

MINUTES OF THE SENATE COMMERCE COMMITTEE

The meeting was called to order by Chairperson Julia Lynn at 8:30 am on Tuesday, March 08, 2016, 548-S of the Capitol.

All members were present except:
Senator Jim Denning – Excused

Committee staff present:
Debbie Bartuccio, Kansas Legislative Committee Assistant
Edward Penner, Legislative Research Department
Chuck Reimer, Office of Revisor of Statutes

Conferees appearing before the Committee:
Lee McGrath, Institute for Justice
Jon Sanders, John Locke Foundation

Others in attendance:
[See Attached List](#)

Presentation on:

Chairperson Lynn recognized Lee McGrath, Institute for Justice and Jon Sanders, John Locke Foundation, who delivered presentations concerning occupational licensing. ([Attachment 1](#)) ([Attachment 2](#))

Mr. McGrath's presentation covered: Institute for Justice's work; perspectives on occupational licensing; North Carolina State Board of Dental Examiners v. FTC; and solutions to restore Parker immunity.

Mr. Sanders stated the purpose behind occupational licensing is ostensibly to ensure the safety and quality of work, to protect consumers from incompetent, negligent, or fraudulent service providers. An occupational license is a certificate of permission from the government allowing an individual to do the kind of work he wants to do. He said, in practice, occupational licensure acts as a reimagining of the medieval guild system, protecting established members of a profession from competition, allowing them to charge higher prices, and making them wealthier at the expense of consumers and excluded service providers. Occupational licensing puts hurdles on prospective competitors in the regulated fields of labor. These include, among other things, the costs of the license and fees, some of which recur annually or periodically; required time spent on academic instruction, which can be arbitrarily determined as apprenticeship lengths and moreover imposes costs in time and tuition; passage of a qualifying exam or exams, plus payment of exam fees; and time and tuition costs of supplemental education.

He stated Kansas is one of the freer states in terms of occupational licensure, nationally as well as

CONTINUATION SHEET

MINUTES of the Committee on Commerce at 8:30 am on Tuesday, March 08, 2016 in Room 548-S of the Capitol.

regionally. Kansas policymakers can use the following principles in determining which boards and licenses are unnecessary: if other states find them unnecessary, if they only recently came under state regulation, if they primarily affect low-income workers and entrepreneurs, and if a board finds itself having to provide little actual oversight.

Mr. Sanders recommended the following:

- Enact sunrise provisions for future licensing boards and job categories.
- Enact sunset provisions with periodic review for current licensing boards.
- Reduce the number of licensing boards and licensed job categories.

Chairperson Lynn requested Mr. McGrath to provide an overview of the North Carolina State Board of Dental Examiners case and why it was significant.

Senator Faust-Goudeau referred to the statement in Mr. Sander's report that licensing, educational mandates, and written examinations have all been shown to have negative effects on minorities.

Senator Pilcher-Cook expressed her appreciation for the presentation and stated it was long past due. In particular, she referred to the level of licensing involved in the child care industry and its affects on the availability and expense of child care.

Chairperson Lynn adjourned the meeting at 9:25 a.m. The next meeting is scheduled for March 9, 2016.