## February 14, 2024

Minnesota Senate Labor Committee Minnesota State Legislature 75 Rev. Dr. Martin Luther King Jr. Blvd. St. Paul, Minnesota 55155

Re: Paint Contractors and Journeyworker Painters Licensing Requirement, SF 3554

Dear Chair McEwen, Vice Chair Hauschild, and Members of the Senate Labor Committee:

Thank you for the opportunity to submit this testimony in opposition to the proposed expansion of Minnesota's licensing regime for painters. My name is Alasdair Whitney, and I am Legislative Counsel at the Institute for Justice. The Institute for Justice is a nonprofit public interest law firm that works to protect civil liberties, including economic liberty. For more than 30 years, we have researched occupational licensing laws and helped remove unnecessary legal barriers that prevent people from working in their chosen field.

The Institute for Justice encourages the committee to oppose SF 3554. Licensure is the most burdensome way to regulate work and should only be used if no other form of regulation sufficiently protects consumers.<sup>1</sup> Licensing often creates barriers to entering the workforce that can be difficult for some workers to overcome, and it disproportionately affects certain populations, including lower-income workers, people of color, immigrants, veterans and military spouses, and people changing careers.<sup>2</sup> This is particularly true where, as here, the bill and proposed amendment would make it more difficult for sole proprietors and entry level entrepreneurs to work and climb the first rung of the economic ladder. Under the proposed licensing regime, an experienced handyman painter would have to apply for a license and take a test or resort to working under the direct supervision of a possibly less experienced licensed journeyworker or master painter. And it also would discourage everyday Minnesotans from entering the profession. It could also lead to a reduction in consumer choice, negatively affect the availability of painting services, particularly in rural areas, and raise prices.<sup>3</sup>

Further, there is little evidence that the bill's licensing expansion would enhance public safety. Although proponents for licensure often assert that it is needed to protect the public, there is little evidence that shows that licensing improves the quality or safety of services. It is also not necessary for a service that is as common and safe as painting. Indeed, at least two dozen states, including many of Minnesota's neighbors, recognize that painting a wall in one's home or business is safe and do not impose licensure requirements for commercial or residential

<sup>&</sup>lt;sup>1</sup> Ross, J., *The Inverted Pyramid: 10 Less Restrictive Alternatives to Occupational Licensing*, Institute for Justice, (Nov. 2017), <a href="https://ij.org/report/the-inverted-pyramid/">https://ij.org/report/the-inverted-pyramid/</a>.

<sup>&</sup>lt;sup>2</sup> Kleiner, M. & Vorotnikov, E., *At What Cost? State and National Estimates of the Economic Costs of Occupational Licensing*, Institute for Justice, (Nov. 2018), <a href="https://ij.org/wp-content/uploads/2018/11/Licensure\_Report\_WEB.pdf">https://ij.org/wp-content/uploads/2018/11/Licensure\_Report\_WEB.pdf</a>.

<sup>3</sup> *See id.* 

<sup>&</sup>lt;sup>4</sup> See Carpenter, K. & Sweetland II, D., Raising Barriers, Not Quality: Occupational Licensing Fails to Improve Services, Institute for Justice (Oct. 2022), <a href="https://ij.org/report/raising-barriers-not-quality/">https://ij.org/report/raising-barriers-not-quality/</a>; see also U.S. Dep't of the Treasury Office of Economic Policy, Council of Economic Advisors, & U.S. Dep't of Labor, Occupational Licensing: A Framework for Policymakers, (July 2015), <a href="https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing\_report\_final\_nonembargo.pdf">https://obamawhitehouse.archives.gov/sites/default/files/docs/licensing\_report\_final\_nonembargo.pdf</a>.

painters.<sup>5</sup> And, of the states that require licensure, few make it as onerous for their residents as the proposed bill would make it for Minnesotans who want to enter the profession or start a business.<sup>6</sup>

Minnesota should make it easier for talented Minnesotans to work as painters and safer for consumers to hire their services. SF 3554 and the proposed amendment do not accomplish these goals. Instead, they would raise the barrier for entry into the profession, and result in higher costs and fewer options for consumers. If the bill is enacted into law, Minnesota would join the ranks of the few states in the country, like Mississippi and South Carolina, that license painters and make it harder for folks to make an honest living in this occupation. Minnesota should instead consider less burdensome alternatives to licensing, such as repealing licensure for painters altogether or registration, which would narrowly address any potential risk of harm posed by fly-by-night providers and protect the public without blocking entry into the occupation.

Thank you for your time and thoughtful consideration of this issue.

Sincerely,

Alasdair Whitney Institute for Justice 901 North Glebe Rd., Suite 900 Arlington, Virginia 22203 awhitney@ij.org www.ij.org

<sup>&</sup>lt;sup>5</sup> The Institute for Justice maintains a public database providing an overview of states' residential and commercial painting contractor licensing rules. The database is available at <a href="https://ij.org/report/license-to-work-3/">https://ij.org/report/license-to-work-3/</a>.

<sup>6</sup> See id.

<sup>&</sup>lt;sup>7</sup> *Id*.