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COMMENTARY

Levin: Limit scope of licensing rules

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While many Texas families rightfully fear violent criminals and child predators, no police alert has yet gone out for an interior decorator on the loose. Yet, as the Legislature continues to produce solutions in search of problems, a pending bill would criminalize thousands of interior decorators.

This legislation is part of a raft of bills that would license occupations ranging from interior designers to auto mechanics, forcing those who do not qualify to choose between committing a crime and earning a living.

In her May 2 "Interior Dialogue" column, American-Statesman writer Melanie Spencer highlighted a House bill that prohibits non-licensed interior designers from consulting on any commercial decorating project. Residential work that involves the nebulous "identification, research, or development of a creative solution to a problem relating to the function or quality of an interior environment" would also be off-limits. Transgressions could result in criminal penalties of up to \$5,000 a day.

Indeed, the push to expand occupational licensing often results from one group's attempt to regulate its competitors out of existence.

Another bill would require auto mechanics and auto repair shops to obtain licenses from the government and comply with a laundry list of regulations. Among other things, auto repair workers would likely have to pass a written exam. A repair shop owner testifying against the bill noted that he employs a disabled Vietnam veteran who can rebuild an engine in his sleep but cannot read or write.

This is an effort by some of the more elite auto repair businesses to crowd out the competition. At least 40 percent of shops would not meet insurance and other requirements in the legislation. When a supporting witness was asked by a legislator whether his group of auto repair shops could support limiting the legislation to Harris County as an experiment, he said, "The first thing that comes to mind would be that all the good technicians in Harris County would flee to go to someplace where they weren't government-regulated."

He's right. A University of Minnesota study of occupational licensing found that "occupational licensing reduces employment growth in states that are licensed relative to those that are not regulated." Dan Hammermesh, an economics professor at the University of Texas, estimated that the deadweight loss to society from occupational licensing is between \$34.8 billion and \$41.7 billion per year.


Policymakers should consider several factors in deciding whether to regulate occupations. Is there a threat to public health and safety? Is there such a substantial knowledge disparity that consumers cannot select and evaluate a provider? What are the costs of regulation? And what private alternatives exist?

The Sunset Commission recommended that "criminal penalties should exist only for agencies overseeing practices that can have dire consequences on the public health and welfare." Under any standard, interior decorators pose no threat to public health and welfare.

When a Texan needs a license from the government to pick out drapes, it is time to bring down the curtains on expanding the scope of occupational licensing.

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