



1212 New York Ave. NW,
Suite 900
Washington, DC 20005
202.525.5717

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March 7, 2019

Senator Mike Morrell
State Capitol
Sacramento, CA 95814

Re: Senate Bill 601 (Morrell)

Dear Senator Morrell,

The R Street Institute thanks you for introducing Senate Bill 601, which would authorize any state agency that issues a business or occupational license to reduce or waive various fees if someone has been displaced by a state or federal emergency within a year of the incident. R Street is a Washington, D.C.-based think tank with offices in Sacramento. We promote practical, market-oriented solutions and are involved in efforts to help people more easily gain occupational licenses so they can pursue successful careers. We are proud to be a sponsor of this legislation.

California is no stranger to devastating natural disasters, including wildfires, floods, mudslides and potential dam failures. These disasters often displace thousands of our state's residents. As your office has explained, the recent Tubbs Fire and Camp Fire have been among the costliest natural disasters in the nation's history, resulting in more than \$1 billion in liability, claiming more than 100 lives and devastating nearly 20,000 structures. Just these two recent disasters have harmed more than 381,000 businesses in nine counties across the state. Some kind of natural disaster occurs in California almost every year.

The goal of this bill is uncontroversial and laudable: to help people who are struggling with economic devastation get their lives back on track as soon as possible. Although the state government has been a big help to devastated communities in many ways, it can also impose some impediments. The average licensing fee in California is nearly \$500 – not much in the context of a fire-ravaged house perhaps, but enough to impose hardship when people are trying to rebuild their lives in the middle of a disaster. Reducing or eliminating fees is not only an act of good faith by government officials, but it can help get people back to work as soon as possible.



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Such relief also encourages people to play by the rules. The devastation in the Paradise area, for instance, has increased demand for all types of building contractors. We all want the people who do this work to be licensed and insured. Making it less costly for people who live in those areas to gain such licenses is a win for everybody. The R Street Institute is committed to broad occupational-licensing reform by ensuring that the costs and requirements for gaining such licenses are about protecting public safety and not about imposing unnecessary barriers to entry as a way to protect established businesses. That's a broader debate for another day, but this bill helps advance that goal in a noncontroversial way.

Thank you for authoring this legislation.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Greenhut', with a large, sweeping horizontal stroke above the name.

Steven Greenhut
Western Region Director
(909) 260-9836