



State Representative Jena Powell

Ohio's 80th House District

HB 432 – The License Reciprocity Act – Sponsor Testimony

State & Local Government, December 11, 2019

Chairman Wiggam, Vice Chair Stephens, Ranking Member Kelly, and members of the House State & Local Government Committee, thank you for the opportunity to present sponsor testimony on HB 432 – the License Reciprocity Act. Allow me to set the scene of what's happening currently in our communities:

- Kate grew up in rural Ohio
- Kate moves to New York City for college
- Her occupational license allows her to practice her trade in the state of New York
- Kate gets married
- Kate and her husband want to move back to the Midwest and start a family
- They find out Kate's occupational license will not transfer to an Ohio license, and that she would have to go through more training, be re-tested, pay more fees, wait almost a year to get her license in the state of Ohio

This is why I am excited about occupational licensing reform. We get to help remove excessive regulations so Kate can work in our great state.

Back in 1950, less than five percent of professions nationwide required an occupational license. Currently, Ohio licenses 651 occupations, which is around 18% of occupations.

We all know that Ohio is a wonderful place to live. But it's crucial we make changes to make Ohio a more attractive place to live, work, and raise a family. Right now, we have a workforce shortage in Ohio. One way to help families, businesses, and individuals in our state is through initiating license reciprocity in a way that will cause Ohio's economic climate to thrive.

This year, Arizona became the first state to broadly recognize out-of-state licenses. Pennsylvania quickly followed suit. Ohio can be on the leading edge of solving the workforce shortage in our state by passing the License Reciprocity Act.

As you know, the House recently passed temporary license reciprocity for members of the military and their immediate family members. We want to expand this reciprocity for every individual whose license is held in good standing in their state. The License Reciprocity Act will

require licensing authorities to grant a license to an applicant with an out-of-state license provided the following conditions are met:

1. The applicant holds an out-of-state license or government certification for the same occupation and at the same level of practice for which they are applying
2. The applicant has held that license or certification for at least one year
3. The applicant is in good standing in all jurisdictions in which they are licensed to practice that profession
4. The applicant satisfied minimum education, training, or experience requirements or passed an exam to receive their license or certification
5. The applicant has not surrendered or had their license revoked because of negligence or misconduct related to their occupation
6. The applicant is not disqualified from obtaining a license or certification because of criminal offenses

It is up to the licensing authority to determine if the license is at the same level of practice. For example, there are three different tiers to an EMT license. The EMT licensing board can determine which level of practice the applicant was practicing in their home state, and grant them the equivalent license in Ohio.

If Ohio licenses a profession which the applicant's home state does not license, an applicant can qualify for an Ohio license if they have a private certification and have worked for at least two years in that profession, or if they have worked for at least three years in that occupation in their home state, provided they remain in good standing.

After the lengthy process and financial investment that people have already gone through in another state to receive their license, they don't want to have to add to that an extensive wait in Ohio. According to studies conducted by the Institute for Justice, "Ohio's occupational licensing laws for lower-income occupations are the **20th most burdensome, requiring, on average, \$188 in fees, 350 days of education and experience, and around one exam.**" Current law discourages qualified individuals from moving to our state, filling needed jobs, and investing in our communities.

License reciprocity is a bipartisan issue that was supported by the Obama administration, and is currently supported by the Trump administration. License reciprocity recognizes the simple fact that workers do not lose their skills when they cross a state border.

Cutting through red tape will allow workers to use their skills, and will encourage businesses and entrepreneurs to move to Ohio. License reciprocity will bring more business and more income to our state. If Ohio recognizes out-of-state licenses, we will send a bold message to the rest of the country that Ohio is open for business: Come and practice your trade in our communities.

SB 7 just passed through conference committee - granting occupational license reciprocity for military families. It has already been through the process, and it is safe and acceptable.

When I was in Arizona last week, I spoke with a banker, who told me that people are flooding to Arizona because the regulatory environment is incredible. We can look to Arizona and the changes that they have made. Over the past year, one of the things they have implemented is the

occupational license reciprocity act. Red tape has been cut, and so people from across the United States are moving there. When I look at the state of Ohio, I want people to say we are not just a flyover state -- we are the heart of the Midwest.

In 1970, Ohio had 24 congressmen. Currently we have 16 congressmen, and after the census results, we'll probably go down to 15 maybe 14. Ohio has to make bold changes to make Ohio more competitive.

Passing the License Reciprocity Act is a major step towards making Ohio the most business friendly state in the nation, and towards encouraging individuals, like Kate, to move to our great state rather than away from it.

My joint sponsor Representative Lang, apologizes that he is unable to be here for sponsor testimony today. We are thrilled to be working together to better the business climate in our great state of Ohio.

I am happy to answer any questions from the committee at this time.