

**Testimony Before the Louisiana House Commerce Committee
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Chairman Carmody and members of the committee, my name is Arianna Wilkerson. I am a government relations coordinator for The Heartland Institute, a 34-year-old independent, national, nonprofit organization. Heartland's mission is to discover, develop, and promote free-market solutions to social and economic problems. Heartland is headquartered in Illinois and focuses on providing national, state, and local elected officials with reliable and timely research and analyses on important policy issues. I'm here to testify today in support of House Bill 825, the Right to Earn a Living Act.

Far-reaching licensing laws often produce vast negative economic effects. When a state imposes a burdensome and excessive licensing regime, the costs of goods increase. Furthermore, business competition and entrepreneurship are reduced, leading to fewer jobs and lower-quality services. In most cases, these rules are unnecessary and counterproductive, because government involvement guarantees neither better nor safer services.

Louisiana's occupational licensing laws are among the most burdensome in the United States. Louisiana currently ranks sixth worst in occupational freedom, according to the Mercatus Center at George Mason University. The Institute for Justice also ranks Louisiana as having the sixth worst licensing regime. Nationwide, states on average license 54 occupations. However, Louisiana licenses 77 out of the 102 lower-income occupations in the state, such as bus and truck drivers, cosmetologists, barbers, bartenders, massage therapists, locksmiths, alarm installers, and 33 different residential and commercial contractors. The licensing laws require on average \$360, 202 days of education or experience, and two exams.

We've all read stories about people who have been harassed, sued, fined, or threatened with jail time for the crime of practicing their craft without a license. Even something as harmless and common as African hair braiding is not exempt from some states' licensing regulations, including in Louisiana. This has unnecessarily caused that market to be much smaller than it would otherwise be. This is evident when comparing the hair braiding industry in neighboring Mississippi. Although Louisiana has a substantially larger black population than Mississippi, it has just 32 registered hair braiders compared to Mississippi's 1,245.

Why does this gap exist? It's likely due to the 500 hours of training this state requires to braid hair. In Mississippi, no training hours are required.

Advocates of occupational licensing say these regulatory schemes are needed to ensure better products and services are available, but there is no connection between licensing laws and the quality of goods and services. However, there is a documented connection between licensing laws and higher economic costs, which come in the form of lost jobs and increased prices. Economic models suggest "occupational licensing can result in up to 2.85 million fewer jobs nationwide, with an annual cost to consumers of \$203 billion."

Occupational licensing laws also hamper geographic mobility from one state to another. For instance, there are likely African hair braiders in Mississippi that would take up residence in Louisiana but have chosen not to because they can't legally continue their craft without going through a time-consuming, costly regulatory process. How many other people across the country are financially prohibited from relocating to Louisiana because of this state's regulatory climate?

Proponents of occupational licensing laws also argue they are necessary to protect public health and safety. In some cases, that might be true, but far too often occupational licensing laws are applied to relatively safe jobs.

Consider the licensing burdens imposed on an interior designer to those of an emergency medical technician (EMT). The Pelican State is one of just four that licenses interior designers, requiring them to pay more than \$1,200 in fees, acquire six years of education, and pass an exam. EMTs need to pay just \$110 in fees and complete about 26 days of education. Apparently, saving people's lives should require a lot less time and money than decorating people's houses. Similarly, florists present no safety risks to the public, yet Louisiana requires a license to cut and arrange flowers—the only state in the Union to do so.

Another often ignored aspect of occupational licensing laws is their protectionist origins. It is industry leaders and lobbyists, not consumers, who campaign for and urge legislators to create licenses that keep out new competitors who may not have the time or money to acquire licenses. Associations in a wide variety of industries—including medicine, cosmetology, and music therapy—have for decades lobbied for ever-stricter regulation and licensing laws. Licensing restrictions are essentially net wealth transfers from consumers to politically connected labor groups.

The Right to Earn a Living Act, if passed, would put Louisiana on the right track: toward economic freedom, growth, and mobility. It would strip away excess government licensing requirements so that only those mandates that prove to be the most essential for maintaining public health, safety, or welfare remain intact. Further, the act would allow citizens to petition for the repeal or modification of any regulation he or she believes isn't truly necessary, and the bill outlines the processes government would have to take once a petition has been created.

Like all states, Louisiana should focus on establishing an economic environment for existing industries to expand and new businesses to open, thereby benefiting jobseekers and consumers. Eliminating unnecessary and arbitrary occupational licensing laws would help to incentivize large and small businesses to create additional jobs in the Pelican State, which has over the past few years experienced the lowest employment rate among its four neighboring states.

House Bill 825 correctly recognizes the fundamental right for every American to earn an honest living and pursue entrepreneurial opportunities. I urge the committee to pass this important bill.

Thank you for allowing me to testify today.

For more information, please visit our website at www.heartland.org, or contact Arianna Wilkerson by phone at 312/377-4000 or by email at awilkerson@heartland.org.