



Free markets. Real solutions.

May 8, 2020

Sen. Mike Morrell
State Capitol
Sacramento, CA 95814

RE: SB 1168 Expediting Licensing Services for Disaster Victims – Support

Dear Senator Morrell:

The R Street Institute wishes to express its support for Senate Bill 1168, which would require a state agency that issues business licenses to expedite those licensing services for any person who is experiencing a hardship because of a virus, natural disaster or other emergency. 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 remove occupational-licensing barriers that impede employment opportunities.

Californians are facing an unprecedented disruption to their livelihoods in the wake of the coronavirus shutdowns. The state also is no stranger to devastating natural disasters, including wildfires, floods, mudslides and potential dam failures. 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. This bill offers a simple way to offer real help to California workers.

Last year, R Street was a proud sponsor of your Senate Bill 601, which authorized state agencies to reduce or waive fees if someone was displaced by a state or federal emergency within a year of the incident. We were pleased that Gov. Gavin Newsom signed it into law. Senate Bill 1168 is a helpful follow-up measure that will expedite the licensing process. It's a particularly useful reform now that so many California workers are facing difficult circumstances.

Although the state government has been a big help to devastated communities in many ways, it can also impose some impediments. "Every day out of business or without a paycheck is detrimental to a household's budget and viability," as your office explained. Oftentimes, any delays can be an even bigger problem than the fees. Such relief also encourages people to play by the rules. We all want the people to be licensed and insured. Making it less difficult for people who have suffered COVID-19-related and disaster disruptions quickly 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.

Sincerely,

A handwritten signature in black ink, appearing to read 'Steven Greenhut', written over a horizontal line.

Steven Greenhut
Western Region Director