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OPPORTUNITY 

Solutions Project

LD 612, HP 448

Committee on Innovation, Development, Economic Advancement and Business
Maine State Legislature

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Committee Members,

Opportunity Solutions Project advocates for state policies that make it easier for people to find work and achieve the American Dream. That's exactly what LD 612 will do.

The exodus of young people from urban centers is an opportunity for Maine to attract new residents and businesses to the state. But young families need work opportunities to build a future. Licensing restrictions make it more difficult for people with less experience to enter a new market.¹ This is why licensing tends to act as a barrier to young workers while protecting more established workers.²

Research confirms that licensed workers are less likely to move between states.³ This bill would streamline the licensing process for incoming workers, making it easier for people to relocate and continue their career in Maine.

This is how the policy works. If an applicant has already earned an occupational license from another state, and they've been licensed for at least one year, the applicant will be issued a license so they may start working in Maine. However, nationally, more than 1,000 occupations require a license to work in at least one state, but less than 60 occupations are licensed in every state.⁴ This means some incoming workers may have worked in a state that didn't license an occupation for which Maine does require a license.

LD 612 accounts for these potential workers. If an applicant has two to three years of real-world experience, they're also eligible for a Maine license.

But licensure is not automatic, and this bill includes safeguards. All applicants have to pass criminal background checks. They can't be involved in any professional complaints. They must be in good standing with their respective licensing board or credentialing organization. And, again, they must have the requisite years of experience.

States are looking for ways to stay competitive and get their economies back on track, and universal licensing recognition is a tested reform. Seven states have already passed a similar version of the policy in this bill, including Pennsylvania, Arizona, and Iowa, and more states may be added to this list by the end of 2021.

Moreover, almost every single state, including Maine, gave this policy a test run by removing out-of-state licensing restrictions for health professionals in response to COVID-19. This bill uses that policy as a foundation, applying it to even less regulated professions and making it permanent.

LD 612 is an opportunity for Maine to join the growing list of states that have made it easier to attract experienced workers and new businesses to their local economies.

Thank you for your time.

Haley Holik, Visiting Fellow

¹ National Conference of State Legislatures, "The State of Occupational Licensing" (2017), https://www.ncsl.org/Portals/1/Documents/employ/Licensing/State_Occupational_Licensing.pdf.

² Jared Meyer, "How Occupational Licensing Inhibits Economic Opportunity," Foundation for Government Accountability (2017), <https://thefga.org/wp-content/uploads/2017/10/How-Occupational-Licensing-Inhibits-Economic-Opportunity-10-23-17.pdf>.

³ Janna Johnson and Morris M. Kleiner, "Is Occupational Licensing a Barrier to Interstate Migration?" National Bureau of Economic Research (2017), <https://www.nber.org/papers/w24107>.

⁴ Jared Meyer & Victoria Eardley, "Dispelling Three Big Myths About Occupational Licensing," Foundation for Government Accountability (2017), https://www.ncsl.org/Portals/1/Documents/employ/Licensing/State_Occupational_Licensing.pdf.