



March 11, 2024

Senator Paul Bailey
Senate Commerce and Labor
Tennessee General Assembly
600 Dr. MLK Jr Blvd
Nashville, TN 37243

RE: SB 1915 Licenses

Dear Chair Bailey, Vice-Chair Swann and members of the Committee:

As a representative of Tennessee's 664,000 small businesses, Small Business Majority writes today to urge you to pass HB 1859, legislation that would remove barriers to licensed occupations for those with prior criminal records. This is a critical proposal that will help support aspiring entrepreneurs and workers with criminal records to access the licenses they need to be successful in the workforce or launch their own businesses.

Small Business Majority is a small business organization that empowers America's diverse entrepreneurs to build a thriving and equitable economy. We engage our network of more than 85,000 small businesses and 1,500 business and community organizations to deliver resources to entrepreneurs and advocate for public policy solutions that promote inclusive small business growth.

Tennessee's licensing laws unnecessarily keep people with prior criminal records out of jobs and prevent willing employers from hiring them. Tennessee still allows licensing authorities to use vague character standards, such as a lack of "good moral character" to deny licensure, which is subject to interpretation and may lead to unfair denials based on biases. These ambiguous standards make it difficult for people to get a second chance, limiting their economic and entrepreneurship opportunities. As a result, the small business ecosystem is undermined.

What's more, a recent [U.S. Chamber of Commerce analysis](#) revealed that Tennessee has one of the most severe worker shortage indexes in the country, with 56 available workers for every 100 jobs in the state. The problem is compounded by the fact that [more than 1 in 5 Tennessee workers](#) must get an occupational license before they can legally do their jobs. Meanwhile, small business owners in Tennessee [report](#) that the top challenge they face when hiring is finding qualified workers. That's why it's critical that you pass HB 1859. This bill ensures that all returning citizens have a fair chance at licensure and a true fresh start, allowing justice-impacted individuals to work at small businesses where they are often required to hold specific certifications and licenses. The bill would prevent licensing authorities from automatically denying a license solely because of a criminal record.

This reform is based on best practices across the country that maintain public safety. What's more, small business owners in the state support policy solutions that make it easier for justice-impacted individuals to access occupational or professional licensing. In fact, our recent polling found that more than [8 in 10 \(82%\) small business owners](#) in Tennessee say they would support reforms that would allow people with criminal records fairer access to occupational licenses. In addition, 84% say state licensing boards should consider the nature of the offense when deciding whether to deny a license, rather than deny a license broadly for any felony conviction.

With [43% of Tennessee small businesses](#) reporting that their business requires an occupational or professional license to own or work for a business, lifting unnecessary licensing barriers can give people with criminal records the best chance of success to reentry and help businesses by increasing the pool of available workers.

Sincerely,

Awesta Sarkash
Public Policy Director
Small Business Majority