



Montana Department of
LABOR & INDUSTRY

LICENSING REFORM TASK FORCE

Barriers Subcommittee

Recommendation Options for Good Moral Character, Background Checks, Provisional & Temporary Licensure, and Portability

June 5, 2026

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Purpose and Executive Summary

This memorandum presents preliminary recommendation options for the Barriers Subcommittee. It is based on discussions and presentations to date and requests by the subcommittee during the May 8, 2026, meeting. The options are framed for discussion and refinement; they are not final recommendations unless adopted by the subcommittee.

The May 8 discussion produced four priority areas for decision or further development:

1. **Good moral character standards** - whether to remove, define, retain, or narrow undefined moral character requirements in occupational licensing statutes.
2. **Background checks and multiple licensure** - whether to standardize reuse of prior background checks for applicants seeking additional licenses within a defined period.
3. **Provisional and temporary licensure** - whether board should be encouraged or required to use provisional licenses while background checks or other final application steps are pending, and whether the 21-day temporary practice framework should be revisited.
4. **Portability, reciprocity, and compact impacts** - whether recommendation language should account for interstate compacts, reciprocity agreements, substantial equivalency, and recent 2025 reforms before advancing statutory changes.

Relevant Legal and Policy Background

The subcommittee's options should be evaluated against existing Montana licensing reforms and legal constraints, including:

- Montana's recent standardization of substantial equivalency determinations in professional licensing through Chapter 76, HB 246 - Provide for standardization of substantial equivalency determinations in professional licensing.
- Montana's 2025 revisions to licensing application processes, including provisional and temporary licensing concepts, through Chapter 279, HB414 - Revise laws related to licensing applications.
- Existing real estate appraiser qualification requirements, including potential federal-overlay issues raised during the May 8 meeting, under 37-54-202, MCA.
- Existing examples in alcohol and cannabis licensing in which background-check timing or reuse concepts appear to be used as policy models, including cannabis licensing legislation such as Chapter 576, HB701 - Generally revise marijuana laws and Chapter 712, HB128 - Generally revise marijuana laws.

Recommendation Options at a Glance:

Issue Area	Option	Short Description	Decision Needed
Good moral character	A	Remove where not federally required	Decide whether removal is preferred and identify exceptions
Good moral character	B	Retain only where value-added and define the standard	Decide whether to pursue statutory definition or rulemaking
Good moral character	C	Retain board discretion with no statutory definition	Decide whether consistency concerns outweigh board flexibility
Background checks / multiple licensure	A	Reuse background checks for a defined period	Select period, scope, and exceptions
Background checks / multiple licensure	B	Create a centralized background-check framework	Decide whether to create a new Title 37 general provision
Background checks / multiple licensure	C	No broad statutory change; board-by-board review	Decide whether targeted approach is sufficient
Provisional licensure	A	Encourage boards to use existing provisional authority	Decide whether guidance or formal recommendation is enough
Provisional licensure	B	Require or authorize provisional licenses pending background checks	Decide whether statute or rule change is needed
Temporary licensure	C	Revisit 21-day temporary practice limits	Decide whether to expand, clarify, or defer
Portability and compact impacts	A	Support compacts generally and board-led compact review	Decide scope of subcommittee recommendation
Reciprocity / substantial equivalency	B	Preserve substantial equivalency framework while monitoring universal licensure	Decide whether further reform is needed in 2027
National certifying entities	C	Reduce duplication where national certification supplies core qualification review	Decide whether to request occupation-by-occupation analysis

1. Good Moral Character Standards

Background

The May 8 discussion identified broad concern that good moral character requirements are undefined, inconsistently applied, and potentially duplicative of background checks, disciplinary history questions, and application disclosures. Staff reported that good moral character requirements appear throughout the Montana Code Annotated and are not uniformly defined. Members also noted that some requirements may be federally required or tied to audit obligations, with real estate appraisers identified as a likely example for further review.

The subcommittee's discussion narrowed the issue to three principal paths: remove the standard where possible, define and narrow it where retained, or leave it to boards with minimal change.

Option 1A - Remove Good Moral Character Requirements Where Not Federally Required

Description. Recommend legislation removing good moral character language from occupational licensing statutes unless staff confirms that the requirement is mandated by federal law, compact obligations, accreditation requirements, or another binding external authority.

Pros:

- Reduces subjective and potentially inconsistent licensing barriers
- Avoids requiring applicants to satisfy an undefined moral standard
- Aligns with comments that existing background checks, application disclosures, disciplinary history questions, and compliance review already capture conduct relevant to public protection.
- May improve applicant confidence and reduce perceived barriers, particularly for applicants who may self-select out of licensure based on an undefined character requirement.
- Advances the task force goal of simplifying licensing and reducing non-value-added requirements.

Cons:

- May remove a discretionary tool some boards view as useful when they have serious concerns not captured by a conviction or formal discipline record.
- Could require extensive statutory review to avoid removing requirements that are federally required or tied to external compliance.
- May raise concern among boards or stakeholders in professions involving vulnerable populations or high public-safety risks.
- Does not itself resolve how boards should evaluate troubling noncriminal conduct.

Implementation considerations:

- Staff should prepare a list of all Title 37 good moral character references and identify which are subject to federal, compact, reciprocity, accreditation, or audit constraints.
- Drafting should preserve requirements where legally required
- If removal proceeds, staff should confirm that application personal-history questions and disciplinary disclosure questions remain authorized and operational.

Option 1B - Retain Only Where Value-Added and Define the Standard

Description. Recommend retaining good moral character requirements only for professions where staff and boards identify a continuing public-protection rationale, while adopting a uniform statutory definition and evidentiary standard for use across those professions.

Possible definition framework for discussion.

A retained standard could focus on objective, profession-related conduct, such as whether the applicant has engaged in conduct that has a direct and substantial relationship to the duties and public-protection risks of the profession, considering rehabilitation, time elapsed, mitigating circumstances, and current fitness to practice. Any denial based on lack of good moral character could require written findings and a defined evidentiary threshold.

Pros:

- Preserves a tool for boards in high-risk professions while reducing vagueness.
- Provides staff and applicants clearer expectations.
- Reduces risk of inconsistent board-by-board definitions.
- Can incorporate safeguards discussed by the subcommittee, such as direct relationship to professional duties and clear evidentiary support.
- May be more acceptable to boards that are reluctant to remove the requirement entirely.

Cons:

- Drafting a workable definition may be difficult and could create new litigation or administrative disputes.
- A definition that uses terms such as honesty, fairness, or respect may remain subjective unless tied to objective conduct.
- Could increase administrative burden if written findings and individualized analysis are required.
- May perpetuate a barrier if applicants still perceive the standard as vague or stigmatizing.

Implementation considerations:

- Determine whether a statutory definition is preferable to rulemaking. Staff indicated during the meeting that rulemaking authority may need legal review.
- If rulemaking is used, determine whether each board must adopt rules or whether a Department-wide rule can apply.
- Identify whether denial should require a “direct and substantial relationship” to the profession and whether “clear and convincing evidence” should be used.
- Ensure consistency with existing criminal-history evaluation statutes, board disciplinary statutes, and contested case procedures.
- Consider whether retained requirements should be limited to health care, fiduciary, vulnerable-population, controlled-substance, or public-safety professions.

Option 1C - No Broad Statutory Change; Leave GMC to Board Discretion

Description. Recommend no broad statutory change at this time or recommend that boards retain discretion to determine good moral character on a case-by-case basis.

Pros:

- Preserves maximum flexibility for boards with profession-specific knowledge.
- Avoids spending substantial task force time on an issue that some members noted may not be a major practical licensing barrier.
- Avoids unintended consequences from a hastily drafted definition.
- Allows future practice-act reviews to address the requirement board by board.

Cons:

- Leaves the core problem unresolved: undefined and potentially inconsistent standards.
- May conflict with the broader goal of standardized, efficient licensing processes.
- Does not address applicant deterrence or uncertainty.
- May allow different boards to apply materially different interpretations without legislative guidance.

Implementation considerations:

- If this option is selected, consider recommending a staff practice-act review schedule to identify and remove non-value-added moral character language over time.
- Consider issuing nonbinding board guidance rather than legislation.
- Consider requiring boards that rely on good moral character to state the specific public-protection rationale for retaining it.

2. Background Checks and Multiple Licensure

Background

The subcommittee discussed whether applicants who already hold a Montana professional license in good standing should be required to repeat fingerprinting or background checks when applying for a second or subsequent license. Staff described alcohol and cannabis licensing as potential models for a defined reuse period and noted that a new general background-check provision may be easier than amending each individual licensing statute.

Staff explained that background checks are generally performed at initial application, that renewal background checks may be authorized but are not routinely performed because of cost and delay, and that repeated checks are particularly burdensome in behavioral health when applicants move from candidate licenses to full licenses. Members also emphasized the need to preserve renewal self-reporting and board-authority to act when misconduct arises.

Option 2A - Allow Reuse of Background Checks for Additional Licenses Within a Defined Period

Description. Recommend legislation allowing an applicant who completed a required state and federal fingerprint-based background check for a Montana occupational license to rely on that background check for another DLI-administered occupational license for a defined period, discussed as five years, if the applicant remains in good standing and attests that no disqualifying criminal charges, convictions, discipline, or reportable events have occurred since the prior check.

Pros:

- Reduces duplicative cost, time, and fingerprinting burden.
- Addresses a concrete barrier identified in behavioral health candidate-to-full-license pathways.
- Aligns with existing policy examples in other Montana licensing contexts.
- Supports workforce mobility and stackable licensing pathways.
- Preserves public protection if paired with self-attestation, renewal questions, and board authority to require a new check for cause.

Cons:

- A five-year period may be too long for some high-risk professions if not interim verification occurs beyond self-reporting and renewal questions.
- Self-reporting is imperfect; some misconduct may not be disclosed until later.
- Some federal programs, compacts, or boards, may require a fresh background check for each license type.
- Implementation may require system changes to track prior background-check dates and results.

Implementation considerations:

- Decide whether the reuse period should be five years, three years, or aligned to board renewal cycles.
- Require applicant attestation regarding new charges, convictions, discipline, license surrender, suspension, or withdrawal.
- Preserve board authority to require a new background check when required by federal law, compact, grant condition, accreditation standard, board rule, or individualized concern.
- Define whether reuse applies only within DLI-administered licenses or across other state agencies.
- Confirm whether background-check results can legally be shared or reused across boards under state and federal criminal justice information rules.
- Determine whether the applicant must pay any administrative fee for verification of the prior check.

Option 2B - Create a Centralized Background-Check Framework in Title 37

Description. Recommend a general Title 37 background-check statute applicable to all listed DLI-administered boards and programs that require background checks. The statute would identify covered professions, define timing, authorize reuse, preserve exceptions, and standardize applicant attestations and board authority.

Pros:

- Creates consistency across boards.
- Avoids repeated amendments to multiple practice acts.
- Makes requirements easier for applicants and staff to understand.
- Allows the Legislature to set default rules while preserving profession-specific exceptions.
- Supports future licensing reforms and digital application workflows.

Cons:

- Requires careful drafting to avoid conflict with board-specific statutes.
- May require extensive conforming amendments.
- A centralized list could become outdated if new boards or license types are added.
- Boards may resist loss of profession-specific control.

Implementation considerations:

- Include a default rule plus exceptions for federal law, compacts, grants, vulnerable-population statutes, controlled-substance access, or board-specific risk factors.
- Determine whether the statute should expressly state that it does not alter renewal self-reporting, disciplinary authority, or unprofessional-conduct reporting.
- Ask IT and licensing staff whether existing systems can display the date and type of prior background check across license types.
- Confirm whether criminal history information can be retained, referenced, or reused, or whether only the fact of clearance can be used.

Option 2C - No Broad Background-Check Statute; Conduct Targeted Board-by-Board Cleanup

Description. Recommend that staff identify the license types most affected by repeated checks and develop targeted amendments only for those boards or license pathways.

Pros:

- Reduces risk of unintended consequences.
- Allows tailored solutions for behavioral health or other high-impact pathways.
- May be faster to draft if only a few statutes are implicated.
- Preserves board-specific public protection.

Cons:

- Leaves inconsistent background-check rules across boards.
- May miss similar barriers in less visible license pathways.
- Does not advance broad standardization.
- Could require repeated legislative cleanup in future sessions.

Implementation considerations:

- Start with behavioral health candidate-to-full-license pathways.
- Identify other license progressions where applicants must repeat checks within a short period.
- Ask boards to report whether they require new checks for additional licenses and why.

3. Provisional Licensure and Temporary Practice

Background

The May 8 discussion indicated that recent 2025 legislation may already provide broad authority for boards and Department programs to regulate provisional licenses. Staff noted that boards may be able to issue provisional licenses while an applicant awaits background-check results, but that this has not been discussed individually with all boards.

The subcommittee also discussed a temporary practice framework under which certain out-of-state practitioners may work in Montana for up to 21 calendar days per year for specified purposes, including education, continuity of treatment, treatment to underserved populations, and highly specialized treatment or care. HB 414 is the relevant 2025 session law.

Option 3A - Recommend Board Review and Use of Existing Provisional Licensure Authority

Description. Recommend that each board and Department licensing program review its provisional licensure rules and procedures and consider using provisional licenses when an otherwise qualified applicant is awaiting background-check results or other final administrative processing.

Pros:

- Uses authority that may already exist after 2025 reforms.
- Avoids immediate statutory amendments if current authority is adequate.
- Allows board-specific risk assessment.
- Could reduce time-to-work for qualified applicants.

Cons:

- May produce inconsistent board practices.
- Without deadlines or standards, some boards may not act.
- Applicants may still face uncertainty if provisional pathways are not visible on application materials.

Implementation considerations:

- Staff could survey boards regarding current provisional license rules and usage.
- The Department could develop template guidance or model rule language.
- Application portals should clearly identify when provisional licensure is available and what limitations apply.
- Boards should identify activities that a provisional licensee may or may not perform before final licensure.

Option 3B - Adopt a Default Provisional License Pending Background Check

Description. Recommend legislation creating a default provision that a board or Department program may issue a provisional license to an otherwise qualified applicant while a required background check is pending, unless prohibited by federal law, compact requirements, or board-specific public safety findings.

Pros:

- Creates a clear statewide policy favoring work-entry while administrative checks are pending.
- Reduces delays caused by background-check processing.
- May be particularly useful for high-need workforce areas.
- Preserves exceptions for higher-risk professions or external legal constraints.

Cons:

- Could create public protection concerns if a background check later reveals disqualifying conduct.
- Requires clear revocation or suspension process if the final check is adverse.
- May not be appropriate for all professions or settings.
- Could create employer confusion about the scope of provisional practice.

Implementation considerations:

- Define “otherwise qualified” carefully.
- Require applicant attestation and disclosure of pending charges, prior discipline, and other reportable events.
- Limit provisional duration and specify automatic expiration upon final licensure decision.
- Define notice, due process, and immediate suspension authority if background-check results raise public safety concerns.
- Confirm whether provisional practice is allowed under any applicable compact or federal requirement.

Option 3C - Revisit the 21-Day Temporary Practice Framework

Description. Recommend further review of whether the 21-calendar-day temporary practice allowance is too restrictive, appropriately calibrated, or in need of clarification for non-healthcare uses, underserved populations, education, continuity of treatment, or highly specialized care.

Pros:

- Could improve short-term access to services, especially in rural or underserved communities.
- Supports continuing education, specialized care, and continuity of care.
- May reduce unnecessary full licensure for short-duration practice.

Cons:

- Expanding temporary practice could reduce board oversight.
- May create enforcement challenges if practitioners exceed the temporary period.
- Could overlap with compact privileges or telehealth rules.
- May not be a top-priority barrier compared with other issues.

Implementation considerations:

- Determine whether 21 days is counted per calendar year, per patient/client, per employer, or per license type.
- Determine whether the framework applies equally to health and non-health professions.
- Clarify registration or notice requirements, if any, for temporary practitioners.
- Coordinate with the Healthcare Subcommittee on telehealth, continuity of care, and rural access issues.

4. Multiple Licensure, Portability, Reciprocity, and Compacts

Background

The May 8 meeting included a staff overview of portability terminology. Staff distinguished reciprocity agreements, substantial equivalency, universal licensure, and interstate compacts, noting that Montana's current approach is generally substantial equivalency, not "true" universal licensure, and that compacts can provide faster mobility but require implementation time and compact-commission participation.

The subcommittee expressed general support for interstate compacts as a workforce and portability tool. Members also discussed board-led compact review and specific compact opportunities, including dental and dental hygienist, podiatry, athletic trainers, cosmetology, and others not already under active review by the Healthcare Subcommittee.

Option 4A - Adopt a General Statement Supporting Interstate Compacts and Board-Led Compact Review

Description. Recommend that the full task force support interstate licensure compacts as a preferred portability tool when a compact is mature, aligned with Montana's workforce needs, and supported by the relevant board or Department program.

Pros:

- Signals broad task force support without committing to every compact immediately.
- Respects board expertise and stakeholder input.
- Supports workforce mobility and recruitment, especially in health care and rural areas.
- Allows Montana to participate early enough to have a voice in compact commission rules where appropriate.

Cons:

- A general statement may be too vague to produce legislation.
- Some compacts may impose costs, data-system obligations, fees, or commission requirements.
- Compact participation can limit state flexibility once enacted.
- Mature and immature compacts present different risks.

Implementation considerations:

- Staff should identify compacts already under the Healthcare Subcommittee review to avoid duplication.
- Boards should be asked to state whether they support, oppose, or need more information on relevant compacts.
- Recommendation language should distinguish between endorsing compact evaluation and endorsing immediate enactment.
- Fiscal and IT impacts should be assessed for each compact.

Option 4B - Preserve Substantial Equivalency Framework and Defer Universal License Expansion

Description. Recommend maintaining Montana’s substantial equivalency approach while monitoring whether additional universal licensure reforms are warranted after implementation of 2025 changes.

Pros:

- Builds on recent legislative reforms rather than immediately replacing them.
- Preserves review of whether out-of-state requirements are substantially equivalent to Montana’s.
- Avoids scope-of-practice mismatch issues that can arise under broader universal licensure models.
- Allows time to evaluate 2025 reforms before further statutory changes.

Cons:

- May not satisfy stakeholders seeking faster or automatic recognition of out-of-state licenses.
- Substantial equivalency review may still create delay.
- Does not address professions where Montana-specific requirements provide little value.

Implementation considerations:

- Staff should collect processing-time data for substantial equivalency applications after 2025 reforms.
- Identify professions where substantial equivalency determinations are still slow or difficult.
- Consider whether additional guidance or presumptions could make substantial equivalency faster without adopting full universal licensure.

Option 4C - Reduce Duplication Where National Certification Supplies Core Qualification

Description. Recommend occupation-by-occupation review of statutes that rely heavily on national certifying, accrediting, or testing entities. Where national certification supplies the substantive education and examination review and Montana adds no meaningful public-protection requirement, the subcommittee could recommend removing the state license, converting it to registration, or substantially streamlining the application.

Pros:

- Targets duplication between state licensing and national certification.
- May reduce application time and staff workload.
- Avoids repeated statutory updates when national organizations change names.
- Supports workforce entry where national standards already protect the public.

Cons:

- Removing a state license may reduce Montana enforcement authority unless another regulatory hook remains.
- National certification may not address Montana-specific law, scope, supervision, or discipline issues.
- Some national certifying bodies may not provide sufficient due process, transparency, or public accountability.
- Converting to registration or certification may still be “licensure” if the state restricts practice or can revoke the credential.

Implementation considerations:

- Staff should identify statutes that name specific national entities and whether they include “or successor” language.
- Consider replacing named entities with defined criteria such as “approved accrediting body” or “approved curriculum”.
- Determine whether Montana-specific requirements are value-added.
- Confirm whether state licensure is needed for discipline, reimbursement, federal recognition, compact participation, or public title protection.

5. Emerging Fields, Stackable Credentials, and Alternative Pathways

Background

Although not one of the four primary options requested for immediate recommendation, the May 8 meeting also raised emerging fields and alternative pathways. The discussion focused on community health workers, Medicaid or insurance reimbursement, medication aides, certified nursing assistants, stackable credentials, and rural workforce needs.

Department counsel cautioned that a state-recognized certificate that can be revoked for misconduct is functionally licensure and requires statutory authorization. Counsel also noted that allowing the executive branch to create new licenses at will could raise unlawful delegation concerns.

Preliminary Option 5A - Recommend Further Study of Statutory Baseline or Voluntary Credentials

Description. Recommend further study of whether Montana should create statutory baseline or voluntary credentials that support reimbursement, workforce progression, and public accountability without unnecessarily restricting practice.

Pros:

- Supports workforce development and health training pathways.
- May allow entry-level workers to build toward higher licenses.
- Could help address rural and health care workforce shortages.
- Creates a vehicle for complaint review if the Legislature authorizes it.

Cons:

- Creates new licensure or quasi-licensure, contrary to general reluctance to create new license types.
- Reimbursement implications are uncertain and fall outside DLI authority and the scope of the task force.
- Requires careful statutory design to avoid unnecessary practice restriction.

Implementation considerations:

- Coordinate with the Healthcare Subcommittee.
- Ask Medicaid and insurance experts what level of state recognition is required for reimbursement.
- Identify whether a voluntary license model, delayed mandate, or sunset could be used.
- Request specific statutory or rule examples where degree-title requirements could be replaced with competency, training, and current clinical experience.

Decision Matrix for June 5 Discussion

Recommendation Area	Lowest-Change Path	Moderate Reform Path	Highest-Change Path
Good moral character	No broad change; board-by-board practice-act review	Retain only where value-added and define uniformly	Remove all non-federally required requirements
Background checks	Targeted cleanup for most affected boards	Five-year reuse for additional licenses with attestations	Centralized Title 37 framework for all background checks
Provisional licensure	Board review of current authority	Model guidance or rules for provisional licensing	Statutory default provisional license pending background checks
Temporary practice	No action	Clarify current 21-day framework	Expand temporary practice duration or eligible purposes
Compacts	General statement of support	Board-led compact evaluation process	Recommend specific compact bills for 2027
National certifying entities	Add “or successor” language during practice act reviews	Replace named entities with generic approval standards	Remove or convert license where national certification supplies all substantive review
Emerging fields	Further study only	Voluntary or baseline credential study	Draft statutory credential pathway with delayed mandate or sunset