# General Law Committee JOINT FAVORABLE REPORT

Bill No.:SB-611<br/>AN ACT ESTABLISHING A MAXIMUM CHARGE FOR CERTAIN<br/>OCCUPATIONAL LICENSES, CERTIFICATIONS, PERMITS AND<br/>Title:Title:REGISTRATIONS.Vote Date:3/12/2025Vote Action:Joint FavorablePH Date:2/10/2025File No.:Image: Comparison of the second seco

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# SPONSORS OF BILL:

Sen. Ryan Fazio, 36<sup>th</sup> District Sen. Jeff Gordon, 35<sup>th</sup> District Sen. James Maroney, 14<sup>th</sup> District Rep. Eleni Kavros Degraw, 17<sup>th</sup> District

### **REASONS FOR BILL:**

The intent of SB 611 is to create a maximum licensing and renewal fee for CPAs, architects, professional engineers, land surveyors, and other occupational professionals. The proposed bill would cap licensing and renewal fees at \$100 per license, per year, with exception for other licenses at a cap of \$200 beginning in January 2026. The purpose of this bill is to incentivize participation in the occupational workforce and encourage these workers to stay within Connecticut. Some argue that current occupational licensing fees within the state are too high in comparison to other states, discouraging qualified and capable individuals from becoming certified.

### **RESPONSE FROM ADMINISTRATION/AGENCY:**

None expressed.

# NATURE AND SOURCES OF SUPPORT:

<u>David Salazar</u> is an aspiring CPA who argues that the annual licensing fee is a factor in his decision to practice in New York, rather than Connecticut. He calls attention to the talented accountants Connecticut has, and urges the committee to support SB 611.

Bonnie Stewart, CEO, Connecticut Society of CPAs presents a graph detailing the CPA license renewal fees across the nation, with Connecticut currently imposing the highest renewal cost. She argues that this high cost makes Connecticut less attractive for working professionals wishing to obtain and maintain their CPA license. This also makes Connecticut less competitive in attracting and retaining talented accountants and CPAs, at a time when their services are needed.

<u>Connecticut Hospital Association</u> supports SB 611, claiming that the shortage of healthcare workers within Connecticut could potentially help reduce this shortage. Decreasing licensing fees, particularly for pharmacists on application and renewal, could help strengthen the workforce that was weakened by the challenges of the pandemic.

Christopher Davis, Vice President of Public Policy, Connecticut Business & Industry Association offers insight from a National Study of Burdens from Occupational Licensing, claiming Connecticut ranks higher for application, licensing, and exam fees in comparison to the national average. Another study from AdvanceCT suggests that licensing costs the state about 48,000 full-time jobs and shrinks the state economy by \$400 million. The cost of licensing poses a financial challenge for those hoping to uplift themselves out of poverty, and is holding the state back from economic growth.

#### Jeff Gordon, State Senator, Republican Whip, Connecticut General Assembly

expresses support for SB 611, stating that it's a crucial step in strengthening Connecticut's workforce at a time where essential professions are experiencing shortages. Healthcare workers, teachers, social workers, and engineers ultimately face financial barriers to entry within these fields as a result of high licensing costs. Lowering these costs helps to invest in Connecticut's future by improving job retention and strengthening workforce sustainability.

<u>Vin Candelora, House Republican Office, Connecticut General Assembly</u> calls attention to SB 135 (2024), a similar bill that capped fees for occupational licenses. While this bill was not voted out of the House, SB 611 offers a smooth transition for the 2025 session, offering the Connecticut General Assembly another chance to advocate for the state's workforce. The high cost of licensing discourages individuals from entering the skilled trades and prevents Connecticut from reaching its economic potential. Reducing these fees will reduce barriers to employment and will remove roadblocks to in-demand jobs.

<u>Allie French, Independent Electrical Contractors New England</u> expresses support for SB 611, calling attention to Section 9, which offers a reduction in licensing fees for electricians from \$150 to \$100. Lowering the fee will help to increase jobs within the skilled trades and will aid in the growing demand for electricians.

Lucy Dathan, State House Representative, 142nd District shares her current licensure as a CPA is in the state of California, rather than Connecticut, as it is nearly half the cost. This bill would not only benefit CPAs, but those in health care, social work, and other fields which require licensure. She also mentions the importance of wanting to maintain her CPA license when her children were young, in order to smoothen her transition back to accounting as they grew older. Reducing licensure fees would make maintaining a license more financially attainable, especially for families.

Victoria Verderame, Director of Public Policy & Communications, Greater New Haven & Quinnipiac Chambers of Commerce offers support for SB 611, highlighting its significance in reducing financial burdens on small businesses and entrepreneurs. By reducing licensure fees, the state will encourage entrepreneurship and business development, as it removes the economic barriers to entry faced by these parties. This bill would also help promote greater diversity and inclusion within the business sphere, offering greater opportunity to those facing financial hardship.

Tina Courpas, State House Representative, 149th District suggests potential support from Governor Lamont on this bill, pointing to his budget proposal for FY 2026, which would relieve nearly 180,000 licensees of \$18.8 million in FY 2026 and \$25 million in FY 2027. Additionally, in a comparison of licensure fees across the Northeast States, Connecticut presents the highest licensure cost out of all. The passage of SB 611 would reduce these fees, encourage more CPAs to practice in Connecticut, and will have a limited fiscal impact.

# Conor Norris, Director of Labor Policy, Knee Regulatory Research Center, West

<u>Virginia University</u> emphasizes that Connecticut licenses more moderate-income occupations than the average state, and that high licensing fees has contributed to greater income inequality. It is important that the state incentivize licensing to protect the general public from harm, and reducing the cost of licensing encourages individuals to pursue a license within their given field. This is also important from a public safety standpoint, as lowering the cost of licensure places less burden on consumers and workers without placing the public at risk.

**222 members of the public** submitted testimony in support of SB 611, encouraging members of the CGA to reduce the CPA licensure fee from \$565 to \$100. A chart from <u>https://www.ctcpas.org/cpafees</u> was referenced in support.

<u>Ten individuals</u> submitted testimony in support of the bill for personal reasons largely unrelated to its content.

### NATURE AND SOURCES OF OPPOSITION:

None recorded.

Reported by: Aliana Montalvo

Date: 3/25/2025