



Sunset Review Process: Other States' Approaches

Erin Sullivan, Policy Analyst
April 24, 2026

Sunset Review

In a nutshell...



Purpose: A periodic, systematic assessment of an existing license to decide whether it should:

Continue as-is
Be modified
Terminate



Mechanism: Many frameworks include automatic termination (“sunset”) unless the Legislature reauthorizes a license before the set date



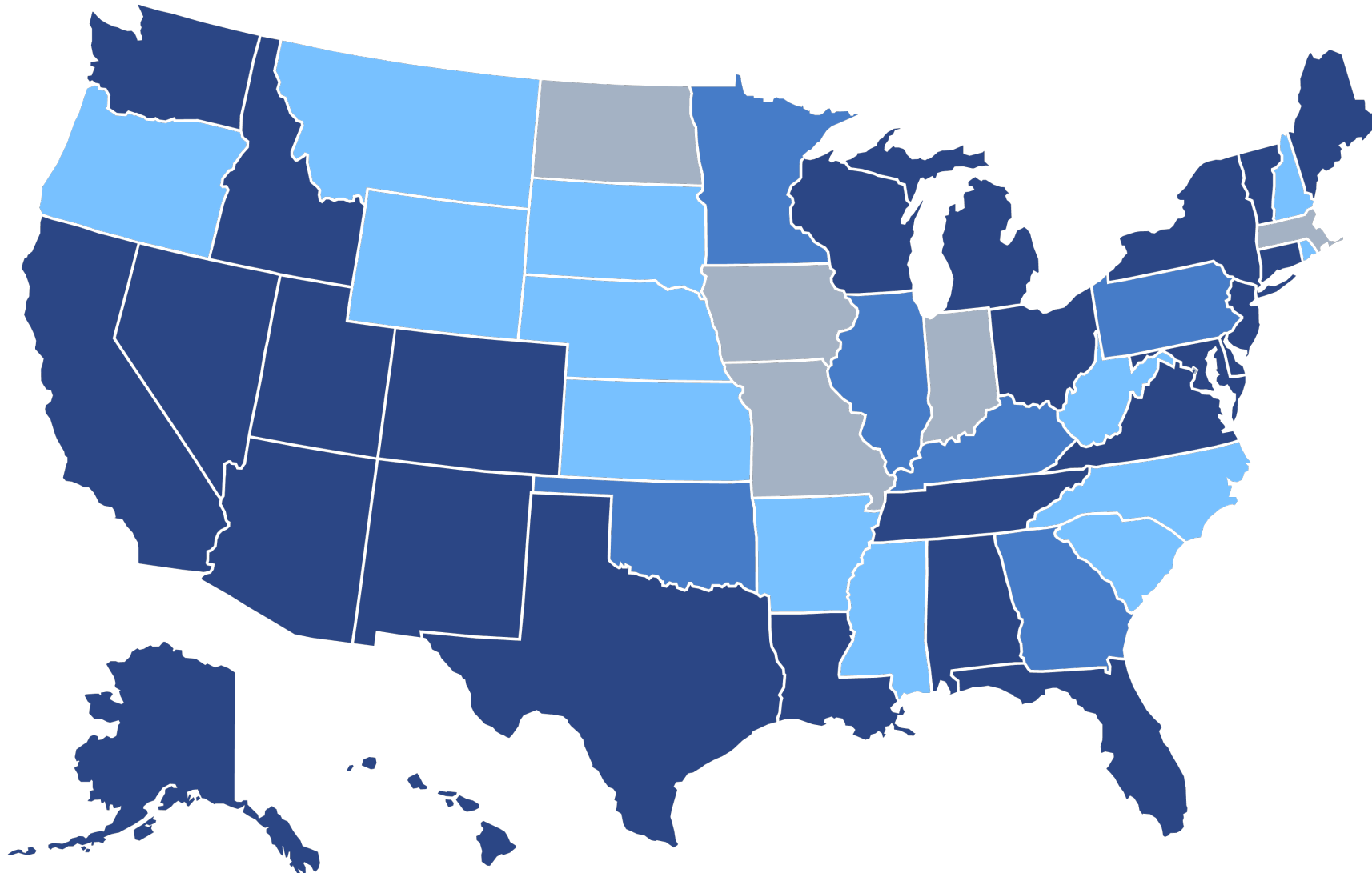
Outcome options, based on evidence of public need, benefits, and costs:

Continue
Continue with modifications
Terminate

Historic timeline of sunset reviews



States with Sunset Laws:



Key:

- Active
- Inactive
- Repealed
- No laws

Types of reviews

Comprehensive: requires all statutory agencies to be subject to a sunset review once per review cycle

Alabama, Alaska, Arizona, Louisiana, Maryland, Nevada, Ohio, Tennessee

Regulatory: review focus is on regulatory and licensing agencies and bureaus

Colorado, Georgia, Hawaii, Kentucky, Maryland, Missouri, Pennsylvania

Selective: selective implementation and reviews are concentrated on entities such as occupational licensing and administrative agencies such as highway, health and education departments

California, Florida, Idaho, Illinois, Indiana, Maine, New Mexico, Oklahoma, Texas, Virginia, West Virginia

Discretionary: sunset review board can select which entities will face review

Connecticut, Delaware, Nebraska, Oklahoma, Utah, Vermont, Washington, Wyoming

Clausal: includes sunset clauses in selected programs or legislation

Idaho, Michigan, Montana, Nebraska, Nevada, New Jersey, New York, Oregon, Virginia, Wisconsin

Components to Contemplate:



Where the process is housed



Statutory criteria to evaluate each license



Timelines & scheduling



Review methodology & report content



Reporting & legislative handling

Component 1:

Where the process is housed

Options include:

- Legislative Branch
 - Interim or standing committee
 - Administrative, Audit, Fiscal, or Services Division
- Executive Branch
 - State agency
- Independent State Office
 - Advisory council or commission
 - State Auditor

Selection should consider:

- Staffing
- Budget
- Inter-branch coordination

Examples:

Advisory committee:

Nevada, Ohio, Texas, West Virginia

Legislative audit or research staff:

Arizona, Hawaii, Indiana, Vermont, Wyoming

Legislative committee acting directly:

Alaska, California, Delaware, Louisiana, Maine, Missouri, New Mexico, Oklahoma, Pennsylvania, Utah

Independent commission or outside reviewer:

Alabama, Colorado, Georgia, Illinois, Maryland, Tennessee

The licensing board itself (or committee):

Connecticut

Component 2:

Statutory criteria to evaluate each license

A robust sunset statute typically asks whether:

- **Public harm** would occur without regulation (direct, immediate hazard to health, safety, or welfare)
- The **scope of practice** is clear and distinct from other professions
- The occupation requires **specialized skills/training** with recognized standards
- **Licensure qualifications** are justified and proportionate
- Licensure delivers a **public benefit** (safety/consumer protection)
- Licensure **significantly increases costs** of services (and whether those costs are justified)
- **Public support** exists for licensure



Examples: *Colorado*

Whether regulation by the agency is necessary to protect the public health, safety and welfare

Whether the conditions that led to the initial regulation have changed

Whether other conditions have arisen that would warrant more, less, or the same degree of regulation

If regulation is necessary, whether the existing statutes and regulations establish the least restrictive form of regulation consistent with the public interest, considering other available regulatory mechanisms, and whether agency rules enhance the public interest and are within the scope of legislative intent

Examples:

Texas



Does the license serve a meaningful public interest and provide the least restrictive form of regulation needed to protect that interest?



Can the program's regulatory objective be achieved through means other than licensing?



Does the licensing process impede applicants with moderate or low incomes?



What is the impact of regulation on market competition, consumer choice, and cost of services?



Do the regulations match industry-specific best practices and nationwide models and standards for licensing and regulatory agencies generally?



Examples: *Washington*



The extent to which the entity has complied with legislative intent



The extent to which the entity is operating efficiently and economically which results in optimum performance



The extent to which the entity duplicates the activities of other entities or the private sector



The extent to which the entity is meeting the performance measures developed under statute



The possible impact of the termination or modification of the entity

Examples:

Vermont

The extent to which a regulatory entity's actions have been in the public interest and consistent with legislative intent

The extent to which the profession's historical performance, including the actual history of complaints and disciplinary actions, indicates that the costs of regulation are justified by the realized benefits to the public

The extent to which the scope of the existing regulatory scheme for the profession is commensurate to the risk of harm to the public

The extent to which the profession's education, training, and examination requirements for a license or certification are consistent with the public interest

The extent to which a regulatory entity's resolutions of complaints and disciplinary actions have been effective to protect the public

The extent to which a regulatory entity has sought ideas from the public and from those it regulates, concerning reasonable ways to improve the service of the entity and the profession or occupation regulated

The extent to which a regulatory entity gives adequate public notice of its hearings and meetings and encourages public participation

Whether a regulatory entity makes efficient and effective use of its funds and meets its responsibilities

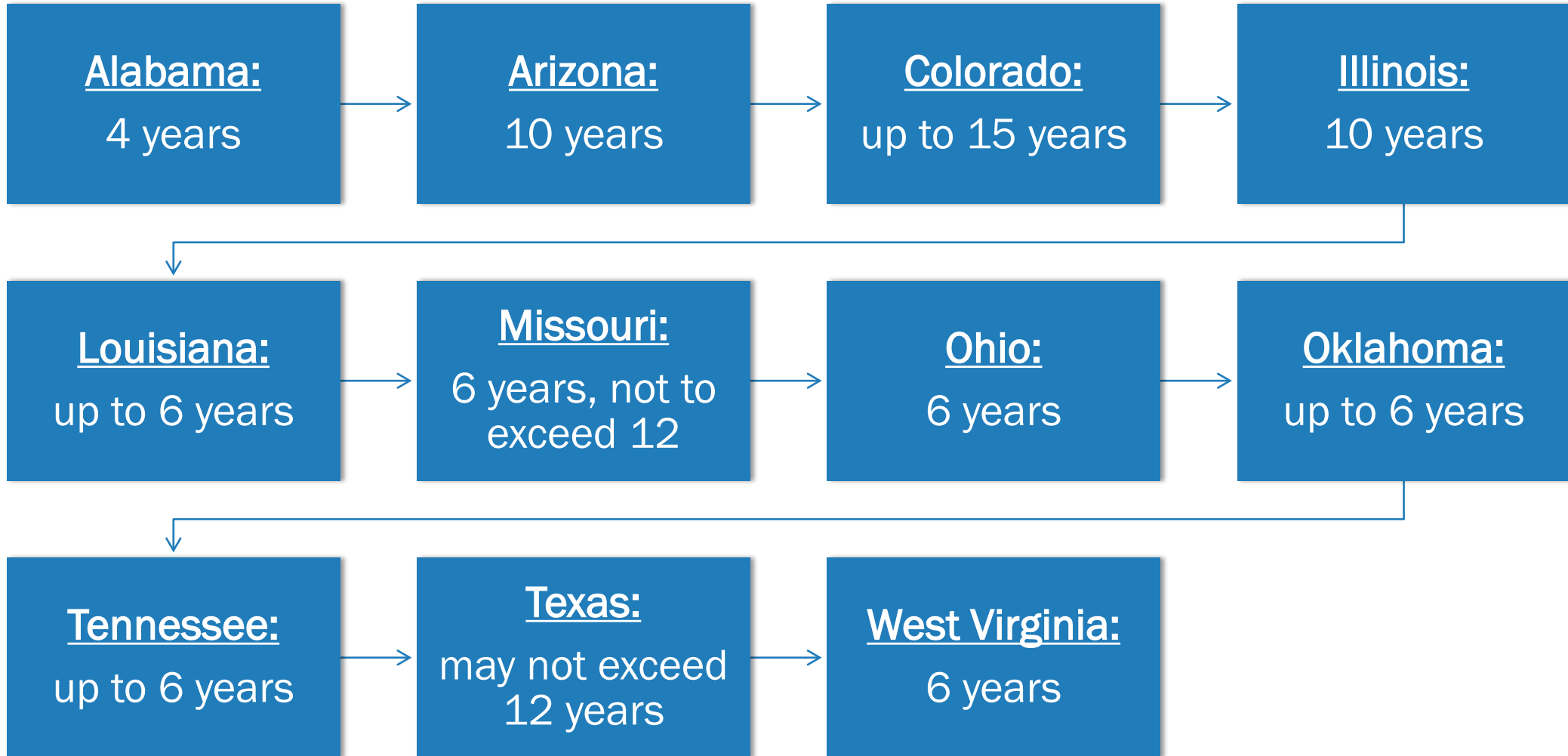
Whether a regulatory entity has sufficient funding to carry out its mandate

Component 3: *Timelines & scheduling*

Approaches vary:

- **Automatic sunset clauses** attached to specific licenses
 - Terminate unless reauthorized
- **Board-level termination dates**
 - Review the entire entity
- **A rotating schedule**
 - To ensure regular review of all licenses under the authority's purview

Examples:



Component 4: *Review methodology & report content*

The
review
typically
includes:

Data collection/analysis: Quantitative and qualitative evidence on safety, consumer protection, and economic impacts (costs to practitioners, benefits to the public); comparisons to other states.

Alternatives analysis: Consider least restrictive options – registration, accreditation, voluntary certification, enhanced self-regulation – before renewing licensure.

Stakeholder engagement: Practitioners, consumers, board, employers, and public health/safety experts.

Final recommendation: Clear, evidence-based guidance to the Legislature (continue/modify/terminate) with rationale and anticipated impacts.

Component 5: *Reporting & legislative handling*

Who receives the report (e.g., Economic Affairs Interim Committee vs. a dedicated Licensing Review Committee)



Any deadlines (e.g., a date that precedes session planning)



Whether a completed report is required before bill introduction.

State practices relevant to Montana



Automatic sunset clauses (attached to specific legislation) are used in Montana and in states such as:

Idaho, Michigan, Nebraska, Nevada, New Jersey, New York, Oregon, Virginia, and Wisconsin



Other states implement termination dates for entire boards or maintain rotating review schedules rather than license-by-license sunsets.

Implementation considerations for Montana:

Decision points



Home of the process: Legislative (e.g., EAIC), audit division, executive branch, or an independent office



Statutory criteria: Codify necessity, harm, scope clarity, training standards, cost-benefit, and public support – plus a mandate to prefer least restrictive regulation when adequate.



Scheduling: Choose automatic sunset clauses vs. rotating board/entity reviews, set cycle length (e.g., 4-6 years), and align deadlines with session calendars



Process transparency: Require published methods, public notice, comment periods, and open hearings.



Report template: Standardize sections (evidence, alternatives, fiscal/regulatory impact, comparative analysis, recommendation)



Legislative workflow: Identify receiving committee, pre-session deadlines, and rules for introducing continuation bills (e.g., no bill without a completed report).



Operational guardrails:



Avoid “cliff effects”

- ◆ ensure timely reviews so needed licenses aren’t unintentionally terminated.



Prevent backlog

- ◆ prioritize high-risk/high-cost licenses and set capacity targets for staff.



Manage conflicts of interest

- ◆ independent reviewers, clear disclosure.



Track KPIs

- ◆ number of licenses reviewed;
- ◆ share continued/modified/terminated;
- ◆ median review time;
- ◆ cost savings;
- ◆ stakeholder satisfaction.

Summary



Aim: Protect public safety & consumer welfare while minimizing unnecessary barriers.



Test of necessity: Documented harm without regulation; clear scope; recognized training standards.



Alternatives first: Prefer least restrictive tools when they manage risk adequately.



Decision options: Continue / Modify / Terminate (with rationale).



Cycle discipline: Predefined schedules + automatic sunsets where appropriate.



Governance: Clear home, deadlines, template, committee routing.





Thank you

QUESTIONS?