



INSTITUTE FOR JUSTICE

**Testimony in Support of House Bill 175  
Maryland House Committee on Economic Matters**

February 7, 2024

Dear Chair Wilson and Members of the Committee:

Thank you for the opportunity to submit testimony in support of HB 175, which will improve opportunities for justice-involved people and for employers who want to hire them. My name is Chad Reese. I am the Associate Director of Activism at the Institute for Justice. We are a nonprofit public interest law firm that works to protect civil liberties. For more than 30 years, we have worked to protect the right to earn a living and to reduce barriers to work. We have also studied the burdens of occupational licensing, particularly on lower- to middle-income workers and people with criminal records.

Occupational licensing comes at a great cost to workers. Licensing laws commonly require aspiring workers to spend time and money completing training and testing before they can work, and there is little evidence that licensing improves quality.<sup>1</sup> At the same time, there is mounting evidence that licensing creates significant barriers to entry and disproportionately affects certain populations, especially people with criminal records, who are often overlooked.<sup>2</sup>

Roughly 30 percent of Americans have criminal records and make up an increasingly large share of the workforce.<sup>3</sup> Further, nearly 20 percent of Maryland workers need a license to work.<sup>4</sup> Together, these percentages show the potential licensing laws have to prevent justice-involved people who are rehabilitated from re-entering the workforce and employers from hiring them.

In 2020, the Institute for Justice published *Barred from Working*, a comprehensive study of the collateral consequences of occupational licensing restrictions for people with criminal records.<sup>5</sup> The study used 10 criteria to grade all 50 states and the District of Columbia on their legal protections for licensing applicants with criminal records. **In the report, Maryland scored low on its due process protections for people with criminal records in occupational licensing.**<sup>6</sup> The report found that Maryland has multiple loopholes that make returning to workforce particularly difficult. Despite the protests from some licensing boards, disclosures required by a 2018 Maryland law found that between 2014 and 2018, seven licensing boards at the Department of Health had a denial rate of more than 20%.

Additionally, the extremely low rate of applications from Maryland residents with a criminal record also suggests that the existing requirements are a strong deterrent from applying for these licenses in the first place.



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HB 175 addresses these problems. It allows people with criminal records to apply to a licensing board for a determination about whether their criminal record disqualifies them from getting a license.

These reforms are good for returning citizens and good for the state. They help address labor shortages and promote public safety. Research shows a job is one of the best ways to reduce the likelihood a person will re-offend, and states that have lower barriers to re-entry also have lower rates of recidivism.<sup>7</sup>

In conclusion, reducing unnecessary licensing barriers is an important way the state can safely create opportunities, support businesses, and stimulate economic growth. I encourage the committee to support these important reforms. Thank you.

Sincerely,

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<sup>1</sup> Carpenter, D. M., et al. *License to work: A national study of burdens from occupational licensing*, Institute for Justice (2nd ed.) (Nov. 2017), <https://ij.org/report/license-work-2/>.

<sup>2</sup> *Id.*

<sup>3</sup> Umez, C. & Pirius, R., *Barriers to Work: People With Criminal Records*, National Conference of State Legislatures (July 17, 2018), <https://www.ncsl.org/research/labor-and-employment/barriers-to-work-individuals-with-criminal-records.aspx>.

<sup>4</sup> Institute for Justice, *At What Cost? State and National Estimates of the Economic Costs of Occupational Licensing* (Nov. 2018), <https://ij.org/report/at-what-cost>.

<sup>5</sup> Sibilla, N., *Barred from Working: A Nationwide Study of Occupational Licensing Barriers for Ex-Offenders* (“Barred from Working”), Institute for Justice (June 2020), <https://ij.org/report/barred-from-working/>.

<sup>6</sup> See *Barred from Working*, at “State Grades,” <https://ij.org/report/barred-from-working/state-grades/>.

<sup>7</sup> Slivinski, S., *Turning Shackles Into Bootstraps: Why Occupational Licensing Reform is the Missing Piece of Criminal Justice Reform*, Center for the Study of Economic Liberty at Arizona State University (Nov. 2016), <https://csel.asu.edu/sites/default/files/2019-09/csel-policy-report-2016-01-turning-shackles-into-bootstraps.pdf>.