#### 1301 AMS LC S2516.2

## HB 1301 - S COMM AMD By Committee on Labor & Commerce

### ADOPTED 04/06/2023

- 1 Strike everything after the enacting clause and insert the 2 following:
- "NEW SECTION. Sec. 1. (1) The legislature finds that, at times, additional protection by means of the regulation of a profession through professional licensure may be deemed necessary to ensure that the public's health, safety, and general welfare is protected. Furthermore, technological innovation continues to change the responsibilities and practices surrounding these professions, and by result, the potential harms associated with them.
- 10 (2) It is also recognized that requirements, such as educational 11 requirements, fees, and training hours, which an individual must 12 fulfill before receiving a license to practice in a profession, can 13 create barriers to an individual's upward mobility and freedom to 14 pursue their profession of choice.
- 15 (3) It is, therefore, the intent of the legislature to establish a sunset review process for all professional licensing requirements regulated by the department of licensing, to ensure that the rights and well-being of current and future practitioners of the profession be given full protection from unnecessary regulatory burden and that regulations meant to safeguard public health and safety are still warranted.
- NEW SECTION. Sec. 2. This chapter may be known and cited as the professional license review act.
- NEW SECTION. Sec. 3. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
  - (1) "Department" means the department of licensing.
- 28 (2) "Director" means the director of licensing.

NEW SECTION. Sec. 4. (1) Beginning in 2024, the department shall annually review and analyze approximately 10 percent of the professional licenses regulated by the department and prepare and submit an annual report electronically to the chief clerk of the house of representatives, the secretary of the senate, and each member of the house of representatives and senate by August 31st of each year as provided in this section. The department shall complete this process for all professional licenses within its jurisdiction within 10 years and every 10 years thereafter. Each report shall include the department's recommendations regarding whether the professional licenses should be terminated, continued, or modified.

- (2) The department may require the submission of information by the affected professional board or commission and other affected or interested parties. The department shall provide notice to the relevant professional board or commission and all licensees, not regulated under a board or commission, prior to commencing the review.
- (3) The department's report shall include, but not be limited to, the following:
  - (a) The title of the professional license and, if applicable, the name of the professional board or commission responsible for enforcement of the professional license, if any;
  - (b) The statutory citation or other authorization for the creation of the professional license and, if applicable, the professional board or commission;
  - (c) If applicable, the number of members of the professional board or commission and how the members are appointed;
  - (d) If applicable, the qualifications for membership on the professional board or commission;
  - (e) If applicable, the number of times the professional board or commission is required to meet during the year and the number of times it actually met during the preceding five calendar years;
  - (f) Annual budget information for the five most recently completed fiscal years;
- 35 (g) For the immediately preceding five calendar years, or for the period of time less than five years for which the information is practically available, the number of government certifications, professional licenses, and registrations the department, professional board, or commission has issued, revoked, denied, or assessed penalties against, listed anonymously and separately per type of Code Rev/MFW:jlb

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- 1 credential, and the reasons for such revocations, denials, and other 2 penalties;
- 3 (h) A review of the basic assumptions underlying the creation of the professional license;

- (i) A comparison of whether and how other states regulate the profession;
- (j) A review and analysis of the hours or other amount of education, training, or experience required to obtain the license or credential;
- (k) A summary of any regulatory changes made by the department, professional board, or commission as a result of the review; and
- (1) Any recommendations regarding whether the professional license should be terminated, continued, or modified.
  - (4) After the report in subsection (3) of this section is submitted, if the relevant legislative committee determines further analysis is needed it may request the department to conduct further analysis. Specifically, the extended report shall include:
  - (a) Whether the professional license meets the policies stated and the following recommended courses of action for meeting such policies:
  - (i) If the need is to protect consumers against fraud, the recommended course of action should be to strengthen powers under chapter 19.86 RCW, or require disclosures that will reduce misleading attributes of the specific goods or services;
  - (ii) If the need is to protect consumers against unclean facilities or to promote general health and safety, the recommended course of action should be to require periodic inspections of such facilities;
  - (iii) If the need is to protect consumers against potential damages from failure by providers to complete a contract fully or up to standards, the recommended course of action should be to require that providers be bonded;
  - (iv) If the need is to protect a person who is not a party to a contract between the provider and consumer, the recommended course of action should be to require that the provider have insurance;
  - (v) If the need is to protect consumers against potential damages by transient providers, the recommended course of action should be to require that providers register their businesses with the state;
- (vi) If the need is to protect consumers against a shortfall or imbalance of knowledge about the goods or services relative to the Code Rev/MFW:jlb 3 S-2516.2/23 2nd draft

- 1 providers' knowledge, the recommended course of action should be to 2 enact government certification; and
- (vii) If the need is to address a systematic information 3 shortfall such that a reasonable consumer is unable to distinguish 4 between the quality of providers, there is an absence of institutions 5 6 that provide adequate guidance to the consumer, and the consumer's inability to distinguish between providers and the lack of adequate 7 guidance allows for undue risk of present, significant, and 8 9 substantiated harms, the recommended course of action should be to enact a professional license; and 10
  - (b) If education, training, or experience is a qualification in the professional license under review, a review and analysis of the hours or other amount of education, training, or experience required to ensure such requirements are as least restrictive as necessary to protect the public's health, safety, and welfare.
- (5) If a lawful profession is subject to chapter 18.120 RCW, the analysis under subsection (4)(a) of this section shall be made using the least restrictive method of regulation as set out in RCW 18.120.010.
- 20 (6) If the department finds that it is necessary to change 21 professional licenses, the department shall recommend the least 22 restrictive regulation consistent with the public interest and the 23 policies in this section.
- NEW SECTION. Sec. 5. Sections 1 through 4 of this act constitute a new chapter in Title 18 RCW."

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- On page 1, line 2 of the title, after "legislature;" strike the remainder of the title and insert "and adding a new chapter to Title 18 RCW."
  - EFFECT: Reduces the percentages of licenses to be reviewed annually to 10 percent, from 20 percent. Increases the time period to complete the license review and continue the review thereafter to 10 years, from five years. Requires the department of licensing to

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provide notice to all licensees, not regulated under a board or commission, prior to commencing the review.

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