

HOUSE BILL REPORT

HB 1301

As Amended by the Senate

Title: An act relating to creating a review process for professional licensing regulations and requiring a report to the legislature.

Brief Description: Creating license review and reporting requirements.

Sponsors: Representatives McClintock and Cheney.

Brief History:

Committee Activity:

Consumer Protection & Business: 1/25/23, 2/1/23 [DP].

Floor Activity:

Passed House: 3/4/23, 96-0.

Senate Amended.

Passed Senate: 4/6/23, 46-0.

Brief Summary of Bill

- Directs the Department of Licensing (DOL) to review and analyze 20 percent of professional licenses each year.
- Requires the DOL to submit an annual report to the Legislature with recommendations as to whether the professional licenses reviewed should be terminated, continued, or modified.

HOUSE COMMITTEE ON CONSUMER PROTECTION & BUSINESS

Majority Report: Do pass. Signed by 13 members: Representatives Walen, Chair; Reeves, Vice Chair; Corry, Ranking Minority Member; McClintock, Assistant Ranking Minority Member; Chapman, Cheney, Connors, Donaghy, Hackney, Ryu, Sandlin, Santos and Volz.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Staff: Michelle Rusk (786-7153).

Background:

The Department of Licensing (DOL) regulates a number of businesses and professions. For regulated professions, the DOL issues licenses and ensures compliance with professional standards and laws. Examples of professions regulated directly by the DOL, or in coordination with a board or commission, include:

- architects;
- cosmetologists;
- funeral directors;
- real estate brokers; and
- security guards.

Requirements for a professional license, certificate, registration, or permit vary considerably. Some professions may require:

- college-level coursework;
- experience;
- an examination;
- some type of background check;
- a surety bond, insurance, or other minimum financial standards;
- minimum safety standards;
- continuing education for licensees; or
- duties of care for clients.

Many professions have provisions for some form of reciprocity or consideration of experience from other states or military service. In addition, the DOL and other licensing authorities must expedite the issuance of a broad range of professional licenses, certificates, registrations, or permits for qualified military spouses.

Summary of Bill:

Beginning in 2024 the DOL must annually review and analyze approximately 20 percent of the professional licenses it regulates. The DOL must complete a review of all professional licenses within five years, and every five years after that.

By August 31 of each year, the DOL must prepare and submit a report to the Legislature and recommend whether each professional license reviewed should be terminated, continued, or modified. Report requirements include, but are not limited to:

- the title of the regulated occupation and the name of any board responsible for enforcement of the professional license;
- the statutory citation or other authorization for the creation of the professional regulations and board;
- the number of members of the board and the process for appointing members;

- the qualifications for board membership;
- the number of times the board is required to meet annually and the number of times it actually met during the preceding five years;
- the board's annual budget information for the previous five years;
- the number of government certifications, professional licenses, and registrations that the DOL or the board has issued, revoked, denied, or assessed penalties against for the past five years;
- a review of why the professional regulations for each license were created;
- a comparison of whether and how other states regulate the profession;
- a review and analysis of the hours or other amount of education, training, or experience required to obtain the license or credential;
- a summary of any regulatory changes made by the DOL or the board as a result of the review; and
- a summary of any recommendations regarding whether the professional license should be terminated, continued, or modified.

The Legislature may request the DOL to further analyze whether a profession's licensing regulations meet the state's licensing reform policies and recommend a course of action that is directly related to the need, and consistent with the health, safety, and welfare of the public.

If the DOL recommends a change to professional regulations, the DOL must recommend the least restrictive regulation consistent with the public interest.

EFFECT OF SENATE AMENDMENT(S):

The Senate striking amendment:

- changes the percentage of licenses the Department of Licensing (Department) must annually review and analyze to 10 percent, from 20 percent;
- modifies the time period in which the Department must complete the review of all professional licenses it regulates to 10 years and every 10 years thereafter, rather than 5 years and every 5 years thereafter; and
- requires the Department to provide notice to all licensees not regulated under a board or commission before commencing a review.

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) This policy is good, common sense legislation and will serve the people of Washington. It has previously passed out of this committee with the support of the prior chair and ranking member. There is concern for removing economic barriers to opportunities for work or professions for people across the state. The role of government is to provide public safety and consumer protection against fraud. Government regulations and permitting should not be a barrier to people finding a new job or expanding their entrepreneurial work. This is a modest proposal, only requiring review of 20 percent of professional licenses each year, and only requiring a report to the legislature. This is like cleaning out your closet or your house of unnecessary items, and this is a good thing. This policy helps prioritize getting people into the work force and makes the licensing process less cumbersome, which should be the goal.

(Opposed) None.

Persons Testifying: Representative Stephanie McClintock, prime sponsor; and Paul Guppy, Washington Policy Center.

Persons Signed In To Testify But Not Testifying: None.