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DELAWARE STATE SENATE  
150th GENERAL ASSEMBLY

SENATE BILL NO. 33

AN ACT TO AMEND TITLE 24 RELATING TO PROFESSIONS AND OCCUPATIONS.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF DELAWARE:

Section 1. The General Assembly finds and declares all of the following:

(1) Nearly 1 in 3 workers nationwide needs a government-issued license to work, a requirement which is a hardship particularly for young and low-income workers, groups that are hurt the most by occupational licensing.

(2) "Young workers" are those between the ages of 18 and 25 years. "Low-income workers" are those living in a household with an income that is equal to or less than 130% of the federal poverty guidelines. In 2018, the federal poverty guidelines were \$15,782 for an individual or \$32,630 for a family of 4.

(3) Young and low-income workers are disproportionately harmed by occupational licensing fees. Licensing makes many promising work options cost-prohibitive for both young and low-income workers.

(4) A near-record-low number of young American workers are participating in the labor force, and they continue to be impacted by the Great Recession. Although the overall economy has steadily improved, the unemployment rate for individuals who are 20 through 24 years old remained over 7% as of December 2018, and the unemployment rate for teenagers was more than 12%. These rates are significantly higher than the unemployment rate of those over 25 years old, which was about 4% in the same time period.

(5) A 2017 study that looked at licensing requirements nationwide for 102 different low- and medium-income occupations found an average requirement of \$260 in fees, 1 exam, and approximately 1 year's worth of education and training for licensure. Meanwhile, \$200 is at the low end of what a week of groceries for a family of 4 costs. Every additional dollar or training requirement creates a higher barrier to work.

(6) An occupational fee tax credit will benefit all consumers, because giving people easier access to work will increase the supply of professionals, and the additional competition will drive down consumer prices and increase service quality.

(7) Arizona, Florida, and Indiana have passed similar legislation waiving some occupational licensing fees; Arkansas, Iowa, Kentucky, Missouri, Michigan, Oklahoma, and West Virginia have introduced similar bills.

Section 2. Amend § 8735 of Title 29 of the Delaware Code by making deletions as shown by strike through and insertions as shown by underline as follows:

§ 8735. Division of Professional Regulation.

(c)(1) The Division of Professional Regulation, with the approval of the Secretary of State, shall establish, for all commissions, boards and agencies and activities administered pursuant to this section, such appropriate fees as shall approximate and reasonably reflect all costs necessary to defray the expenses of each such board or commission, or of the Division on behalf of such board or commission. There shall be a separate fee charged for each service or activity, but no fee shall be charged for a purpose not specified in the appropriate chapter of the Delaware Code. No application fee shall be combined with any other fee or charge. At the beginning of each calendar year the Division of Professional Regulation, or any other state agency acting in its behalf, shall compute for each separate service or activity, the appropriate fees for each agency. All revenue generated by any of the activities performed by or on behalf of the boards or commissions listed in this chapter shall be deposited in an appropriated special fund account in the Division of Professional Regulation. These funds shall be used to fund all costs necessary to defray the expenses of each board or commission or of the Division on behalf of such board or commission, up to the budget authority for any fiscal year or portion thereof.

(2)a. An individual seeking a license for a profession under Title 24 is entitled to a 1-time tax credit equal to the amount of a fee for a new license, for the tax year in which the fee is charged, if either of the following criteria is met:

1. The individual is 25 years old or younger.

2. The individual's income is equal to or less than 130% of the federal poverty guidelines.

b. A tax credit under paragraph (a)(2)a. of this section applies only to a fee related to a first-time license and therefore does not apply to other fees, such as fees charged for license renewal, reciprocity, late payment, or a request for change of status.

#### SYNOPSIS

This Act authorizes a 1-time tax credit in the amount of a fee for a new license under Title 24 for an individual who is 25 years or younger, or whose income is equal to or less than 130% of the federal poverty guideline. The tax credit eases the financial burden on young and low-income workers entering licensed occupations. The tax credit applies only to initial, or first-time, licenses, and in the tax year in which the fee is charged. It does not apply to other fees, such as license renewal, reciprocity, late payment, or a request for change of status.

Author: Senator Cloutier