Mr. Chairman and Members of the Committee:

Thank you for the opportunity to submit this written testimony in support of enacting an Economic Civil Rights Act ("Act") in the State of Tennessee. The proposed Act will require agencies to conduct a comprehensive review of entry regulations and determine that every regulation is necessary to serve a specific health, safety, or welfare objective.

As the state's only free market think tank, the Tennessee Center for Policy Research seeks to achieve economic liberty for all Tennesseans by reducing regulations that serve to hinder economic prosperity. An Economic Civil Rights Act will be a huge leap forward in the direction of realizing this goal.

This Act will benefit the millions of Tennesseans that are affected by state regulations. It will deter regulations that only serve to protect one group of people to the detriment of all other Tennesseans, while still permitting the implementation of regulations that are absolutely necessary.

Currently, Tennessee regulates 110 different occupations and professions. Only nine other states impose equal or more stringent regulatory burdens on their citizens. The Reason Foundation has estimated that occupational regulations result in an annual cost of nearly $42 billion nationwide.

While generally sold as a means to protect the public interest, regulations often exist merely to protect a chosen class. This smothers competition and preserves a government-endorsed monopoly, thereby increasing the costs of goods and services to consumers. Reduced competition also makes it more difficult for consumers to receive the quality of goods and services they demand.

Most importantly, burdensome regulations create arbitrary and excessive government interference into Tennesseans’ economic liberty. These regulations make it more difficult—if not outright impossible—for Tennesseans to enter certain occupations. As a result, these regulations hinder economic progress. It is estimated that licensing requirements alone decrease job growth by an average of 20 percent each year. Those hit hardest by
expansive government regulation are frequently the indigent who are already disadvantaged and have a harder time achieving economic prosperity. The poor face not only being shut out of numerous occupations, they must pay higher prices for the goods and services they need.

The state as a whole will benefit from the ability of all individuals to pursue legitimate entrepreneurial and professional opportunities. Individuals should be limited only by their talent and ambition, not by unnecessary government interference.

At a time when this state faces the most difficult economic turmoil in decades, it is imperative that the General Assembly encourage individuals to seek occupations for which they are well-suited. By imposing needless regulatory burdens on Tennesseans, the state is contributing to an already bleak economic climate by limiting entry into occupations to a chosen few, forcing everyone else to sit on the sidelines.

The General Assembly should act immediately to curb burdensome and unnecessary government regulations. The best way to ensure that all regulations are absolutely necessary to protect the health, safety, and welfare of all Tennesseans is through an Economic Civil Rights Act. The Tennessee Center for Policy Research therefore encourages this committee to support the enactment of an Economic Civil Rights Act in Tennessee, just as sixteen other states have done to protect their hardworking citizens.

We thank you for your time and consideration, and we appreciate your commitment to a freer, more prosperous Tennessee.

Respectfully submitted,

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The Tennessee Center for Policy Research is an independent, nonprofit and nonpartisan research and public policy organization. The Center provides policymakers, the media and concerned citizens with timely free market policy solutions grounded in the ideas of individual liberty and limited government. In an effort to remain fully independent, the Center does not accept government grants or take contributions designed to influence the outcome of its research.