

By: Huffines

S.B. No. 1185

A BILL TO BE ENTITLED

AN ACT

relating to a biennial study regarding occupational licensing requirements.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter A, Chapter 302, Labor Code, is amended by adding Section 302.0191 to read as follows:

Sec. 302.0191. REPORT REGARDING OCCUPATIONAL LICENSING.

(a) In this section:

(1) "License" includes a certificate, registration, permit, or other authorization that is issued by a licensing authority.

(2) "Licensing authority" means a department, commission, board, office, or other agency of the state that issues a license.

(b) The commission shall biennially study and report on the extent to which a requirement that a person must obtain a license to engage in a particular business, occupation, or profession serves as a barrier to entry into the workforce. The report must discuss whether and to what extent license requirements affect unemployment in this state.

(c) In preparing the report required by Subsection (b), the commission shall:

(1) solicit input from interested parties, including license holders and licensing authorities, and parties who favor

1 decreasing or repealing occupational licensing requirements; and
2 (2) for each license required by a licensing
3 authority:

4 (A) evaluate the costs associated with the
5 license requirement, with a focus on:

6 (i) unemployment;
7 (ii) competition within the occupation; and
8 (iii) associated increases in prices to
9 consumers of goods or services;

10 (B) conduct a risk analysis of the harm to
11 consumers in purchasing goods or services from practitioners in the
12 licensed occupation;

13 (C) consider the extent to which consumers are
14 adequately informed when making decisions related to the licensed
15 occupation;

16 (D) consider whether the occupation is capable of
17 regulating itself without governmental intervention;

18 (E) consider the availability and adequacy of
19 alternatives to licensing by the state, including nonexclusive
20 certifications or registrations provided by nongovernmental
21 entities;

22 (F) consider whether the license requirement
23 serves to protect existing practitioners;

24 (G) conduct a cost-benefit analysis to determine
25 if the social costs of the license requirement are justified by any
26 benefits to the public health, safety, or welfare; and

27 (H) consider the anticipated effect of repealing

1 the license requirement on:

2 (i) overall unemployment, including the
3 rate at which people seeking to enter the occupation or profession
4 are able to do so; and

5 (ii) workforce training costs incurred by
6 the state, community colleges, or career schools or colleges.

7 (d) The commission by rule shall establish a schedule for
8 the review of licenses under this section. The rules must require
9 that:

10 (1) the commission review each license required by a
11 licensing authority not more than once in a 10-year period; and

12 (2) the commission review approximately 20 percent of
13 the licenses during each biennium.

14 (e) On request of the commission, a licensing authority
15 shall provide information to the commission or otherwise assist the
16 commission in preparing the report.

17 (f) Not later than November 15 of each even-numbered year,
18 the commission shall:

19 (1) provide a copy of the report to:

20 (A) the governor;

21 (B) the lieutenant governor;

22 (C) the speaker of the house of representatives;

23 and

24 (D) each standing committee of the senate and
25 house of representatives having primary jurisdiction over matters
26 relating to occupational licensing; and

27 (2) make the report available to the public on the

1 commission's Internet website.

2 SECTION 2. This Act takes effect September 1, 2015.