

# **GOVERNOR PATRICK BUILDS ON REGULATORY REFORM SUCCESSES; FILES LEGISLATION TO IMPROVE BUSINESS CLIMATE FOR LICENSED PROFESSIONALS**

Nation-leading regulatory reform process has created 286 opportunities for efficiencies, innovations in over 60 state agencies

BOSTON – January 7, 2013 – Expanding a regulatory reform effort that has already made doing business easier for thousands of businesses, Governor Patrick today announced legislation to streamline and improve the licensing process and business climate for thousands of professional licensees throughout Massachusetts.

The legislation is part of the Patrick-Murray Administration's comprehensive regulatory reform effort to conduct a fresh analysis of existing regulations and determine what still makes sense in the 21st century. To date, the unprecedented effort has removed unnecessary barriers to starting a small business, enhanced efficiencies of state government operations and aligned state practices with widely accepted national models or best practices. The legislation builds on this progress and is part of a series of initiatives the Governor will announce this week to make government work better.

"These common-sense changes in the Division of Professional Licensure are further steps forward in improving the business climate," said Governor Patrick. "Together with our work to update or eliminate old regulations, simplify tax laws, contain health care costs and enhance access to capital, we are making Massachusetts an even better place to do business."

"We often talk about the blocking and tackling of state government, and ensuring processes are done right and that is what this reform is all about," said Lieutenant Governor Timothy Murray. "With this reform, we are helping to clear the way for companies to do business in Massachusetts by providing more efficient services across state government."

The legislation makes a number of changes to Division of Professional Licensure operations, including merging the barber and electrology boards into a new Cosmetology and Barbering Board, eliminating the Board of Registration of Radio and Television Technicians and modifying statutory language in an effort to streamline and improve state services.

In March 2012, Governor Patrick announced the Patrick-Murray Administration's thorough process of reviewing rules and regulations, focusing on finding regulations that are duplicative, out-of-date or in need of update and creating the changes necessary to improve or eliminate those regulations. In 2012, 446 sets of regulations had been reviewed, leading to 286 opportunities for reform – which accounts for 64

percent of regulations reviewed and approximately 14 percent of total state regulations. Agencies are now in the third round of review.

Significant changes made during the first two review phases include MassDOT's proposal to standardize permitting and police escort fees for oversized loads on the MassPike, making those processes easier for over-dimensional load trucks; another MassDOT plan to update and make consistent evaluation criteria for requests for access to MassDOT property, including curb cuts and other construction access permits; and the Department of Revenue's proposal to streamline the tax return extension process that will help 71,388 small business. The Department of Environmental Protection is in the process of finalizing and implementing 21 regulatory reforms focused on doing away with permitting redundancy and duplicating work done by local boards; encouraging good environmental outcomes; promoting technological innovation, among other areas.

"By working with businesses and regulatory experts in state agencies, we have been able to make doing business in Massachusetts easier and less costly for thousands of businesses," said April Anderson Lamoureux, the Patrick-Murray Administration's Regulatory Ombudsman. "These goals are part of the Patrick-Murray Administration's long-term economic development plan, and further review will expand these benefits to even more businesses."

The legislation being filed today by Governor Patrick is the result of a comprehensive review of the rules and regulations for the 31 boards under the purview of the Division of Professional Licensure, which has already implemented a number of reforms, such as allowing part-time employees to work at more than one funeral home and eliminating a two-week closure of salons during an ownership change.

The new reforms will eliminate the Board of Registration of Barbers and the Board of Registration of Electrologists, and will create a consolidated Board of Registration of Cosmetology and Barbering that will reduce redundancy and improve administrative efficiency in shared areas such as licensing, investigation and consumer outreach. The three current professions include 83,934 licensees.

"The new, consolidated Board of Cosmetology and Barbering will not only make operations less-complicated at the Division of Professional Licensure, but it will make the process of carrying and renewing licenses easier for professionals in these areas," said Mark Kmetz, the Director of the Division of Professional Licensure. "Consistent with Governor Patrick's vision of regulatory reform, these changes make doing business easier for thousands of licensees across the Commonwealth."

The legislation will eliminate the Board of Registration of Radio and Television Technicians, which has outlived its purpose. As technology has advanced, consumers are purchasing new televisions or radios instead of repairing them, and in the last 10 years the board has issued only 26 new licenses and has fewer than 800 licensees. In the last five years there have been only 23 consumer complaints regarding licensees, and the Office of Consumer Affairs and Business Regulation has the tools in place to respond to complaints in this area. By eliminating this board, DPL staff will be able to focus on more critical matters and will free remaining businesses in this field from annual license renewal requirements.

To counter significant, statutory reinstatement fees, the legislation will put a cap on workforce re-entry costs for some professions. For example, a massage therapist who stopped working in the profession for

four years would have to pay a \$652 re-entry fee. These fees will be capped at a reasonable level to facilitate workforce reinstatements.

The legislation also makes a number of internal changes to DPL operations that will lower costs and make the agency more efficient. Some boards are statutorily obligated to mail a list of all of their licensees annually to all of its professionals. For example, the Engineering Board must mail a 100-page document to all 15,000 licensees, even though the information is available on the DPL website. The legislation will also:

- Eliminate some fixed-number quorum and appointment requirements for boards, which will make it easier for boards to conduct business and recruit members;
- Strike out laws for several boards that purports to authorize the boards to hire staff and receive compensation. Currently, DPL provides boards with necessary support staff and the obsolete language causes confusion;
- Eliminate a mandatory review of the Hearing Instrument Specialist Board every three years by the State Auditor, taking out a unique and unnecessary provision.

The Patrick-Murray Administration's comprehensive regulatory reform initiative is the first of its kind in Massachusetts in over a decade and is designed to cut unnecessary red tape and increase the ease of doing business in Massachusetts. The initiative includes a comprehensive review and re-evaluation of existing regulations, a systematic and coordinated process for regulators to consider economic impacts for newly-proposed regulations, public reporting of small business impacts for all regulatory changes to improve transparency during the public rule-making process and partnerships with the regulated community to share responsibility for creating a balanced regulatory environment.

#### **STATEMENTS OF SUPPORT:**

"Through this sweeping regulatory reform initiative, the Governor and his Administration are reforming one of the most frustrating aspects of government for businesses and citizens. These reforms illustrate the Commonwealth's commitment to eliminating red tape and increasing transparency – ensuring there will be real results with immediate impacts."

- David I. Begelfer, CEO of NAIOP Massachusetts, The Commercial Real Estate Development Association

"For business owners across Massachusetts, the Governor's announcement is very good news. Our policy makers are making changes and reforming the regulatory process in ways that will have positive impacts on small business and our state's economic climate for many years to come."

- Georgianna Parkin, State Director, Massachusetts Small Business Development Center

"We're very pleased with the regulatory reform process so far and we look forward to continuing working with the Patrick Administration to bring additional regulatory relief to small businesses in Massachusetts."

- Bill Vernon, State Director, National Federation of Independent Business Massachusetts

“The Massachusetts Business Roundtable shares Governor Patrick’s goal of making Massachusetts a highly-desirable place to do business. Complex and burdensome regulations are often cited by Massachusetts employers as an impediment to achieving that goal, and the Patrick Administration’s regulatory reform initiative is an encouraging effort to address the issue head-on. The Roundtable is pleased to be part of the regulatory reform effort, and commends Governor Patrick and his team for effectively moving it forward.”

- JD Chesloff, Executive Director, Massachusetts Business Roundtable

“Today’s announcement illustrates the continued commitment of the Patrick-Murray Administration to improve the business climate in Massachusetts. Building on earlier regulatory reforms, the proposed changes to the professional licensing regulations will make it easier for businesses to grow and succeed here.”

- Jim Klocke, Executive Vice President, Greater Boston Chamber of Commerce

“The Governor’s initiatives chip away at unnecessary regulations but the major accomplishment of this initiative is working to change the culture of state bureaucracies to be aware that their actions have real life implications on small businesses and job creation. Ultimately that may change the flow of new regulations in the future.”

- Peter Forman, President/CEO, South Shore Chamber of Commerce

“Doing business in Massachusetts means sifting through a labyrinth of state and local regulations. To be successful, businesses must be able to find, understand, and comply with the regulations that apply to them. This has been a challenge for small companies, which is why business organizations such as the Chamber are pleased that Governor Patrick and his administration are actively addressing the issue through comprehensive regulatory reform. These are meaningful efforts at improving the business climate in Massachusetts that will go a long way in allowing businesses to focus on what they do best, which is grow the economy and create jobs.”

- Robert Mellion, President/CEO, Fall River Chamber of Commerce

“The MetroWest Chamber of Commerce applauds Governor Patrick’s longstanding effort to reduce the regulatory burden for businesses. We are pleased that the results of the Commonwealth’s first comprehensive regulatory review identified and corrected outmoded, inefficient regulations, yielding both time and cost savings to businesses. While this is important for all businesses, it is critically important for our small business owners. In filing this legislation to modernize the DPL, we are confident that the Administration will continue to streamline the regulatory process, thereby fostering business development and job creation.”

- Bonnie Biocchi, President/CEO, Metrowest Chamber of Commerce