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OHIO

HOUSE FEDERALISM AND INTERSTATE RELATIONS COMMITTEE

Proponent Testimony on SB 255

Tuesday, November 27, 2018

Chair Roegner, Vice Chair Becker, Ranking Member Leland, Members of the Committee, thank you for holding this hearing and for the opportunity to provide testimony in support of SB 255.

My name is Micah Derry and I am the State Director of Americans for Prosperity – Ohio. Americans for Prosperity is the nation’s largest free market grassroots advocacy group, with tens of thousands of activists right here in Ohio. On behalf of those activists, I urge you to support SB 255, which would establish sunset provisions for occupational licenses as well as provide alternatives to licensing which will allow more Ohio citizens to achieve their American dream.

Occupational licensing laws often require workers to get a permission slip from the government before they can start earning a living in a given field. These barriers to the workforce have grown significantly over time in scope and complexity, and have a significant and negative impact on workers—especially low income workers.

According to the Institute of Justice’s recently released [report](#) on occupational licenses, entitled ‘License to Work’, Ohio licenses 40 lower income occupations and has the 20th most burdensome licensing laws in the country. On average this means that a person applying for these licenses has to complete 350 days of education, pass an exam and pay \$188 in fees. These include requirements of occupational licenses such as auctioneers, animal breeders and milk samplers.

Often times these requirements do not come about due to consumers complaining to lawmakers about poor or unsafe service. Rather they are lobbied for by the very industry that wants to be licensed. This is so those practicing in the occupation can restrict competition by restricting new entrants into the occupation and as a result, raise prices on consumers. Additionally, trade schools and the associations representing the industries advocate for these licenses because the legislation mandates training and continuing education which guarantees a revenue stream. According to a [study](#) from the Foundation for Economic Education, Ohio households spend an additional \$775 per year in costs due to these licenses.

Unfortunately, once these licenses are in place and the licensing boards created, they face little to no scrutiny in proving to either the state or the public that they are achieving their stated goal of protecting the health and safety of consumers. But passage of SB 255 can change that.

This legislation would require that all licensing boards would be sunset every five and only reapproved by the legislature. This would also give opportunities for the standing committees created by this law to review the effectiveness of the board and for the board to submit reports showing that the regulations created are fulfilling their task of protecting consumer health and safety. This includes taking into account how many other states license an occupation as well other important factors. Crucially the state could also determine that licenses are not necessary to protect consumers and instead replace the burdensome regulation with the “least restrictive regulation” as defined by this law.

The time for opaque and unaccountable licensing boards has lasted too long. It is time for this legislature to reassert its authority over occupational licensing in this state and work to remove needless barriers and grant workers more opportunity, while also protecting consumers. That is why we have marked SB 255 as a key vote on our legislative scorecard.

The Senate rightfully passed this important piece of legislation earlier this year. I now urge members of this committee and the House of Representatives to pass SB 255 before the end the 132<sup>nd</sup> General Assembly concludes its business in order to help thousands of Ohio citizens have better future opportunities to use their unique talents and skills to succeed in a meaningful way.

Thank you, again, Chair Roegner, for the opportunity to testify before you today, and I look forward to answering any questions the committee may have.

Micah Derry  
State Director  
Americans for Prosperity-Ohio

*Americans for Prosperity (AFP) exists to recruit, educate, and mobilize citizens in support of the policies and goals of a free society at the local, state, and federal level, helping every American live their dream – especially the least fortunate. AFP has more than 3.2 million activists across the nation, a local infrastructure that includes 36 state chapters, and has received financial support from more than 100,000 Americans in all 50 states. For more information, visit [www.AmericansForProsperity.org](http://www.AmericansForProsperity.org)*