

HB 277
AN ACT RELATED
TO OCCUPATIONAL
LICENSING

ALASKA POLICY FORUM

2021 MERCATUS CENTER REPORT

WHILE REGULATIONS AND LICENSURES ARE USUALLY JUSTIFIED AS A MEANS OF KEEPING CONSUMERS SAFE, MOUNTAINS OF REGULATIONS CAN EASILY GET OUT OF CONTROL, BECOME COUNTERPRODUCTIVE, CONTRADICT EACH OTHER, AND HARM THE ECONOMY.





ALASKA IS RANKED 24TH IN THE NATION FOR THE MOST BURDEN SOME STATE-LEVEL OCCUPATIONAL LICENSING REGULATION. OVERREGULATING OCCUPATIONS OFTEN DISINCENTIVIZES OR PREVENTS PEOPLE FROM PURSUING AN OCCUPATION THAT THEY MAY BE PASSIONATE ABOUT AND EXCEL AT, FURTHER ROBBING ALASKA OF GOODS, SERVICES, AND A FLOURISHING ECONOMY THAT COULD HAVE BEEN ENJOYED. REDUCING STATE-LEVEL OCCUPATIONAL LICENSURE ALSO MAY BE AMONG ALASKA'S EASIEST FIXES FOR THE ISSUE OF OVERREGULATION, SINCE FEDERAL REGULATIONS ARE MUCH HARDER FOR A STATE TO INFLUENCE.

ALASKA'S PRIVATE SECTOR WORKFORCE IS DWINDLING FOR A VARIETY OF REASONS, AND IT WILL TAKE A MULTI-PRONGED APPROACH TO ENCOURAGE WORKERS TO REJOIN THE LABOR FORCE IN THE STATE. ONE THING STOPPING SOME FROM WORKING OR TRANSITIONING TO A DIFFERENT CAREER IS UNDUE OCCUPATIONAL LICENSING BURDENS. WHILE RIGOROUS PROCESSES TO OBTAIN LICENSES FOR SOME CAREERS—SUCH AS DOCTORS, PSYCHOTHERAPISTS, AND SURGEONS—MAKE SENSE, THERE ARE PLENTY OF JOBS THAT SHOULD NOT HAVE SUCH RIGOROUS LICENSING REQUIREMENTS.



It would benefit Alaska to recognize out-of-state licenses when the holders are in good standing or join interstate licensing compact agreements such as the nurse licensure compact. It could also find ways to cut back on the number of barriers and licenses required to work in Alaska.

Alaska needs workers, and yet the state is keeping individuals from working through burdensome licensing requirements. Alaska can be a thriving state, with strong families and self-sufficient individuals. It is time to make that happen.



The Institute for Justice studied occupational licensing review in 15 states from 1985 to 2017 and found that occupational and professional associations initiated at least 83% of new licenses, concluding that licensing policy is typically driven by special interests, not the public interest. Overwhelmingly, demands come from motivated parties, who may put professional status or economic gain ahead of sound policy. In fact, independent government reviews most often conclude that these demands are wrongheaded.



INSTITUTE FOR JUSTICE
RECOMMENDS THAT
GOVERNMENT REVIEW
LICENSING PROPOSALS USING
CRITERIA SUCH AS WHETHER
THERE IS PROOF OF HARM
FROM AN OCCUPATION,
WHETHER THE BENEFITS OF
LICENSING WOULD OUTWEIGH
COSTS, AND WHETHER PUBLIC
SAFETY WOULD BE BETTER
PROTECTED IN A LESS
BURDENSOME OR RESTRICTIVE
WAY.

WAYS AND MEANS COMMITTEE BILL

HB 190, The Alaska Sunset Commission Act, passed out of Ways and Means in February and had its first hearing in State Affairs. If the Act becomes law, occupational licensing review will be part of the Commission's purview.



HB 277 will fast-track the economic benefits of such review by immediately allowing universal reciprocity for licenses granted by other states.

HB 277 will immediately remove some of the cost burden for licensees and prospective licensees.

QUESTIONS?