



## SB 845: Creating Value and Deconstructing Economic Barriers

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### Key Points

- Currently there is no comprehensive database of all licenses that exist in Texas, the requirements and cost to attain them, and the justification for their existence.
- This bill would require that a database of this type be created and maintained by TDLR.
- This database would help to increase the transparency of licensing requirements, costs, and regulations in Texas.

SB 845 will increase transparency in Texas licensing laws and highlight unnecessary governmental restrictions in different licensing-requiring occupations. SB 845 does this by instructing the Texas Department of Licensing and Regulation (TDLR) to create a free and searchable online database of all occupational licenses currently found in Texas law. For each license, the database will include the purpose of the license, the requirements that need to be met to be issued a license—including classroom and hands-on training hours, as well as any continuing education requirements—the estimated financial cost to obtain the license, and the number of current license holders. The bill also requires that the information be updated annually, with every licensing authority being required to submit to TDLR a report containing the above information during the first month of the calendar year (SB 845).

Indeed, it is somewhat surprising that no comprehensive and centralized list of licenses in the state already exists. After all, the rapid expansion of licensing requirements has been an issue for some time. In the 1950s only about 5 percent of the American workforce required a license; around 1970 that number skyrocketed, and over a quarter of American occupations now require a license of some sort ([Nunn, 1, 4](#)). This proliferation of licensing requirements has been shown by several studies to have a negative correlation on growth in the regulated occupation and the economy as a whole ([Summers, 5](#)).

The database will make it easier to identify licenses that are unnecessary or have unduly onerous requirements, such as a license requiring an individual to have several hundred hours of experience in order to shampoo hair. Those licenses and their requirements will no longer be buried in the dark corners of statutes, hidden from the ridicule of the public eye and out of sight of agents of change. Instead, licensing authorities will be required to publicly defend their decisions and transparency will be the name of the game. This transparency will go a long way toward ensuring that licenses are maintained for the good of the consumers and citizens of Texas, not for rent-seeking licensing authorities.

SB 845 will increase transparency of government by requiring licensing authorities to be explicit about their licensing costs, requirements, and the justification thereof. By increasing transparency, SB 845 will help to promote the continued expansion not just of the powerful economy of the Lone Star State, but of economic freedom as well. ★

### References:

Nunn, Ryan. 2016. [Occupational Licensing and American Workers](#). Brookings Institution.

[SB 845](#). 2017. Introduced. 85th Texas Legislature (R).

Summers, Adam. 2007. [Occupational Licensing: Ranking the States and Exploring Alternatives](#). Reason Foundation.

## About the Author



**J.D. Rimann** joined the Texas Public Policy Foundation as a research analyst in January 2017. Originally from Round Rock, TX, J.D. completed his undergraduate work at the University of Southern Mississippi, where he majored in history, political science, and English. He volunteered in Sierra Leone, Togo, and Congo-Brazzaville with the Christian humanitarian organization Mercy Ships; served as a Texas Governor's Fellow in 2014; and interned in the office of U.S. Congressman John Carter prior to joining the Foundation.

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