

117TH CONGRESS
1ST SESSION

H. R. 3145

To require Executive agency review of occupational licensing requirements,
and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 12, 2021

Mrs. HARSHBARGER (for herself, Mr. BANKS, Mr. ISSA, Mr. JACKSON, Mr. LAMALFA, Mrs. LESKO, and Mr. BUDD) introduced the following bill; which was referred to the Committee on Oversight and Reform, and in addition to the Committee on Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To require Executive agency review of occupational licensing requirements, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Freedom to Work
5 Act”.

6 **SEC. 2. FINDINGS.**

7 Congress finds the following:

1 (1) Occupational licensing has grown exponen-
2 tially, comprising nearly 25 percent of the United
3 States workforce today, up from 5 percent nearly 60
4 years ago.

5 (2) According to a 2018 Bureau of Labor Sta-
6 tistics survey, 84.4 percent of employed people with
7 a certification or license responded that their creden-
8 tial was required for their job.

9 (3) Studies show little evidence that licensing
10 improves quality of services and instead costs con-
11 sumers \$203,000,000,000 annually, reduces the
12 number of jobs by 2,850,000, with the most impact
13 on low-income workers seeking to enter occupations
14 for the first time.

15 (4) Occupations experience slower employment
16 growth in States where they are licensed, compared
17 to States where they are not, proving occupational li-
18 censing serves as a barrier to employment.

19 (5) Enacted into Federal law in 2014, the stat-
20 ed purpose of the Workforce Innovation and Oppor-
21 tunity Act (29 U.S.C. 3101 et seq.) is to strengthen
22 the United States workforce development system
23 through innovation in, and alignment and improve-
24 ment of, employment, training, and education pro-

grams in the United States, and to promote individual and national economic growth.

(6) In fiscal year 2021, Congress appropriated \$2,845,332,000 for States to assist Americans in overcoming barriers to employment and help employers hire and retain workers.

(7) If States enact unnecessary occupational licensing requirements that create barriers for individual job seekers, when no requirement or a less restrictive alternative may serve the same purpose, States are acting in contradiction to the goals of Workforce Innovation and Opportunity Act (29 U.S.C. 3101 et seq.).

(8) On December 14, 2020, the Executive Office of the President published Executive Order 13966, Increasing Economic and Geographic Mobility to establish it as the policy of the United States to alleviate unnecessary regulatory burdens on the American people and require the Federal Government to review and report on authorities, regulations, guidance, and policies to alleviate such occupational licensing burdens.

(9) Policymakers at all levels of government should require evidence to determine if there is a demonstrated need to regulate an occupation and

1 should consider a range of less restrictive alter-
 2 natives such as, quality ratings, voluntary third-
 3 party professional certifications, bonding or insur-
 4 ance, or inspection requirements.

5 **SEC. 3. EXECUTIVE AGENCY REVIEW OF OCCUPATIONAL LI-**
 6 **CENSING REQUIREMENTS.**

7 (a) IN GENERAL.—Subchapter I of chapter 31 of title
 8 5, United States Code, is amended by adding at the end
 9 the following:

10 **“§ 3117. Executive agency review of occupational li-**
 11 **censing requirements**

12 “(a) IN GENERAL.—Not later than 90 days after the
 13 date of enactment of the Freedom to Work Act and every
 14 2 years thereafter, the head of each Executive agency
 15 shall—

16 “(1) review any authority, regulation, or policy
 17 of, or Federal law pertaining to, the Executive agen-
 18 cy that—

19 “(A) imposes an occupational licensing re-
 20 quirement with respect to any position (includ-
 21 ing any position of a contractor or subcon-
 22 tractor thereof) at the Executive agency; or

23 “(B) is causing a State, local, or tribal
 24 government to adopt an occupational licensing
 25 requirement for public and private sector posi-

1 tions within the State or area encompassing the
2 jurisdiction of the local or tribal government;

3 “(2) identify any changes to such an authority,
4 regulation, policy, or law that would result in no re-
5 quirement or the least restrictive alternative to an
6 occupation licensing requirement with respect to any
7 such position while maintaining protection for con-
8 sumers and other individuals from significant and
9 demonstrable harm to their health and safety; and

10 “(3) submit to the Director of the Office of
11 Management and Budget, the Assistant to the Presi-
12 dent for Domestic Policy, and the Assistant to the
13 President and Director of Intergovernmental Affairs
14 a report that identifies such changes.

15 “(b) REPORT TO PRESIDENT AND CONGRESS.—Not
16 later than 30 days after receiving the report under sub-
17 section (a)(3), the Director of the Office of Management
18 and Budget shall—

19 “(1) submit to the President and to Congress
20 such report; and

21 “(2) publish such report in the Federal Reg-
22 ister.

23 “(c) AGENCY IMPLEMENTATION.—Each Executive
24 agency shall implement any changes (excluding any

1 change requiring a change in Federal law) described in
 2 a report submitted under subsection (b).

3 “(d) DEFINITIONS.—In this section:

4 “(1) OCCUPATIONAL LICENSE.—The term ‘oc-
 5 cupational license’ means a license, registration, or
 6 certification without which an individual lacks the
 7 legal permission of a State, local, or tribal govern-
 8 ment to perform certain defined services for com-
 9 pensation.

10 “(2) STATE.—The term ‘State’ has the mean-
 11 ing given the term in section 9101(a)(4).”.

12 (b) CLERICAL AMENDMENT.—The table of sections
 13 for such subchapter is amended by inserting after the item
 14 relating to section 3116 the following:

“3117. Executive agency review of occupational licensing requirements.”.

15 **SEC. 4. UNIFIED STATE PLAN.**

16 Section 102(b)(1)(D) of the Workforce Innovation
 17 and Opportunity Act (29 U.S.C. 3112(b)(1)(D)) is
 18 amended by adding before the semicolon the following: “,
 19 and of how the State will reduce occupational licensing
 20 barriers to entry in specific occupations or industry sectors
 21 and any broader occupational licensing process reforms”.

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