

Arizona's First-In-The-Nation Universal Licensing Recognition Law Takes Effect

Among all the things you have to do when you move to a new state, jumping through hoops to obtain a new license in order to work in your chosen field shouldn't be one of them. Thanks to a new law that goes into effect this week, you won't have to if you're moving to Arizona.

Under a bill signed into law by Gov. Doug Ducey following bipartisan legislative support, Arizona is now the first state in the country with universal licensing recognition. From barbers to bakers, engineers to embalmers, all are welcome to Arizona to continue working in their field.

The new law removes a significant hurdle for those looking to make Arizona their new home, which is great news for employers and employees alike. Those who have invested hours and money to gain a professional license in their current state can move to Arizona and immediately get to work in their chosen profession without the delays and costs that result from redundant state requirements.

A government-issued occupational license is required to gain entry into a wide variety of professions. Laws governing these licenses have been under scrutiny around the country. Although intended to protect consumer health and safety, many times the laws and regulating institutions create unnecessary burdens that hinder workers, squelch competition, and slow down or restrict access to a needed labor force. Not to mention they lessen worker mobility when an employee new to the state must retest or duplicate training in order to obtain a license for the same job.

The Institute for Justice, which has looked at licensing laws around the country, has called Arizona's the 4th most burdensome in the nation. According to their research, occupational licenses in Arizona require an average of \$612 in fees, more than two years of education and experience, and approximately two exams.

Arizona has worked hard to reduce bureaucracy for those licensed professionals.

In 2017, lawmakers made it possible for out-of-state teachers with a good record to move to Arizona and start teaching on day one. Across the country, there are states that make it nearly impossible for a teacher with years of experience to receive a license without paying for additional college classes and certification tests. This was hurting Arizona schools and teaching professionals.

No longer is that the case in Arizona. We are a full reciprocity state.

This session lawmakers eliminated the roadblock for already-licensed professionals in other industries. In signing the bill, the Governor's Office made clear that licensed professions must still obtain an Arizona license, but will not be required to duplicate training or other requirements in order to receive it.

To receive a license, applicants must have been licensed in their profession for at least a year, be in good standing, and complete any necessary background checks.

Professionals don't lose their skills simply because they cross state lines.

And, it goes a long way to expediting the process of bringing together trained workers who want a job with employers who have jobs.

Arizona's economy is booming, with new opportunities available to individuals from all sorts of professions. Avoiding the hassle of re-licensing can be a very real reason for someone to stay put rather than move to a new state, even for a great opportunity or better quality of life. In Arizona we've done a great job of removing any barriers to those looking to come here and bring their skills. Universal licensing recognition is one more way Arizona is making itself the most attractive place in the country to live, work, learn, and play.

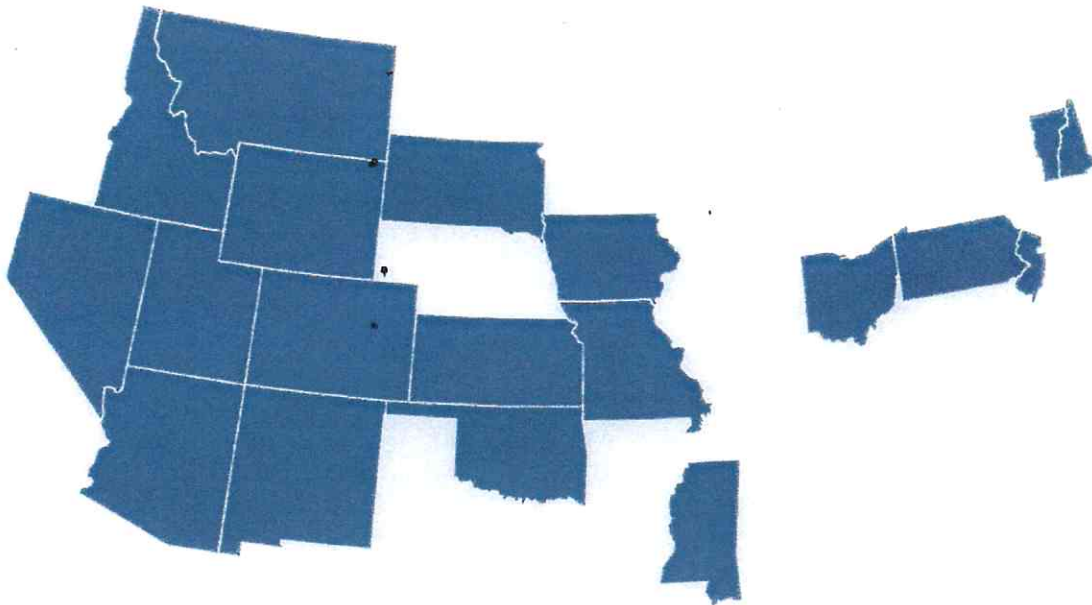
Read more about occupational licensing in this Arizona Chamber Foundation FAQ. A for Arizona has more details on teacher certification here and Chamber Business News has the story on this session's occupational licensing laws.

State Reforms for Universal License Recognition

Occupational licensing affects nearly 1 in 5 American workers and can be a substantial barrier to interstate mobility. In order to foster a more open and prosperous economy, states are enacting universal recognition for out-of-state licensees. Under universal license recognition, eligible applicants must hold a license in good standing in their home state. Applicants also cannot have any pending disciplinary action from the relevant board or a criminal record that would disqualify them from obtaining the license in the recognizing state. Applicants may still be required to pay fees or take exams administered by the board in the recognizing state. Universal recognition does not affect interstate compacts.

Universal Recognition for Occupational Licensing

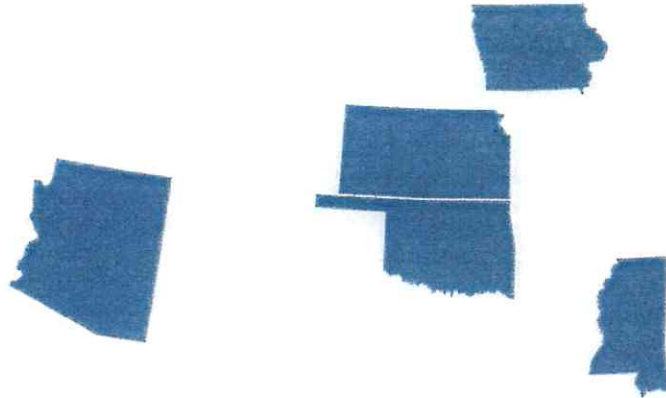
Today, 19 states have enacted universal license recognition.



However, universal recognition can differ quite drastically from state to state. Multiple states have imposed additional rules and requirements that thwart license portability and workforce mobility, undermining the main goals of universal license recognition.

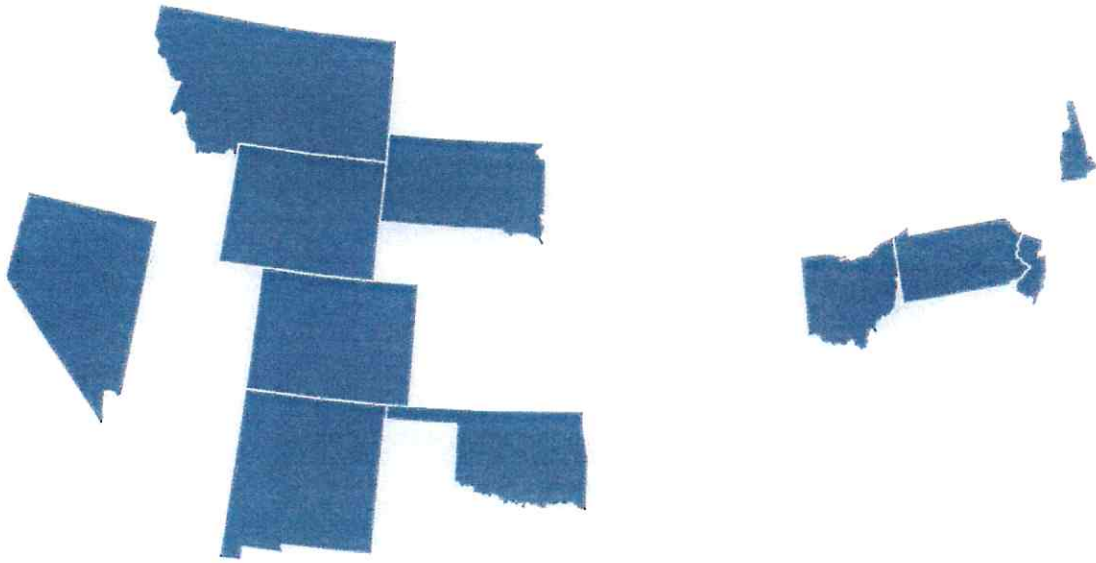
Residency Requirements

Five states limit universal license recognition to residents.



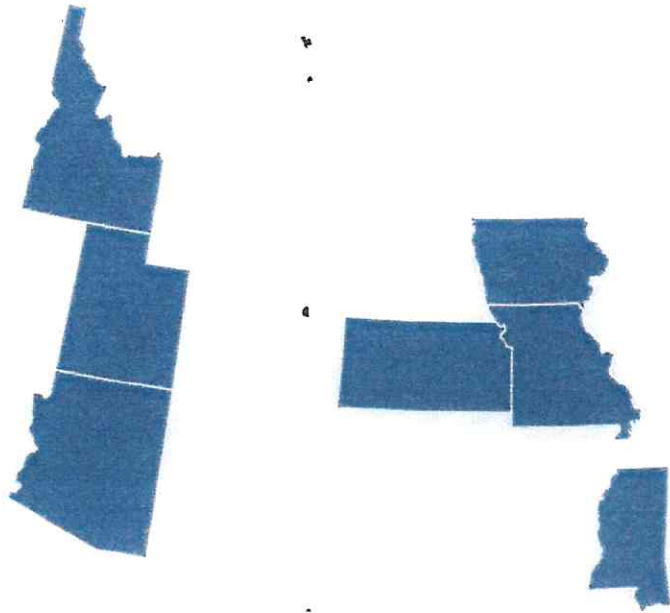
“Substantially Equivalent” Requirements

In 11 states, boards only grant licensure if the home state license requires “substantially equivalent” education, experience, or training. That effectively penalizes states with less burdensome requirements.



Similar "Scope of Practice"

In contrast, seven states allow universal recognition of a home state license if it has a similar "scope of practice" or "at the same practice level" to the recognizing state's license. This means a board does not have to compare and contrast the license requirements between the two states:



Recognizing Experience in States Without Licensure

In three states, applicants from states that didn't license the occupation can still obtain a license to work if they have at least three years of experience in that occupation.

Breaking Down Barriers to Work with Universal Recognition

Frequently Asked Questions

Fast Facts:

- As of January 2023, the following states have enacted broad universal recognition:
 - Arizona, Colorado, Idaho, Iowa, Kansas, Mississippi, Missouri, Montana, Ohio, Pennsylvania, Utah, and Wyoming.
 - Other states, like New Jersey, Oklahoma, and South Dakota, have passed a lighter version of the reform with an eye toward broader recognition in the future.
 - Arkansas, Indiana, and Louisiana have enacted reforms to extend universal recognition to military spouses.
- Over **6,000** licenses have been granted in Arizona since universal recognition went into effect in late 2019, in professions ranging from medicine to engineering to cosmetology.
- **Fewer than 30 occupations are licensed in all 50 states.** The recognition of work experience and private certification ensures all skilled professionals have a pathway to licensure free of duplicative training or testing requirements, regardless of whether their former state licensed the occupation.
- Universal recognition does **not** delicense any profession.

What is universal recognition?

Universal recognition is a pro-growth policy which recognizes out-of-state occupational licenses based on the training or testing requirements a licensed applicant has already completed. It does not delicense any profession; rather, it eliminates costly, time-intensive, and often unnecessary barriers to work.

[View Model Legislation \(https://www.goldwaterinstitute.org/wp-content/uploads/2023/01/Breaking-Down-Barriers-to-Work-Act-2020.pdf\)](https://www.goldwaterinstitute.org/wp-content/uploads/2023/01/Breaking-Down-Barriers-to-Work-Act-2020.pdf)

[View Universal Recognition FAQ \(https://www.goldwaterinstitute.org/wp-content/uploads/2023/01/Universal-Recognition-January-2023.pdf\)](https://www.goldwaterinstitute.org/wp-content/uploads/2023/01/Universal-Recognition-January-2023.pdf)

Who is qualified to receive a license under this reform?

Only licensed professionals who have held a license for one year in good standing and were required to pass an examination or complete education, training, or experience requirements to obtain that license are eligible to receive a license under universal recognition. Veterans and service members who received a military occupational specialty during their time in service are also eligible under recognition.

Why should a state adopt universal recognition?

As America's workforce becomes increasingly mobile, professionals have more choices than ever about where to build their lives and careers. Occupational licenses are often obtained at great personal and financial expense and many professionals take deep pride in the investment they have made in order to work in their field of choice. Rather than require skilled professionals to interrupt their careers to invest more time and more money simply to continue work that they already been doing elsewhere, states can signal that they choose to welcome workers with a red carpet, not red tape. By eliminating hurdles, states can help new arrivals get back to work faster so they can continue to support their families, grow their careers, and contribute to their communities. Licensing reform not only benefits workers and their families but is a boon for employers and consumers in the state who will benefit from the increased options and price competition that accompany an influx of skilled labor.

Is universal recognition a bipartisan reform?

Universal recognition has a history of bipartisan success. Across the country, universal recognition laws passed through their respective legislatures with strong if not unanimous support from Republicans and Democrats alike. Senior leadership at the Department of Defense, military spouse support organizations, and administrations at the state and federal level, from President Obama to President Trump, have identified onerous licensing hurdles as a key element ripe for reform to improve the lives of service members, military spouses, and other professionals.

How does this bill protect public health and safety?

Universal recognition benefits licensed professionals who are safely and productively working in their fields while preventing bad actors from slipping through the cracks. Only licensed professionals in good standing are qualified to receive a license under universal recognition. A person whose license is not in good standing or who has a disqualifying

criminal record is not eligible. Further, an applicant who has surrendered his or her license or had it revoked for negligence or misconduct in any state is not eligible. If an applicant has a complaint, allegation, or investigation pending in the licensing state, this state's boards are empowered to determine if the matter has been resolved to their satisfaction.

Does universal recognition lower the bar for testing or training?

Universal recognition lowers barriers to work, not the bar for testing or training. State-to-state licensing requirements can vary by hundreds of hours of training. Any difference that exists between the licensing qualifications of this state and those of the out-of-state license is overcome by the on-the-job training that occurs during the one year of work experience received by the applicant prior to eligibility under this reform. Further, some states may require a licensee to pass one test while another state may require three tests in order to work in the same occupation. If a skilled professional has completed qualifications in one state and has been safely and productively working in an occupation with a similar scope of practice, additional testing is unnecessary.

What is scope of practice, and what role does it play in universal recognition?

Scope of practice refers to the procedures, actions, processes and work that a person may perform under an occupational license or government certification issued in a given state. The scope of practice for a specific license is determined by the regulating board of this state. Universal recognition allows for a license to be issued to an out-of-state applicant only if the state's licensing board determines that the license applied for covers a similar scope of practice as the license currently held by the applicant. If the board determines that the applicant's license does not cover a similar scope of practice as the license he or she is applying for, it has the ability to deny the license or to require the applicant to complete additional training.

Who determines if an out-of-state license has a similar scope of practice?

This state's relevant occupational licensing board makes the determination if an out-of-state occupational license covers a similar scope of practice as the in-state license offered by the board.

Why does this reform prioritize scope of practice over “substantially similar” or “substantially equivalent” training or experience standards?

The use of scope of practice as a key feature empowers the licensing boards in this state to concentrate their area of consideration to whether an individual has already been approved to perform similar duties under their out-of-state license. It offers a more consistent approach to assessing the ability of an applicant to perform the duties of the license they seek. Education, training, and testing can vary greatly from state to state: indeed, some states don't even require licensure for certain occupations, much less education, training, or testing. Under universal recognition, boards have clear direction on what they are empowered to consider. They no longer need to devote unnecessary time to comparing education or training requirements across all 50 states, and applicants are no longer required to duplicate testing or training.

"Substantially similar" or "substantially equivalent" language is typically used in relation to education or training requirements and can allow a board to deny licenses to licensed applicants who are already working in the field but whose state has chosen to require different standards, or perhaps no license at all. In most cases, a person is not able to receive a full license until he or she has completed the additional education or training requirements of the new state, adding time and cost to the process. Boards should, instead, recognize that any difference between training hours is far outweighed by the on-the-job experience received by the applicant. While an applicant is required to have passed a licensing test or to have completed education, training, or experiences requirements, their state's requirement should not be used against them.

Why recognize work experience and private certification as a pathway to licensure?

Fewer than 30 occupations are licensed in all 50 states. As such, there will certainly be cases where an individual may arrive into this state having worked in a professional field in a state where an occupational license was not required. Rather than discount the time and experience of that professional, universal recognition offers a pathway to help states manage the real-world implications of state-to-state regulatory inconsistencies. If a person has been safely working in a lawful application with a similar scope of practice for at least three years, they are eligible to receive a license at the same practice level. If a person holds a private certification in good standing for a lawful occupation and has worked two years in that occupation, they are eligible to receive a license under universal recognition.

What if an applicant is licensed in more than one state?

In order to receive a license under universal recognition, an applicant must be in good-standing with all states in which he or she is licensed.

Some occupations require knowledge of state-specific laws and rules. How does this reform address this issue?