

I thank the House State and Local Government Committee for the opportunity to testify today in favor of HB 432.

I live in Minneapolis MN. I am the senior legislative counsel for the Institute for Justice, a public interest law firm headquartered in Arlington VA.

I support HB 432 because it addresses the friction caused by (1) the fact America has a nationwide labor market in which workers move between states to pursue the greatest opportunity and (2) individual state governments are the biggest regulator of the labor market in their states through enactment and enforcement of occupational licensing laws. (In Ohio, 18% of workers need a license to work. Licensing is larger than union participation (11% of workers in Ohio) and the minimum wage (approximately 2% of workers in Ohio).

HB 432 reduces this fiction cost effectively by recognizing other states' licenses and overcoming any differences in personal qualifications between Ohio's law and the other states' laws by requiring a year of work experience.

Secondly, HB 432 is the best bill in the nation. It avoids the mistakes that Pennsylvania and Arizona made. HB 432 does not compare personal qualification between state laws as Pennsylvania's does. That is a costly and burdensome task put on agencies. It also treats the same a worker coming to Pennsylvania with one year experience as a worker coming to Pennsylvania with 30 years of experience. This is a big due-process problem.

Additionally, HB 432 rightly does not have a residency requirement as Arizona's law does. In short, the goal of HB 432 is to address Ohio's labor market shortage. It is not to promote residency. Legislators have other means to promote people establishing residency in Ohio.

Thank you.

Sincerely,
Lee U. McGrath
Senior Legislative Counsel
Institute for Justice