

## **BILL ANALYSIS**

Senate Research Center  
84R25950 MAW-D

C.S.S.B. 1185  
By: Huffines  
Business & Commerce  
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Committee Report (Substituted)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

There are currently over 150 licensed occupations in Texas, according to the Texas Workforce Commission (TWC). In many instances, these licenses create an unnecessary barrier of entry for otherwise capable employees. Occupational licenses are meant to prevent a dangerous or hazardous event from occurring at the hands of an unlicensed or inexperienced employee. However, many occupations in Texas that currently require licenses do so unnecessarily because there is no safety concern if the employee is unlicensed. According to the Institute for Justice, "forcing would-be workers to take unnecessary classes, engage in lengthy apprenticeships, pass irrelevant exams or clear other needless hurdles does nothing to ensure the public's safety. It simply protects those already in the field from competition by keeping out newcomers."

C.S.S.B. 1185 requires TWC to create and conduct a biennial study and report on the effects of occupational licensing on the state's employment rate and growth. The report would include whether these licensing requirements create a barrier to entry into the workforce. TWC will consult with various parties involved in the study, "including license holders, licensing authorities, and parties who favor decreasing or repealing occupational licensing requirements."

C.S.S.B. 1185 amends current law relating to a biennial study regarding occupational licensing requirements.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Workforce Commission in SECTION 1 (Section 302.0191, Labor Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter A, Chapter 302, Labor Code, by adding Section 302.0191, as follows:

Sec. 302.0191. REPORT REGARDING OCCUPATIONS LICENSING. (a) Defines "license" and "licensing authority."

(b) Requires the Texas Workforce Commission (TWC), subject to the availability of appropriated money, to 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. Requires that the report discuss whether and to what extent license requirements affect unemployment in this state.

(c) Requires TWC, in preparing the report required by Subsection (b), to:

(1) solicit input from interested parties, including license holders and licensing authorities, and parties who favor decreasing or repealing occupational licensing requirements; and

(2) for each license required by a licensing authority to evaluate and consider certain factors and sets forth those factors.

(d) Requires TWC by rule to establish a schedule for the review of licenses under this section. Requires that the rules require that:

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

(2) TWC review approximately 10 percent of the licenses during each biennium.

(e) Requires a licensing authority, on request of TWC, to provide information to TWC or otherwise assist TWC in preparing the report. Requires a licensing authority and the Sunset Advisory Commission, on request of TWC, to provide staff support to TWC for purposes of conducting the study and preparing the report required by this section.

(f) Requires TWC, not later than November 15 of each even-numbered year, to:

(1) provide a copy of the report to the governor of the State of Texas, the lieutenant governor of the State of Texas, the speaker of the house of representatives, and each standing committee of the senate and house of representatives having primary jurisdiction over matters relating to occupational licensing; and

(2) make the report available to the public on TWC's Internet website.

(g) Authorizes TWC to solicit, accept, and administer gifts, grants, and donations of any kind from any public or private source for the purposes of conducting the study and preparing the report required by this section.

SECTION 2. Effective date: September 1, 2015.