

WEST VIRGINIA LEGISLATURE

2017 REGULAR SESSION

Introduced

House Bill 2984

FISCAL
NOTE

BY DELEGATE HAMRICK

BY REQUEST

[Introduced March 14, 2017; Referred
to the Committee on Government Organization]

1 A BILL to amend the Code of West Virginia, 1931, as amended, by adding thereto a new article,
2 designated §29-30-1, §29-30-2, §29-30-3, §29-30-4, §29-30-5, §29-30-6, §29-30-7, §29-
3 30-8, §29-30-9 and §29-30-10, all relating to creating the Occupational Board Reform Act;
4 creating the Office of Supervision of Occupational Boards; providing the Attorney
5 General's Consumer Protection Division with the authority to establish the office;
6 establishing the office's responsibilities; giving the office the authority to actively supervise
7 state occupational boards; authorizing the office to play a substantial role in the
8 development of an occupational board's rules and policies, including the approval and
9 disapproval of proposed rules or policies in certain instances; providing for review and
10 oversight by the Attorney General; requiring the Speaker of the House of Delegates and
11 the President of the Senate to establish a position in the nonpartisan research staff to
12 analyze occupational rules; providing for the Legislature's analysis of occupational rules;
13 providing a short title; establishing its policy; providing for avoidance of liability under
14 federal anti-trust laws; defining terms; providing for statutory interpretation; providing for
15 petitions for review of criminal history; providing for preemption; and providing an effective
16 date.

Be it enacted by the Legislature of West Virginia:

1 That the Code of West Virginia, 1931, as amended, be amended by adding thereto a new
2 article, designated §29-30-1, §29-30-2, §29-30-3, §29-30-4, §29-30-5, §29-30-6, §29-30-7, §29-
3 30-8, §29-30-9 and §29-30-10, all to read as follows:

ARTICLE 30. THE OCCUPATIONAL BOARD REFORM ACT.

§29-30-1. Short title.

1 This article may be cited as the Occupational Board Reform Act.

§29-30-2. Policy.

2 For occupational rules and their boards, it is the policy of the state that:

3 (1) The right of an individual to pursue an occupation is a fundamental right.

4 (2) Occupational rules shall be construed and applied to increase economic opportunities,
5 promote competition and encourage innovation.

6 (3) Where the state finds it is necessary to displace competition, it will use the least
7 restrictive rule to protect consumers from present, significant and substantiated harms that
8 threaten public health and safety.

9 (4) An occupational rule may be enforced against an individual only to the extent the
10 individual sells goods and services that are included explicitly in the statute that defines the
11 occupation's scope of practice.

12 (5) The Consumer Protection Division of the Office of the Attorney General shall establish
13 the Office of Supervision of Occupational Boards. The office is responsible for actively supervising
14 state occupational boards.

15 (5) The Legislature shall establish a position in its nonpartisan research staff to analyze
16 occupational rules. The position is responsible for reviewing legislation and laws related to
17 occupational rules.

§29-30-3. Antitrust law.

1 By establishing and executing the policies in section two of this article, the state intends
2 to ensure that occupational boards and board members will avoid liability under federal antitrust
3 laws.

§29-30-4. Definitions.

1 For the purposes of this article, the words defined in this section have the following
2 meanings:

3 “Active supervision” means the Office of Supervision of Occupational Boards will
4 independently:

5 (A) Play a substantial role in the development of an occupational board’s rules and policies
6 to ensure they benefit consumers and not serve private interests of providers of goods and
7 services who the board regulates;

8 (B) Disapprove the use of any board rule or policy and terminate any enforcement action
9 outstanding at the time of this article's enactment and subsequently that fails to accord with
10 section two of this article:

11 (C) Exercise control over each of the boards by reviewing and affirmatively approving only
12 rules, policies and enforcement actions that are consistent with section two of this article; and use
13 the nonpartisan research staff's analysis in section eight of this article; and

14 (D) Conduct reasonable investigations to gain additional information, including about less
15 restrictive regulatory approaches, to reduce exposure to antitrust litigation. A government or
16 private attorney providing general counsel to a board does not meet the requirement for active
17 supervision.

18 "Certification" is a voluntary program in which a private organization or the state
19 government grants nontransferable recognition to an individual who meets personal qualifications
20 established by the private organization or the Legislature. Upon approval, the individual may use
21 "certified" as a designated title. A noncertified individual may also perform the lawful occupation
22 for compensation, but may not use the title "certified."

23 "Lawful occupation" means a course of conduct, pursuit or profession that includes the
24 sale of goods or services that are not themselves illegal to sell irrespective of whether the
25 individual selling them is subject to an occupational rule.

26 "Least restrictive rule" means, from least to most restrictive:

27 (A) Market competition:

28 (B) Third-party or consumer-created ratings and reviews:

29 (C) Private certification:

30 (D) Specific private civil cause of action to remedy consumer harm:

31 (E) Deceptive trade practices:

32 (F) Regulation of the process of providing the specific goods or services to consumers:

33 (G) Inspection:

34 (H) Bonding or insurance:

35 (I) Registration:

36 (J) Government certification:

37 (K) Specialty occupational license for medical reimbursement: and

38 (L) Occupational license.

39 “Occupational license” is a nontransferable authorization in law for an individual to perform
40 exclusively a lawful occupation for compensation based on meeting personal qualifications
41 established by the Legislature. In an occupation for which a license is required, it is illegal for an
42 individual who does not possess a valid occupational license to perform the occupation for
43 compensation.

44 “Occupational rule” means a statute, rule, practice, policy or other state law that allows an
45 individual to use an occupational title or work in a lawful occupation. It includes registration,
46 certification and occupational license. It excludes a business license, facility license, building
47 permit, or zoning and land use regulation except to the extent those state laws regulate an
48 individual’s personal qualifications to perform a lawful occupation.

49 “Personal qualifications” are criteria related to an individual’s personal background and
50 characteristics including completion of an approved educational program, satisfactory
51 performance on an examination, work experience, other evidence of attainment of requisite skills
52 or knowledge, moral standing, criminal history and completion of continuing education.

53 “Registration” means a requirement to give notice to the government that may include the
54 individual’s name and address, the individual’s agent for service of process, the location of the
55 activity to be performed, and a description of the service the individual provides. “Registration”
56 does not include personal qualifications but may require a bond or insurance. Upon the
57 government’s receipt of notice, the individual may use “registered” as a designated title. A
58 nonregistered individual may not perform the occupation for compensation or use “registered” as
59 a designated title. “Registration” is not transferable.

60 "Specialty occupational license for medical reimbursement" means a nontransferable
61 authorization in law for an individual to qualify for payment or reimbursement from a government
62 agency for the nonexclusive provision of medical services based on meeting personal
63 qualifications established by the Legislature. A private company may recognize this credential.
64 Notwithstanding this specialty license, it is legal for a person regulated under another occupational
65 rule to provide similar services as defined in that statute for compensation and reimbursement. It
66 is also legal for an individual who does not possess this specialty license to provide the identified
67 medical services for compensation but the nonlicensed individual shall not qualify for payment or
68 reimbursement from a government agency.

§29-30-5. Statutory interpretation.

1 For the purposes of this article, the following statutory interpretations apply:

2 (1) The terms "certification" and "registration" are not synonymous with an "occupational
3 license" in this article.

4 (2) The use of the words "certification" and "certified" in other statutes to mean requiring
5 an individual to meet certain personal qualifications to work legally (e.g., a certified public
6 accountant must become certified before working legally) shall be interpreted for the purposes of
7 this article as requiring an individual to meet the requirements of an "occupational license."

8 (3) The use of the words "registration" and "registered" in other statutes to mean requiring
9 an individual to meet certain personal qualifications to work legally (e.g., a registered nurse must
10 become registered before working legally) shall be interpreted for the purposes of this article as
11 requiring an individual to meet the requirements of an "occupational license."

§29-30-6. Petition for review of criminal history.

1 (a) The fundamental right of an individual to pursue an occupation includes the right of an
2 individual with a criminal history to obtain an occupational license, specialty occupational license
3 for medical reimbursement, government certification or any state recognition of the individual's
4 personal qualifications (hereafter "state recognition" in this section).

5 (b) An individual with a criminal history may petition the responsible licensing board
6 agency or department (hereafter "board" in this section), at any time, including before obtaining
7 any required education or paying any fee, for a determination of whether the individual's
8 criminal history will disqualify the individual from obtaining state recognition.

9 (c) Notwithstanding any other statute or rule, the board is authorized to determine whether
10 the individual's criminal history disqualifies the individual from obtaining state recognition.

11 (d)(1) The board may find the individual's criminal history disqualifies the individual from
12 obtaining state recognition only if:

13 (A) The individual has a felony conviction;

14 (B) The type of felony for which the individual was convicted is expressly codified as a
15 disqualifying offense in the relevant occupational license's statute; and

16 (C) The board concludes the state has an important interest in protecting public safety that
17 is superior to the individual's right.

18 (2) The board may make this conclusion only if it determines, by a clear and convincing
19 evidence at the time of the petition, that:

20 (A) The specific offense for which the individual was convicted is substantially related to
21 the state's interest;

22 (B) The individual, based on the nature of the specific offense for which the individual was
23 convicted and the individual's current circumstances, is more likely to reoffend by virtue of having
24 the license than if the individual did not have the license; and

25 (C) That a reoffense will cause greater harm than it would if the individual did not have the
26 license.

27 (e) The board shall issue its determination within ninety days after the board receives the
28 petition. The determination shall be in writing and include a finding of facts and a conclusion of
29 law.

30 (f) If the board determines the state's interest is superior to the individual's right, the board

31 may advise the individual of actions the individual may take to remedy the disqualification.

32 (g) The individual may appeal the board's determination as provided by the state
33 Administrative Procedure Act.

34 (h) The individual may submit a new petition to the same responsible licensing board at
35 any time two years after final judgement in the initial petition. If the new petition is submitted on
36 the ground that the individual has undertaken the actions the board has advised him or her will
37 remedy the disqualification, then the individual may submit a new petition at any time six months
38 after final judgment in the initial petition.

39 (i) The board may rescind its determination at any time in the future if the individual is
40 convicted of an additional offense that the board determines meets the elements in subdivision

§29-30-7. Office of Supervision of Occupational Boards.

1 (a) The Consumer Protection Division of the Office of the Attorney General shall establish
2 the Office of Supervision of Occupational Boards.

3 (b) Responsibility. The office is responsible for actively supervising state occupational
4 boards to ensure compliance with the policies in section two of this article. This requires the office
5 to be staffed by one or more attorneys who do not provide general counsel to any board and
6 exercise control over a board's processes and substantive actions.

7 (c) Approval. -- The office must review and approve or reject any proposed board rule,
8 policy, enforcement, or other regulatory action prior to it being adopted or implemented. The
9 office's approval must be explicit; silence or failure to act shall not be deemed approval.

10 (d) Complaint. -- A person may file a complaint to the office about a board's rule, policy or
11 enforcement action that the person believes is inconsistent with section two of this article. Within
12 ninety days, the office will investigate the complaint, identify remedies to the complaint, instruct
13 the board to take action, where appropriate, and respond in writing to the person. There is no
14 administrative appeal available to the person of the office's decision under the state Administrative
15 Procedure Act.

16 (e) Attorney general's review. -- A State Legislator may ask the Attorney General to review:

17 (1) A board's rule, policy or enforcement action that the State Legislator believes is
18 inconsistent with section two of this article;

19 (2) The office's active supervision of a board; or

20 (3) The office's response to a complaint filed under subsection (d) of this section.

21 (f) Cost Allocation. -- The office and the Attorney General may assess its costs on each

22 board for its services of active supervision and review. Each board may recoup the assessment
23 by increasing the fees paid to each board by license holders.

§29-30-8. The Legislature's analysis of occupational rules.

1 (a) Legislature's analysis of occupational rules. -- The Speaker of the House of Delegates
2 and the President of the Senate shall establish a position in the nonpartisan research staff to
3 analyze occupational rules.

4 (b) Sunrise reviews. -- (1) The position is responsible for reviewing legislation to enact or
5 modify an occupational rule to ensure compliance with the policies in section two of this article.

6 (2) The position may require the legislation's proponents to submit evidence of present,
7 significant and substantiated harms to consumers in the state. The position also may require
8 information from others knowledgeable of the occupation, labor economics or other factors.

9 (3) The position will determine if legislation meets the state policy of using the least
10 restrictive rule necessary to protect consumers from present, significant and substantiated harms.

11 (4) The position shall evaluate the effects of legislation on opportunities for workers,
12 consumer choices and costs, general unemployment, market competition, governmental costs,
13 and other effects.

14 (5) The position shall compare the legislation to whether and how other states regulate
15 the occupation.

16 (6) The position shall issue a report to relevant committees about legislation on a timely
17 basis.

18 (c) Rule. -- The House of Delegates and the Senate will each adopt a rule requiring a
19 committee considering legislation to enact or modify an occupational rule to receive the position's
20 analysis of the legislation prior to voting on the legislation.

21 (d) Sunset reviews. -- Starting on January 1, 2018, the position shall review annually
22 approximately twenty percent of the state's occupational rules to improve consistency with section
23 two of this article. The position will review all occupational rules over a period of five years. The
24 position may require information be submitted by a board, its members, and others.

25 (e) Sunset reports. -- Starting on January 1, 2019, the position shall report annually the
26 findings of its reviews to the Speaker of the House of Delegates, the President of the Senate and
27 the Attorney General. In its report, the position will recommend the Legislature enact new
28 legislation that:

29 (1) Repeals the occupational rules;

30 (2) Converts the occupational rules to less restrictive rules as defined in section four of
31 this article;

32 (3) Instructs the relevant licensing board or agency to promulgate revised occupational
33 rules; or

34 (4) Reflects other recommendations to the Legislature.

35 The position may also recommend that no new legislation be enacted.

§29-30-9. Preemption.

1 This article preempts laws by municipalities, counties and other governments in the state
2 which regulate the same occupations regulated by the State of West Virginia.

§29-30-10. Effective date.

1 This article is effective on July 1, 2017.

NOTE: The purpose of this bill is to creating the Occupational Board Reform Act. The bill creates the Office of Supervision of Occupational Boards. The bill provides the Attorney General's Consumer Protection Division with the authority to establish the office. The bill

establishes the office's responsibilities. The bill gives the office the authority to actively supervise state occupational boards. The bill authorizes the office to play a substantial role in the development of an occupational board's rules and policies, including the approval and disapproval of certain proposed rules or policies. The bill provides for review and oversight by the Attorney General. The bill requires the Speaker of the House of Delegates and the President of the Senate to establish a position in the nonpartisan research staff to analyze occupational rules. The bill provides for the Legislature's analysis of occupational rules. The bill provides a short title. The bill establishes its policy. The bill provides for avoidance of liability under federal anti-trust laws. The bill defines terms. The bill provides for statutory interpretation. The bill provides for petitions for review of criminal history. The bill provides for preemption. The bill provides an effective date.

Strike-throughs indicate language that would be stricken from a heading or the present law and underscoring indicates new language that would be added.