FREQUENTLY ASKED QUESTIONS: LICENSING BOARD LOBBYING BAN

What is the occupational licensing board lobbying ban?
The lobbying ban is state legislation prohibiting occupational licensing boards from spending public money to influence lawmakers by banning them from contracting with outside lobbyists. Though occupational licensing boards are government entities, they are largely composed of established, private professionals in certain fields. The ban prevents licensing boards from imposing regulations that, instead of protecting the public, limit competition and keep people from work, often for their own personal or special interests.

Why do we need an occupational licensing board lobbying ban?
In 2015, the U.S. Supreme Court found that, without proper state supervision, licensing boards can become unaccountable, self-serving organizations that protect themselves from competition rather than protecting consumers. The Justices noted that when legislatures hold hearings on licensure practices, they are flooded with lobbyists who give the false impression that additional occupational regulations will only enhance public safety without imposing costs on aspiring workers when usually, the opposite is true. By banning agencies from contracting with outside lobbyists, the state can ensure that licensing boards remain accountable and do not impose excessive regulations.

How will this affect consumers and public safety?
While licensing boards claim that all licenses are necessary to protect public safety, that is not the case. Studies show that in most instances, occupational licenses fail to protect public safety. Though about 1,100 occupations are licensed by at least one state, only 60 are licensed in every state. Most of these 1,100 occupations are licensed in fewer than 30 states, and many are only licensed in fewer than ten states.

If creating a license to work in a specific occupation is truly necessary to protect public safety, then that occupation should be licensed across the nation. Given the wide variety of licensing practices across states, this is not the case.

When agencies are permitted to hire lobbyists, they can push legislators to enact excessive regulations and licensing requirements that do not benefit public safety but benefit special interests in their industries. These restrictions limit competition and drive up prices for consumers—and act as barriers to work for many individuals. Today, nearly one in three Americans need the government's permission to work—a

substantial increase from the 1950s when only one in twenty Americans needed an occupational license.

By banning the use of state funds for lobbyists, this reform protects competition, providing more options and lower costs for consumers.

Where do licensing boards get their money?
The money licensing boards use to pay lobbyists can come directly from taxpayers through legislative appropriations or from the fees that agencies collect from initial license applications and renewals. This reform will ensure that no taxpayer money is spent on outside lobbyists for licensing boards.

Isn't the purpose of licensing to protect consumers?
Yes, at least in theory. But the evidence shows that most licenses fail to achieve this goal. Studies show that many state licensing requirements drive up costs without improving quality or safety. And when an occupation is licensed at both the state and local levels, it causes excessive burdens—both in time and cost—for job seekers. Local licensing preemptions simply eliminates duplicative licenses that have no public safety rationale behind them.

Is this a violation of the First Amendment?
No, because nothing in this legislation stops private citizens, occupational groups, or trade associations from using funds to hire lobbyists. The ban only applies to licensing agencies, which as state actors need to be held to high standards to ensure that the public—not special interests—are being protected.

What states have implemented licensing board lobbying bans?
There are ten states—including Alaska, Florida, Connecticut, and Illinois—that prohibit at least some state agencies from using public funds to retain lobbyists. In 2003, South Carolina's governor issued an executive order prohibiting the state's licensing and regulation department from contracting with lobbyists. And in 2016, Arizona Governor Doug Ducey issued an executive order that banned Arizona licensing boards from hiring contract lobbyists.

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There is strong empirical evidence that areas with strict licensure laws see significantly higher prices with no improvements in quality. When states prevent licensing agencies from using their authority to mislead lawmakers, they are helping consumers and creating job opportunities.