

To: Senate Federal and State Affairs Committee
From: Brock Ingmire, Manager of Policy & Research
Date: February 1, 2017
RE: Opposition to SB 76

I want to thank Chairman LaTurner and members of the Committee for allowing the League of Kansas Municipalities to testify in opposition to SB 76.

The League is opposed to SB 76 as it preempts the ability of cities to maintain occupational licensing programs and, when necessary and appropriate, provide improvements to such licensing programs dependent on the evolution of best practices within a given profession. The League believes that this bill impinges upon our members' Constitutional Home Rule powers and the ability to ensure that cities have the capability to address issues of occupational regulation as needed to protect the health and safety of their residents.

Cities can utilize occupational licensing programs to address unique concerns that are specific to their community. In some cases, cities can provide occupational licensing for professions of which the state has chosen to not license or regulate, such as massage therapy. While statewide licensure may not be warranted, it is not uncommon that a profession might disproportionately affect one city with concerning health or safety impacts if no regulatory oversight is provided. Ensuring that cities have the ability to step in and provide a licensing program to address such concerns ensures the safety and well-being of a city's residents.

To implement successful licensing programs, cities also need flexibility in requesting a reasonable fee amount to ensure that costs associated with regulating a certain profession are being adequately covered. SB 76 sets an arbitrary fee amount with no relation to the costs associated with regulating the occupation, such as both the need for administrative and law enforcement participation related to massage therapy, pawn shops, or child care licensing, among others. If the cost to regulate the occupation exceeds the \$25 cap imposed by SB 76, cities are left with the choice of either not regulating the occupation or paying the additional costs from the general fund.

Additionally, cities construct their licensing programs to ensure that they do not diminish the opportunity for business growth. Quite simply, it is not in their interest to drive away businesses with overly burdensome licensure requirements. To better equip these licensees, it is not uncommon for cities who are in close proximity to each other and share similar licensing requirements to enter into portability agreements. Such agreements allow a licensee to practice their profession in another city, provided they hold a valid license from a city that participates in the portability agreement. As a result, many cities construct their licensing programs in an effort to both protect the safety and well-being of their residents, while also encouraging business and economic growth.

Finally, the League is concerned that the definitions of *licensing* and *occupational fee*, as written, are too broad and stand to have unintended consequences related to not just occupational licensing, but could be interpreted to impose prohibitions on the ability for cities to update their building codes, some zoning requirements, or the potential to conflict with municipal practices, such as franchise fees for a city's rights-of-way. Such broad language stands to potentially create havoc when attempting to interpret and implement new regulations or to operate within the current regulatory framework and associated fee structures.

Based on the above reasons, the League of Kansas Municipalities respectfully requests the Committee not pass SB 76 out of Committee.