



Licensing Reform Task Force

Sunset Subcommittee

RECOMMENDATION FOR SUNSET REVIEW PROCESS

Recommendation

The Sunset Subcommittee recommends that the **Licensing Reform Task Force** introduce legislation establishing a **mandatory, scheduled occupational licensing review process** for Montana professional and occupational licensing boards, programs, and license types. The process should build on existing Montana statutory oversight, including the **Economic Affairs Interim Committee's** monitoring and program evaluation functions, the existing licensing board review statute, and the Department of Labor & Industry's biennial board reporting obligations.

The recommended model is a **review-and-escalation model**, not a universal hard sunset for existing licenses. Existing licenses and boards would continue unless the Legislature affirmatively changes the law. However, all newly created license types would be subject to an automatic **4-year review and sunset** unless continued by the Legislature.

Executive Order No. 1-2026 Report Elements Addressed

This recommendation addresses the report elements identified in Executive Order No. 1-2026 by supporting evaluation of:

- whether unregulated practice creates a direct, immediate, or foreseeable hazard to public health, safety, or welfare;
- whether a public benefit is provided by licensure;
- whether licensure significantly increases the cost of services;
- whether scope of practice is clear and distinguishable from other professions and occupations;
- whether specialized skill or training exists and whether qualifications for licensure are justified;
- whether unnecessary barriers to entry exist for applicants;
- whether existing requirements contribute to workforce shortages or rural access constraints;
- whether portability, reciprocity, endorsement, substantial equivalency, or compact participation could expand access to qualified professionals;
- whether licensing structures align with broader state access and workforce goals; and
- whether the state should implement a sunset review of licensing boards.

The recommendation is consistent with the Executive Order's direction to provide evidence-based recommendations and proposed legislation for the 2027 legislative session.

Recommended Framework

The Task Force should recommend that legislation include the following elements:

10-year review cycle for existing boards, programs, and license types.

- Each licensing board, licensing program, and license type administered by or administratively attached to the **Department of Labor & Industry** should be reviewed at least once every 10 years.
- Similar or related boards, programs, or license types should be grouped and reviewed in the same cycle whenever practicable.

- The schedule should be adopted in statute or by a process directed by statute, with sufficient flexibility for the **Economic Affairs Interim Committee** to adjust timing for workload, related occupations, or emerging issues.

Automatic 4-year review and sunset for new license types.

- A license type created after the effective date of the legislation should terminate 4 years after its effective date unless continued by the Legislature.
- The **Economic Affairs Interim Committee** should review the new license type before the sunset date and determine whether to recommend continuation, modification, consolidation, or termination.
- This approach preserves stability for existing boards while requiring prompt legislative reexamination of newly created occupational barriers.

Standardized review packets prepared by DLI and boards.

- The **Department of Labor & Industry**, in cooperation with the applicable board or program, should prepare a standardized review packet for each scheduled review.
- The packet should use existing biennial report data required by 37-1-106, MCA, where possible.
- Additional review data should be specified by Department rule, including data necessary to evaluate public protection, licensing burden, board operations, fees, discipline, reciprocity, and workforce access.

Economic Affairs Interim Committee as reviewing committee.

- The **Economic Affairs Interim Committee** should serve as the reviewing committee for DLI-administered licensing boards, programs, and license types based on its existing oversight authority under 5-5-223, MCA.
- After review, the committee should determine whether:
 - the review packet and public record are adequate to support continuation without statutory change;
 - statutory changes are necessary;
 - the board, program, or license type should be consolidated, modified, or terminated;
 - the review should be escalated to the **Legislative Audit Division** or Legislative Audit Committee for audit consideration under Title 5, chapter 13, MCA; or
 - additional interim study, stakeholder work, or Department rulemaking is needed.

Core review topics.

- The review should include public-protection criteria similar to Montana's existing licensing board review statute, 2-8-404, MCA, and should also examine board performance and licensing burdens identified in the subcommittee survey.

Rationale

The recommended framework responds to the main points of consensus from the survey and subcommittee discussion:

- Survey respondents strongly supported reviewing board practices and administration and the license as a whole.
- The subcommittee discussion favored a process that provides regular legislative oversight without creating instability through automatic repeal of existing licenses.
- Members discussed the value of educating legislators about licensing boards and creating a predictable review schedule.
- Members also identified cost concerns and noted that licensing review work may ultimately be paid by licensees through board fees.
- Existing Montana statutes already provide a foundation for this approach:
 - New board or program proposals already require a report addressing public protection, hazards of unregulated practice, comparative licensure requirements, market effects, regulatory alternatives, and related matters. See 2-8-402, MCA.

- Existing licensing board review authority already exists for interim committees reviewing whether a board or program remains needed and financially appropriate. See 2-8-404, MCA.
- The Economic Affairs Interim Committee already has administrative rule review, draft legislation review, program evaluation, and monitoring authority over DLI. See 5-5-223, MCA.
- DLI already prepares a biennial licensing board report for the Economic Affairs Interim Committee. See 37-1-106, MCA.
- The Legislative Auditor already has authority to conduct audits of state agencies and programs and to assess whether agencies act efficiently, effectively, and in accordance with legislative intent. See 5-13-304, MCA and 5-13-308, MCA.

Proposed Task Force Recommendation

The Licensing Reform Task Force recommends that the Legislature enact a structured occupational licensing review process that requires existing licensing boards, programs, and license types administered by or administratively attached to the Department of Labor & Industry to be reviewed on a 10-year cycle, with similar boards, programs, and license types grouped together when practicable. The Task Force further recommends that all newly created license types be subject to a 4-year review and automatic sunset unless continued by the Legislature.

The review process should require the Department and affected boards to prepare standardized review packets using existing biennial report data where possible, supplemented by data specified by rule. The Economic Affairs Interim Committee should serve as the review committee and, after public review, should determine whether the review is adequate for continuation, whether statutory changes are needed, or whether the matter should be escalated to the Legislative Audit Division or Legislative Audit Committee for audit consideration.

A proposed draft is included in this recommendation.