

Apprenticeship Requirements and Occupational Licenses for those with Military Experience

Bill Analysis: House Bill 2254

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House Bill 2254 (HB 2254), by Representative Charlie Geren, proposes to allow “verified military service, training, or education that is relevant” to an occupation to count towards apprenticeship requirements for licensure.¹

Findings

Practical experience—such as that earned in the military—is often just as good (and perhaps better) than other training that is undertaken to meet a licensing requirement.

Generally speaking, the number of occupations licensed in Texas should be reduced.² A 2012 report by the Institute for Justice ranked American states by the average burden of their licensing requirements, and Texas was named the 17th most burdensome.³

Occupational licensing raises the cost of doing business, and consequently, it raises prices for consumers. There is ample evidence that occupational licensing increases the prices of goods and services, but there is little evidence that it improves the quality of goods and services.⁴ Occupational licensing bills are often pitched as necessary for safeguarding consumer interests, but in reality, they serve to restrict competition by forcing potential entrants into the market to meet onerous training requirements to obtain a license.⁵

House Bill 2254 does not propose to end the licensing of any occupations, but it does make it easier for individuals to accumulate the hours of training needed to obtain a license. This will allow more competition in the provision of various services, and consequently, it is likely to reduce costs for consumers. Even more importantly, underlying HB 2254 is the notion that practical experience—such as that earned in the military—is often just as good (and perhaps better) than other training undertaken to meet a licensing requirement. This is an important step forward for understanding the limited effectiveness of many occupational licensing schemes throughout Texas. ★

¹ HB No. 2254, 83rd Session (2013).

² See generally Marc A. Levin, “The Preoccupation with Occupational Licensing,” Texas Public Policy Foundation (May 2007).

³ Dick M. Carpenter II, Lisa Knepper, Angela Erickson, and John Ross, “License to Work: A National Study of Burdens from Occupational Licensing,” Institute for Justice (May 2012) 20.

⁴ See Morris M. Kleiner, “Licensing Occupations: Ensuring Quality or Restricting Competition?” W.E. Upjohn Institute (1 June 2006) 8-10.

⁵ See Adam B. Summers, “Occupational Licensing: Ranking the States and Exploring Alternatives,” Reason Foundation (Aug. 2007) ii. (“While occupational licensing laws are billed as a means of protecting the public from negligent, unqualified, or otherwise substandard practitioners, in reality they are simply a means of utilizing government regulation to serve narrow economic interests. Such special-interest legislation is designed not to protect consumers, but rather to protect existing business interests from competition.”)