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SUBSTITUTE HOUSE BILL 2875

State of Washington 66th Legislature 2020 Regular Session

By House Consumer Protection & Business (originally sponsored by Representatives Hoff, Vick, Corry, Graham, Gildon, and Mosbrucker)

READ FIRST TIME 01/31/20.

- AN ACT Relating to creating a review process for professional licensing regulations and requiring a report to the legislature; and
- 3 adding a new chapter to Title 18 RCW.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- NEW SECTION. Sec. 1. (1) The legislature finds that, at times, additional protection by means of the regulation of a profession through professional licensure may be deemed necessary to ensure that the public's health, safety, and general welfare is protected. Furthermore, technological innovation continues to change the responsibilities and practices surrounding these professions, and by result, the potential harms associated with them.
 - (2) It is also recognized that requirements, such as educational requirements, fees, and training hours, which an individual must fulfill before receiving a license to practice in a profession, can create barriers to an individual's upward mobility and freedom to pursue their profession of choice.
 - (3) It is, therefore, the intent of the legislature to establish a sunset review process for all professional licensing requirements regulated by the department of licensing, to ensure that the rights and well-being of current and future practitioners of the profession be given full protection from unnecessary regulatory burden and that

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- 1 regulations meant to safeguard public health and safety are still
- 2 warranted.
- 3 <u>NEW SECTION.</u> **Sec. 2.** This chapter may be known and cited as the
- 4 professional license review act.
- 5 <u>NEW SECTION.</u> **Sec. 3.** The definitions in this section apply
- 6 throughout this chapter unless the context clearly requires
- 7 otherwise.
- 8 (1) "Department" means the department of licensing.
- 9 (2) "Director" means the director of licensing.
- Sec. 4. (1) Beginning in 2021, the department 10 NEW SECTION. shall annually review and analyze approximately twenty percent of the 11 professional licenses regulated by the department and prepare and 12 13 submit an annual report electronically to the chief clerk of the 14 house of representatives, the secretary of the senate, and each member of the house of representatives and senate by August 31st of 15 each year as provided in this section. The department shall complete 16 this process for all professional licenses within its jurisdiction 17 18 within five years and every five years thereafter. Each report shall include the department's recommendations regarding whether the 19 professional licenses should be terminated, continued, or modified. 20
- 21 (2) The department may require the submission of information by 22 the affected professional board or commission and other affected or 23 interested parties. The department shall provide notice to the 24 relevant professional board or commission prior to commencing the 25 review.
- 26 (3) The department's report shall include, but not be limited to, 27 the following:
- 28 (a) The title of the professional license and, if applicable, the 29 name of the professional board or commission responsible for 30 enforcement of the professional license, if any;
- 31 (b) The statutory citation or other authorization for the 32 creation of the professional license and, if applicable, the 33 professional board or commission;
- 34 (c) If applicable, the number of members of the professional board or commission and how the members are appointed;
- 36 (d) If applicable, the qualifications for membership on the 37 professional board or commission;

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(e) If applicable, the number of times the professional board or commission is required to meet during the year and the number of times it actually met during the preceding five calendar years;

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- (f) Annual budget information for the five most recently completed fiscal years;
- 6 (g) For the immediately preceding five calendar years, or for the period of time less than five years for which the information is 7 practically available, the number of government certifications, 8 professional licenses, and registrations the department, professional 9 board, or commission has issued, revoked, denied, or assessed 10 11 penalties against, listed anonymously and separately per type of 12 credential, and the reasons for such revocations, denials, and other 13 penalties;
- 14 (h) A review of the basic assumptions underlying the creation of the professional license;
- 16 (i) A comparison of whether and how other states regulate the 17 profession;
- 18 (j) A review and analysis of the hours or other amount of 19 education, training, or experience required to obtain the license or 20 credential;
 - (k) A summary of any regulatory changes made by the department, professional board, or commission as a result of the review; and
 - (1) Any recommendations regarding whether the professional license should be terminated, continued, or modified.
 - (4) After the report in subsection (3) of this section is submitted, if the relevant legislative committee determines further analysis is needed it may request the department to conduct further analysis. Specifically, the extended report shall include:
 - (a) Whether the professional license meets the policies stated and the following recommended courses of action for meeting such policies:
 - (i) If the need is to protect consumers against fraud, the recommended course of action should be to strengthen powers under chapter 19.86 RCW, or require disclosures that will reduce misleading attributes of the specific goods or services;
- 36 (ii) If the need is to protect consumers against unclean 37 facilities or to promote general health and safety, the recommended 38 course of action should be to require periodic inspections of such 39 facilities;

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1 (iii) If the need is to protect consumers against potential 2 damages from failure by providers to complete a contract fully or up 3 to standards, the recommended course of action should be to require 4 that providers be bonded;

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- (iv) If the need is to protect a person who is not a party to a contract between the provider and consumer, the recommended course of action should be to require that the provider have insurance;
- (v) If the need is to protect consumers against potential damages by transient providers, the recommended course of action should be to require that providers register their businesses with the state;
- (vi) If the need is to protect consumers against a shortfall or imbalance of knowledge about the goods or services relative to the providers' knowledge, the recommended course of action should be to enact government certification; and
- (vii) If the need is to address a systematic information shortfall such that a reasonable consumer is unable to distinguish between the quality of providers, there is an absence of institutions that provide adequate guidance to the consumer, and the consumer's inability to distinguish between providers and the lack of adequate guidance allows for undue risk of present, significant, and substantiated harms, the recommended course of action should be to enact a professional license; and
- (b) If education, training, or experience is a qualification in the professional license under review, a review and analysis of the hours or other amount of education, training, or experience required to ensure such requirements are as least restrictive as necessary to protect the public's health, safety, and welfare.
- (5) If a lawful profession is subject to chapter 18.120 RCW, the analysis under subsection (4)(a) of this section shall be made using the least restrictive method of regulation as set out in RCW 18.120.010.
- 32 (6) If the department finds that it is necessary to change 33 professional licenses, the department shall recommend the least 34 restrictive regulation consistent with the public interest and the 35 policies in this section.
- 36 <u>NEW SECTION.</u> **Sec. 5.** Sections 1 through 4 of this act 37 constitute a new chapter in Title 18 RCW.

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