

SENATE BILL REPORT

HB 1301

As Reported by Senate Committee On:
Labor & Commerce, March 21, 2023

Title: An act relating to creating a review process for professional licensing regulations and requiring a report to the legislature.

Brief Description: Creating license review and reporting requirements.

Sponsors: Representatives McClintock and Cheney.

Brief History: Passed House: 3/4/23, 96-0.

Committee Activity: Labor & Commerce: 3/13/23, 3/21/23 [DPA].

Brief Summary of Amended Bill

- Directs the Department of Licensing (DOL) to review and analyze 10 percent of professional licenses each year.
- Requires DOL to submit an annual report to the Legislature with recommendations as to whether the professional licenses reviewed should be terminated, continued, or modified.

SENATE COMMITTEE ON LABOR & COMMERCE

Majority Report: Do pass as amended.

Signed by Senators Keiser, Chair; Conway, Vice Chair; Saldaña, Vice Chair; King, Ranking Member; Braun, MacEwen, Robinson, Schoesler and Stanford.

Staff: Susan Jones (786-7404)

Background: The Department of Licensing (DOL) regulates a number of businesses and professions. For regulated professions, DOL issues licenses and ensures compliance with professional standards and laws. Examples of professions regulated directly by DOL, or in

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coordination with a board or commission, include architects, cosmetologists, funeral directors, real estate brokers, and security guards.

Requirements for a professional license, certificate, registration, or permit vary. Some professions may require:

- college-level coursework;
- experience;
- an examination;
- some type of background check;
- a surety bond, insurance, or other minimum financial standards;
- minimum safety standards;
- continuing education for licensees; or
- duties of care for clients.

Many professions have provisions for some form of reciprocity or consideration of experience from other states or military service.

Summary of Amended Bill: Beginning in 2024, DOL must:

- annually review and analyze approximately 10 percent of the professional licenses regulated by DOL;
- submit an annual report to the Legislature and its members by August 31st of each year;
- complete this process for all professional licenses within its jurisdiction within ten years and every ten years thereafter; and
- include, in its reports, DOL's recommendations regarding whether the professional licenses should be terminated, continued, or modified.

DOL may require the affected professional board or commission and other interested parties to submit information. DOL must provide notice to the relevant board or commission, and all licensees, not regulated under a board or commission, before beginning the review.

The report must include:

- the title of the professional license and responsible board or commission's name, if any;
- the statutory citation of the professional license and board or commission;
- certain information about the professional board or commission members and the required meetings, if applicable;
- annual budget information for the five most recently completed fiscal years;
- information about the number of certifications, licenses, and registrations issued, revoked, denied, or assessed penalties against, listed anonymously and separately per type of credential, and the reasons for such revocations, denials, and other penalties;
- a review of the basic assumptions for the creation of the professional license;
- a comparison of whether and how other states regulate the profession;
- a review and analysis of the hours or other amount of education, training, or

- experience required to obtain the license or credential;
- a summary of any regulatory changes made as a result of the review; and
- any recommendations regarding whether the professional license should be terminated, continued, or modified.

The Legislature may request DOL to further analyze whether a profession's licensing regulations meet the state's licensing reform policies and recommend a course of action that is directly related to the need, and consistent with the health, safety, and welfare of the public.

If DOL recommends a change to professional regulations, DOL must recommend the least restrictive regulation consistent with the public interest.

Legislative findings and intent are provided.

EFFECT OF LABOR & COMMERCE COMMITTEE AMENDMENT(S):

- 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 ten years, from five years.
- Requires DOL to provide notice to all licensees, not regulated under a board or commission, prior to commencing the review.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: This will streamline and upgrade the license review and reporting process.

OTHER: There is one concern that needs to be resolved in section 4 subsection 2. Notifications are only required under the language to be given to the relevant board or commissions, and this is not applicable to the Department of Licensing which has no board of commission. Language should be added that says “and all relevant licenses.”

Persons Testifying: PRO: Representative Stephanie McClintock, Prime Sponsor.

OTHER: Elizabeth Harvey, Washington Court Reporters Association.

Persons Signed In To Testify But Not Testifying: No one.