is granted.

An unintended consequence of licensing is that it increases the cost of labor and the price of services that customers must pay.² As such, over-regulating the licensing process and criteria for various professions not only reduces employment opportunities for skilled workers, it means that customers are left paying the tab for the burdensome regulation system. While Texas must identify strategies to prevent unqualified practitioners from harming the public, it must strike a balance – ensuring both that costs are not unnecessarily passed onto customers, and that skilled practitioners are not unnecessarily prohibited from practicing their trade.

KEY FINDINGS

- Recent Texas policies have attempted to regulate sheet metal workers, roofers, laser hair removal specialists, and swimming pool installers, to name just a few. While regulation of these industries may have consumer benefits, it would also limit the numbers of Texans who could practice in those trades, potentially limiting economic growth in Texas.
- Many regulated occupations place unnecessary burdens on historically disadvantaged populations, including low-income Texans who are unable to pay for specialized education and licensing fees, or who may have criminal records, even for low-level misdemeanors or nonviolent offenses.

COST-SAVING AND PUBLIC SAFETY-DRIVEN SOLUTION: SUPPORT H.B. 87 BY REPRESENTATIVE CALLEGARI

- H.B. 87 will allow individuals to engage in regulated occupations without a license *if* they can show that regulations are substantially burdensome, an important safeguard to protect the consumer. Providing individuals this opportunity will increase the number of employed Texans and reduce the tax burden on all Texans.
- H.B. 87 will increase employment opportunities for low-income, disadvantaged individuals, thus increasing their likelihood to succeed and contribute to safer and healthier communities.

Citations

¹ Texas Legislative Council, *Occupational Regulation in Texas*. 2007.

² Kleiner, M. "Occupational Licensing," *Journal of Economic Perspectives*, Fall 2000, page 192, as cited in the House Committee on Government Reform, Interim Report, 2008.