



Testimony

House Bill 2350 Preemption of Local Licensing Regulations Testimony Before the Texas House Committee on Licensing and Administrative Procedures

Chairman King and Members of the Committee:

My name is Rod Bordelon and I am appearing on behalf of the Texas Public Policy Foundation testifying in support of House Bill 2350 relating to state preemption of municipal and county licensing regulations and ordinances.

In recent years, local jurisdictions have established many of their own regulations of commerce, which are different than state regulations, leading to a “patchwork” of regulations and regulatory inconsistency that individuals and businesses are forced to comply with.

HB 2350 would create greater consistency of licensing regulations and increased compliance by ensuring that the state of Texas is the exclusive regulatory licensing authority where the state requires and issues an occupational license. Municipalities would be precluded from adopting or enforcing an ordinance, order, rule, regulation, law, or policy that requires an occupational license where a license is already required by the state or that imposes regulations more stringent than, or inconsistent with, state law.

The bill would provide certain exceptions, such as allowing political subdivisions to adopt and enforce ordinances related to zoning and other specified matters. The bill would also provide an exception to preemption in the case of an ordinance that “protects the health or safety of persons in the political subdivision, as authorized by other law.”

There are over 1,200 incorporated cities in the state of Texas, more than 350 of them have ordinance authority as home-rule cities. If even a small percentage of them enact ordinances that adopt license requirements on occupations already licensed by the state or that adopt regulations that are more stringent than, or in conflict with, state laws, affected businesses and individuals would be forced to comply with overlapping and often conflicting regulations, driving up costs that are then passed on to consumers.

Regulations, when necessary, should be fair, transparent, and consistent to ensure the highest level of compliance and the lowest cost and burden on affected individuals and businesses. HB 2350 will ensure just that by returning the regulation of state licensing to the state.

Thank you, and we would be happy to work with your committee on this important topic.

Rod Bordelon is a Distinguished Senior Fellow for Regulatory Affairs at the Texas Public Policy Foundation. He is an attorney and former state regulator with over 30 years of experience in regulatory and legislative affairs. He is an 11-term gubernatorial appointee, former Commissioner of Workers' Compensation, and former Public Insurance Counsel.

