



## **Testimony on SB 135 and HB 5433** **Submitted by Bryce Chinault, Director of External Affairs**

February 6, 2023

Thank you for the opportunity to testify before the General Law Committee in support of [SB 135: An Act Establishing a Maximum Charge for Occupational Licenses](#) and [HB 5433: An Act Concerning Occupational Licenses and Veterans](#). My name is Bryce Chinault and I am the Director of External Affairs at Yankee Institute, a non-profit organization here in Hartford dedicated to expanding economic opportunity for everyone. I can be reached via email at [bryce@yankeeinstitute.org](mailto:bryce@yankeeinstitute.org).

Yankee Institute supports SB 135 and HB 5433 because, first and foremost, it is the right of all people to pursue employment of their choice, and the assumed benefits of occupational licenses are not worth the definitive costs they impose. A competitive free market – not state agencies and boards – is the best regulator for poor business practices.<sup>1</sup>

SB 135 would cap the fee that can be charged to receive an occupational license at \$100. Although this change would not be a full repeal of the fees or a removal of the license process that Yankee Institute has proposed, this measure reduces economic barriers to obtaining a license, provides clarity for potential workers, and limits the

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<sup>1</sup> Occupational Licensing in Connecticut Becomes More Burdensome:  
<https://yankeeinstitute.org/2022/12/13/occupational-licensing-in-connecticut-becomes-more-burdensome/>

ability for fees to increase in the future – a documented problem in Connecticut.

HB 5433 would allow veterans to obtain an occupational license based on their military training. Although Yankee Institute would support expanding this benefit to all workers based on licensing requirements they have already completed in other states, the proposed change would be a welcome reduction in the costs and constraints for veterans as they transition into life outside their service to our country.

As noted in a report by The White House Council of Economic Advisors in 2015, occupational licensing imposes significant costs on individuals seeking employment in regulated areas, increases costs on goods and services due to a reduction in market competition, and often fails to demonstrate the quality, health, and safety benefits that licensing proponents often claim.<sup>2</sup>

The Institute for Justice (IJ), a national non-profit public interest law firm, provides detailed analysis on occupational licensing across the country. In the latest edition of their License to Work report published in November 2022, Connecticut is ranked as the 15th most burdensome state for licensing in low-income occupations. Of the 102 occupations this report analyzes using federal wage data, Connecticut requires government permission to be employed in 65 of them, well above the national average. Connecticut also has above average fees and days lost due to various requirements to enter these occupations.<sup>3</sup>

To provide a few examples of excessive requirements in Connecticut, we have the highest in the nation fees to become a preschool teacher

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<sup>2</sup> Occupational Licensing: A Framework for Policymakers:

[https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing\\_report\\_final\\_nonembargo.pdf](https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing_report_final_nonembargo.pdf)

<sup>3</sup> License to Work: A National Study of Burdens from Occupational Licensing: <https://ij.org/report/license-to-work-3/report/executive-summary/>

at \$1,010; the longest time commitment in the nation to become a glazier at 1,825 days (5 years); amongst the highest exam requirements for occupations like bus driver, optician, and HVAC contractor; and we are the only state to require a license to be a forest worker.

Furthermore, the amount of economic activity that is lost due to all the costs associated with occupational licensing in Connecticut is substantial. In 2018, IJ estimated that there would have been nearly 50,000 more people employed in Connecticut, and a conservative estimate of a \$400 million increase in economic activity if these licenses were repealed. Occupational licensing is clearly increasing costs, decreasing economic opportunity, and reducing the tax base in Connecticut.<sup>4</sup>

Connecticut should look to continue to reduce occupational licensure burdens; SB 135 and HB 5433 are positive steps towards this goal. There are 19 states, including Vermont, New Hampshire, New Jersey, Pennsylvania, and Ohio that have recently adopted universal recognition of occupational licenses from other states and Connecticut could greatly benefit from following their lead.

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<sup>4</sup> At What Cost?: State and National Estimates of the Economic Costs of Occupational Licensing: <https://ij.org/report/at-what-cost/results/>