Kansas House Commerce Committee

March 11, 2024

HB 2818- Proponent

Dear Chairman Tarwater and Members of the Committee,

My name is Elizabeth Patton and on behalf of thousands of our activists in Kansas, I am testifying I support of House Bill 2818.

Today, unnecessary licensing burdens reduce employment opportunities for many Kansans, cutting off rungs on the economic mobility ladder for people trying to improve their lives. In fact, research shows that in more onerously licensed states, entrepreneurship rates are lower among low-income residents and recidivism rates are higher for ex-offenders due to decreased employment opportunities. [1]

A recent national study found that governmental licensing barriers annually cost Kansas $197 million in deadweight losses and $3.1 billion in misallocated resources. This signifies that people are spending more than they would have, and on different things, than if our nation's many government licensing laws weren't creating barriers to accessing desired products and services. Along with continued licensing reforms in Kansas, HB 2818 would make significant inroads in improving opportunity and economic growth in our state. It creates efficiency and opportunity to remove barriers for many.

In a study[2] following 102 specific low to moderate income occupations across the 50 states, Kansas licenses 35 of those, requiring over 200 calendar days of training on top of fees and other requirements just to obtain permission to work from the Kansas government. 28 of those licenses were enacted between 1993-2012 alone. This is just a small window into the many other occupations that require licenses and other burdensome government requirements. Instead of increasing safety, it reduces competition.

There are plenty of ways of address consumer protection, and Federal Trade Commission notes that truly when you note the inconsistency among states it lends itself even more to understand that these regulations do not equal consumer protection or prevention in these low to moderate income professions. It's about industry protectionism, not consumer protection.

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[1] https://www.mercatus.org/research/public-interest-comments/effects-occupational-licensure-competition-consumers-and
[2] https://ij.org/report/license-to-work-2/

The point we want to make today is that a review bill such as this one requires our state to look introspectively on where we have inconsistencies and over-regulation or barriers to entry into a profession.

For some Kansas specifics we want to point out that we are one of only 4 state to require a license for a psychiatric technician, animal breeders pay the highest fees here in the entire nation, estheticians have to complete 233 days of training here which is 100 days more the national average, we requires licenses for a variety of things when we don't even have a class for them such as in Kansas cosmetology school. These red-tape regulations lead to thousands of dollars in costs and about a year of time for coursework which often doesn't even relate to the occupation itself. EMTs require 35 days of training but manicurists require twice that and barbers ten times that amount. There has been scant evidence that stricter licensing in any of these 102 low to moderate income professions yields any higher quality or safer services.

The point is, we have continued room for improvement and I am thrilled that we would help every Kansan be able to earn a living though commonsense legislation. In the long term, we believe that HB 2818 would be a powerful tool to not only save the state itself costs, but it would also provide new opportunities for Kansas agencies, lawmakers and most importantly, Kansas residents to remove overly burdensome and unnecessary occupational restrictions that undermine opportunity in our state. AFP stands in strong support of this and other occupational licensing reform efforts and urges lawmakers to support this measure.[3]

Sincerely,

Elizabeth Patton

State Director

Americans for Prosperity-Kansas

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[3] https://www.ncsl.org/labor-and-employment/sunset-and-sunrise