

March 3, 2020



TO: RI House Committee on Small Business
FROM: RI Center for Freedom & Prosperity, Mike Stenhouse
SUBJECT: Written Testimony re. Small Business Retail License Omnibus Bill (H7892)

Chairman Amore and Committee Members: As CEO for the *RI Center for Freedom & Prosperity*, a non-partisan research and advocacy organization, and with a degree in Economics from Harvard University, I would like to provide some background re. **H7892**, which is before your committee today. As a 501-C-3 organization, our Center is not advising you whether or not to support this legislation. However, we are allowed to discuss our research and perspectives with regard to pros and/or cons of the underlying issue.

Need for Occupational Licensing Reform: In 2018 our Center published one of its most comprehensive policy briefs, *The Right To Earnⁱ*, which highlighted Rhode Island's bottom-10 standing when it comes to over-regulation and the need for across the board occupational licensing reform. As I'm sure you all know, Rhode Island has also recently been ranked as having the worst state business climate in all of America.

The Center recommends that if significant occupational licensing and regulatory reforms are enacted; more people will be free to engage in more and better jobs, more and better incomes will be earned, more families will be culturally stronger and will remain intact, more and better businesses will expand or be established, more prosperity will be shared by more Rhode Islanders, and more working people will naturally give our state a better and more stable tax base..

The goal of an effective regulatory strategy should be to ensure that occupational licensing is no more burdensome than needed to address present, significant and substantiated harm. Under a "light touch" approach, businesses are freer to develop and produce jobs. Bad actors will either be naturally forced out of the free market, or can be fined, censured, and criminally prosecuted under the existing and lighter regulatory framework. Only when, and if, systematic and documented abuses occur should appropriate regulations be considered. Instead of our state's current harsh approach, the people of Rhode Island should have the right to earn a living.

Minorities disparately impacted: Many occupational licensing burdens and taxes are regressive, in that they often impact low-income and minority families more harshly. Indeed, by putting the right to earn a living ahead of protectionist red-tape, minority communities can be transformed.

Build upon 2019 legislative momentum: Last year, the Senate finally acted upon the common-sense legislation that had been passed for many years in the House, dealing with removing onerous regulatory burdens for natural hair-braiders ... a reform that is now law.

This year, **H7892** similarly reduces licensing burdens across many occupational areas, and in passing this bill and seeing through to becoming enacted, Rhode Island would join the increasing national trend – both at the state and federal level – to reduce roadblocks that may prohibit certain individuals from engaging in meaningful work.

Our Center has also published a long list of other reform solutions that can enhance the right to earn a living for Ocean Staters, and I am happy to share our solution ideas with you, upon your request.

In conclusion, this is a matter of public trust. Rhode Island residents must feel confident that their government will not unjustly or disproportionately prevent them from exercising their right to earn a living in the field of their choice.

Thank you. If I can answer any questions, please contact me at MStenhouse@RIFreedom.org or 401.429.6115.

ⁱ <https://rifreedom.org/occupational-licensing-brief/>