

House Bill 1451: Breeding Big Government

by Vikrant P. Reddy, Policy Analyst, Center for Effective Justice & Ben Snodgrass, Research Assistant

Analysis

House Bill 1451 would require that every person who breeds more than eleven dogs or cats, at one time, obtain an occupational license.

- House Bill 1451 would raise the costs for Texas commercial dog and cat breeders through stringent requirements about the housing of such animals.
- Further, it would require additional fees for third-party facility inspections to ensure compliance. If the breeder can obtain a license, the licensing department will inspect his facilities at least once every year and a half at the expense of the breeder.
- These licensing requirements discourage business growth and could even push Texan commercial dog and cat breeders to other states.
- Texas already criminalizes animal cruelty under Sec. 42.09 of the Penal Code and cities have enacted numerous additional laws, such as Houston's ban on roadside animal sales.
- The Department of Licensing and Regulation would have broad authority to make rules and bring enforcement actions, including issuing subpoenas to compel the production of documents and testimony and if the individual does not comply, they could be jailed.

In Texas, over 500 occupations require an occupational license. About one-third of the state workforce is either individually licensed by the government or works for a licensed entity, which means that Texas actually exceeds the national average. The

occupations licensed extend well beyond those that directly implicate health and safety and include interior designers, hair braiders and weavers, funeral directors, horse tooth floaters, talent agents, and referees.

- Occupational licensing reduces competition by creating requirements designed to eliminate or displace competitors. For example, when a legislator suggested testing a pilot program for licensing mechanics, numerous mechanics argued that the good mechanics would leave Houston to avoid the added paperwork.
- A study from the University of Minnesota discovered that “occupational licensing reduces employment growth in states that are licensed relative to those that are not regulated.”¹ Occupational licensing has eliminated competition in the marketplace, driving up prices for consumers.
- Daniel Hamermesh, UT Professor of Economics, noted that licensing requirements nationwide cost an annual total of \$34 to \$41 billion.²
- Besides being costly to licensees and taxpayers (it requires an increase of 16 FTEs), it is not clear House Bill 1451 would improve the quality of breeding. Research comparing the quality of work in a given field has detected no significant difference between licensed workers and unlicensed workers.³

The Texas Legislature should not license dog and cat breeders, but instead should begin to eliminate excess Texas licensing requirements. ★

¹ Morris Kleiner and Hwikwon Ham, “Regulating Occupations: Does Occupational Licensing Increase Earnings and Reduce Employment Growth?” (7 June 2006) <http://www.ftc.gov/be/seminardocs/050515kleiner.pdf>.

² Daniel Hamermesh, *Labor Demand* (Princeton University Press: Princeton, New Jersey, 1993) Chapter 3.

³ Morris Kleiner, “Occupational Licensing,” *Journal of Economic Perspectives*, Vol. 4 No. 4 (Fall 2000) <http://www.hhh.umn.edu/people/mkleiner/pdf/licensing.pdf>.