

HOUSE BILL REPORT

HB 1052

As Reported by House Committee On: Business & Financial Services

Title: An act relating to repealing the requirement that credentialing authorities suspend a person's occupational credential for nonpayment or default of certain student loans.

Brief Description: Repealing the requirement that credentialing authorities suspend a person's occupational credential for nonpayment or default of certain student loans.

Sponsors: Representatives Sawyer, Appleton, Bergquist and Macri.

Brief History:

Committee Activity:

Business & Financial Services: 1/17/17, 1/18/17 [DP].

Brief Summary of Bill

- Repeals the requirement that various state credentialing authorities suspend a person's occupational credential if the person is certified by a lending agency and reported to the state credentialing authority for nonpayment or default on a federal- or state-guaranteed education loan or service-conditional scholarship.

HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

Majority Report: Do pass. Signed by 9 members: Representatives Kirby, Chair; Reeves, Vice Chair; Vick, Ranking Minority Member; J. Walsh, Assistant Ranking Minority Member; Barkis, Bergquist, Blake, McCabe and Santos.

Staff: Peter Clodfelter (786-7127).

Background:

The state, through the Department of Licensing, the Department of Health, other state agencies, and numerous state boards and other state-created entities, issues credentials like licenses, certifications, and registrations to people and business entities in numerous occupations. A 1996 law added a requirement to various occupations' regulatory schemes to

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require the state credentialing authority to suspend a person's occupational credential if the person is certified by a lending agency and reported to the state credentialing authority for nonpayment or default on a federal- or state-guaranteed education loan or service-conditional scholarship. Reinstatement of the credential is generally automatic upon receipt of a written release issued by the lending agency stating that the person is making payments on the loan in accordance with a repayment agreement approved by the lending agency, if the person has continued to meet all other credentialing requirements and pays any reinstatement fee imposed by the credentialing authority.

The following occupations' regulatory schemes contain this provision:

- accountants;
- architects;
- assisted living facilities;
- attorneys (law provides that the Washington State Supreme Court may adopt such a provision by rule);
- auctioneers;
- bail bond agents;
- birthing centers;
- boxing, martial arts, or wrestling event promoters, participants, and related occupations in the industry;
- contractors;
- cosmetologists, hair designers, barbers, manicurists, and estheticians;
- court reporters;
- embalmers and funeral directors;
- engineers and land surveyors;
- escrow agents;
- fire sprinkler system contractors;
- landscape architects;
- numerous health-related professions;
- plumbers;
- poison information centers;
- private investigators;
- process servers;
- real estate appraisers;
- real estate brokers and managing brokers;
- security guards;
- teachers and other education-related occupations; and
- water well construction-related occupations.

Summary of Bill:

The requirement that various state credentialing authorities suspend a person's occupational credential if the person is certified by a lending agency and reported to the state credentialing authority for nonpayment or default on a federal- or state-guaranteed education loan or service-conditional scholarship is repealed.

The requirement is repealed from the following occupations' regulatory schemes:

- accountants;
- architects;
- assisted living facilities;
- attorneys (law provides that the Washington State Supreme Court may adopt such a provision by rule);
- auctioneers;
- bail bond agents;
- birthing centers;
- boxing, martial arts, or wrestling event promoters, participants, and related occupations in the industry;
- contractors;
- cosmetologists, hair designers, barbers, manicurists, and estheticians;
- court reporters;
- embalmers and funeral directors;
- engineers and land surveyors;
- escrow agents;
- fire sprinkler system contractors;
- landscape architects;
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- process servers;
- real estate appraisers;
- real estate brokers and managing brokers;
- security guards;
- teachers and other education-related occupations; and
- water well construction-related occupations.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) The state's policy of suspending a person's occupational credential because they are poor or cannot afford to make a student loan payment does not make sense. This policy bears resemblance to debtors' prisons. The state should change this policy by repealing the requirement.

(Opposed) None.

Persons Testifying: Representative Sawyer, prime sponsor.

Persons Signed In To Testify But Not Testifying: None.