

Occupational Licensing Rules

Background Information

The agency received a letter (**Attachment A**) from the Governor's Office on October 8, 2019 requesting information on occupational licensing rules. Specifically, the Governor requests that agencies "take all appropriate actions under existing statutory authority to help Texans in this important effort" to reduce unnecessary barriers to licensure.

Staff will develop responses to the Governor and submit by the requested deadline of December 1, 2019.

Recommendation: This item is for information only.



GOVERNOR GREG ABBOTT

October 8, 2019

Dear State Agency Heads:

Reforming Texas's occupational-licensing rules must be a priority for all state leaders. Sensible licensing rules, when necessary, can protect the public from legitimate harm, but overbroad rules stymie innovation, raise consumer prices, and limit economic opportunity. Overly burdensome licensing rules also discourage individuals from pursuing professions or prevent the unemployed — or former inmates who have paid their debt to society — from building a better life.

I commend legislators for their efforts to roll back onerous licensing rules this past session, and I was proud to sign legislation that will significantly ease those burdens on our citizens. But every Texan deserves the opportunity to earn a living free from unnecessary state intrusion, and there is more work to be done to eliminate barriers to work in Texas.

Today I ask you, as leaders of our state agencies, to take all appropriate actions under existing statutory authority to help Texans in this important effort. Executive branch agencies that issue and administer occupational licenses should act administratively to reduce unnecessary and burdensome licensing regulations that hurt workers and consumers, including by:

- Assessing whether existing licensing regulations help or hinder Texans' right to earn a living;
- Identifying less-restrictive alternatives to licensure, such as bonding, insurance, registration, or certification;
- Identifying other jurisdictions with licensing requirements that are substantially equivalent to Texas's licensing requirements, as required by last session's Senate Bill 1200;
- Recognizing substantially equivalent out-of-state occupational licenses for people who are in good standing in all states where they are licensed; and
- Accepting professional experience as a substitute for licensure in cases where a person moves to Texas from a state that does not license his or her occupation.

In addition, executive branch agencies should reduce fees and burdensome educational requirements whenever possible, including by:

- Developing and implementing plans to reduce license application fees to 75% or less of the national average for equivalent or comparable occupations;¹

¹ All licensing agencies, including self-directed and semi-independent agencies, should provide the Office of the Governor with a list of those fees and their amounts; show what percentage of generated fees go to the General Revenue Fund as opposed to their costs of operations; and, if fees were to be reduced, explain the impact.

State Agency Heads

October 8, 2019

Page 2

- Reducing excessive educational and work experience requirements, absent compelling evidence that doing so would not adequately protect the public interest;
- Considering reductions in licensure and examination fees for Texas residents who are eligible for certain public assistance programs; and
- Expanding the acceptance of online continuing education credits for residents who cannot attend continuing education classes in person.

Finally, executive branch agencies should remove barriers to licenses for people with criminal records where appropriate, including by:

- Rather than relying on blanket exclusions for people with criminal records, publishing lists of specific criminal offenses that disqualify applicants from obtaining or maintaining an occupational license, or at least limiting the exclusion to only those offenses that directly relate to the duties and responsibilities of the occupation; and
- Exempting arrests that did not result in conviction or placement on deferred adjudication community supervision for the purposes of determining a person's fitness for a licensed occupation, consistent with last session's Senate Bill 1217.

Executive branch agencies should review their occupational-licensing rules and identify which of these administrative actions will be pursued, and report their findings to the Office of the Governor by no later than December 1, 2019.

Thank you for your cooperation with this initiative and for your continued service to the State. Easing licensing regulations will stay true to the Texas Constitution's protection for economic liberty and will ensure that Texas remains a pro-growth, pro-opportunity, and freedom-loving state.

Sincerely,

A handwritten signature in black ink that reads "Greg Abbott". The signature is written in a cursive, flowing style.

Greg Abbott
Governor

GA:shk