

Alaska State Legislature

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Session: Capitol Room 24
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House Ways and Means

CS For House Bill 277 v.S (W&M) LICENSING RECIPROCITY; FEES

Sponsor Statement

HB 277 requires occupational licenses to cost no more in Alaska than other states and allows for universal licensing reciprocity with other states. Current law requires licenses to cost no more than the cost to the government of approving such license.

The Institute for Justice identified 64 lower income occupational licenses required by the state of Alaska. The cost of these licenses is higher in Alaska for 42 of the 64 occupations. The Institute for Justice also identified 32 occupational licenses in Alaska that have no licensing requirements in at least 20 other states. HB 277 eliminates licensing, but not regulatory, requirements in Alaska for those professions.

The Alaska Policy Forum reported that Alaska is ranked 24th in the nation for the most burdensome 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 and 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 of small businesses.

The Policy Forum reported in 2023 that Alaska's 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.