



**AMERICANS FOR
PROSPERITY**

OHIO

Jeff Dillon, Legislative Liaison

SENATE TRANSPORTATION, COMMERCE, AND WORKFORCE COMMITTEE

Opponent Testimony on SB 308

Wednesday, December 5, 2018

Chairman LaRose, Vice Chair Kunze, Ranking Member Schiavoni, and members of the committee, good morning.

On behalf of the Ohio chapter of Americans for Prosperity, the nation's largest free market grassroots advocacy organization with thousands of activists across the state, I urge you to oppose Senate Bill 308. This bill would increase barriers to opportunity for workers across the state of Ohio by adding elevator mechanics and contractors to the long list of professions burdened by unnecessary licensing requirements.

As an organization that seeks to break barriers that stand in the way of people reaching their potential, Americans for Prosperity aims to advance public policies that empower people to succeed by creating value for others. Part of this mission is identifying and championing policies that eliminate obstacles that government places in the way of people striving for their American dream. SB 308, however, would accomplish just the opposite.

Specifically, SB 308 would require that all elevator mechanics and contractors be granted permission from the government in order to perform their jobs. It also establishes an Elevator Safety Review Board which will have disciplinary authority over licensees. This sounds harmless enough, but the reality it would be a significant new burden on people seeking to enter the profession. Occupational licensing actually enables industry-wide cronyism, disproportionately burdens lower-income individuals, and stifles job growth.

Over the past 50 years, state and federal authorities have been licensing more and more occupations that pose little or no obvious threat to the public. In fact, today, as many as one in three U.S. workers requires a license—government permission to work. The Institute for Justice, which tracks licensing regulations for lower-income occupations, found in its 2012 report, *Licensed to Work*, that the average requirements for lower-income jobs are about \$200 in fees, nine months of training, and an exam. Once licensed, the average worker can expect to make less than \$30,000 per year.

According to research from the University of Minnesota, over 18 percent of all workers have an occupational license in Ohio. That means almost a fifth of those working in the state have to receive a permission slip from the government in order to provide for themselves and their families. This is a massive increase from only a few decades ago, where roughly only one in 20 workers required a government permission slip.

In fact, Ohio already licenses 31 moderate income occupations, including everything from makeup artists to mobile home installers. Such licenses and their requirements only serve to restrict competition, leading to higher prices for those with licenses and restricted opportunity for those without. These higher prices are felt by consumers, too, as it is estimated that occupational licenses cost the average Ohio family an additional \$775 per year. Given the damage already caused by Ohio's licensing regime, it makes no sense to expand it.

Ultimately, in order to begin to transform our communities, we must start breaking down the many external barriers that prevent people from realizing their full potential. Licensure of this kind is precisely the type of impediment that keeps people from contributing to a society in which people succeed by creating values for others. Only once these obstacles are removed can we enable others to improve their lives and help others to do the same.

Ohio's workers are already restricted too much when it comes to licensing requirements. Such burdens only wind up protecting the interests of the rich and politically-connected at the expense of consumers and lower-income professionals. I strongly urge you to reject Senate Bill 308 and allow these hard-working individuals to continue to serve their communities, provide for their families, and pursue the American dream.

Chairman LaRose, thank you for this opportunity to testify, I am happy to answer any questions at this time.

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

