As we've mentioned before, the Missouri legislature is considering bills on occupational licensing reciprocity. In short, a state that adopts “universal” or “unilateral” licensing reciprocity is one that accepts the licenses of qualified professionals from other states without requiring an extensive, and potentially duplicative, relicensing process of its own. Accepting qualified professionals in this manner expands the pool of providers of these goods and services and puts downward pressure on prices, thanks to greater competition. Under present circumstances, such an expansion of supply is not only preferable—it's necessary to support public health.

States, including Missouri, have adopted other licensing policies, including the establishment of interstate “compacts” and agreements between and among states that provide some reciprocity features, but a recent paper out of Arizona State University's Center for the Study of Economic Liberty highlights the downfalls of that and other forms of licensing portability. The paper argues that broad-based occupational licensing reciprocity is a better way to “open the broadest avenues to opportunity for the most workers in the shortest amount of time,” and although interstate compacts and multistate licenses increase license portability, they take a lot of work to set up and only provide portability for specific professions within the states that join.
A better alternative to our current system is the one we propose: broad-based licensing reciprocity. As the ASU paper explains:

Unlike compacts, universal licensing reciprocity can:

1) be broad-based and cover a wide range of workers; and,

2) encourage competition between states in terms of the requirements to obtain a license — or even whether a state should mandate an occupational license at all.

Broad-based licensing reciprocity is a better route for portability reform as it avoids the pitfalls of our current system and enhances economic opportunity and competition. Hopefully the continued research in favor of licensing reciprocity will be met with favorable legislation that increases opportunities for workers.

About the Author

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Corianna grew up in Michigan, where she earned her B.S. in Economics from Hillsdale College.

Read Online

https://showmeinstitute.org/blog/regulation/arizona-state-license-portability-study-highlights-reciprocity-benefits

Links

[2] https://www.shutterstock.com/g/fuyuliu
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Advancing liberty with responsibility by promoting market solutions for Missouri public policy.

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