

# Regulation

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REGULATION was first published in July 1977 "because the extension of regulation is piecemeal, the sources and targets diverse, the language complex and often opaque, and the volume overwhelming." REGULATION is devoted to analyzing the implications of government regulatory policy and its effects on our public and private endeavors.

## Colorado's Sunrise Review

I read with great interest "A License for Protection," by Morris M. Kleiner in the Fall 2006 issue of *Regulation*. Your readers may be interested in Colorado's experience with occupational licensing.

In 1985, Colorado established a process to review proposals for new regulation. Commonly known as the sunrise review process, the legislature sought a system for reviewing the necessity of regulating an occupation or profession prior to enacting regulatory laws.

Sunrise reviews are guided by three statutory criteria:

- Whether the unregulated practice of the occupation or profession clearly harms or endangers the health, safety, or welfare of the public, and whether the potential for harm is easily recognizable and not remote or dependent on tenuous argument;
- Whether the public needs, and can reasonably be expected to benefit from, an assurance of initial and continuing professional or occupational competence; and
- Whether the public can be adequately protected by other means in a more cost-effective manner.

The Colorado Department of Regulatory Agencies conducts the reviews and publishes its findings in reports to the legislature. From 1985 to 2005, we reviewed 109 proposals for new regulation. Some applicants have attempted to create new regulation more than once so the number of proposals does not constitute an exact number of the occupations or professions seeking regulation through the sunrise process.

Sunrise reviews have recommended some type of regulation 12 times. The

General Assembly created new regulation in 19 instances. It is important to note that a sunrise recommendation for regulation frequently calls for a less restrictive response by government than licensing or, in many cases, less restrictive than registration.

History has taught us that in order for the sunrise review to be successful, the legislative and executive branches must unite in support of the process. In the last legislative session, the General Assembly passed five bills creating new occupational regulation. However, these bills were vetoed by Gov. Bill Owens.

Colorado's sunrise review process seeks to aid elected officials in their efforts to balance the need for an open and competitive marketplace with the role of government to provide protection to consumers when demonstrable harm is occurring in an unregulated environment.

BRUCE HARRELSON

*Director of Policy, Research, and Regulatory Reform, Colorado Department of Regulatory Agencies*

## The Uncle of Rational Expectations

Ike Brannon's portrait of John Muth ("Remembering the Man behind Rational Expectations," Spring 2006) was fitting and appropriate. But it is worth pointing out that Jack was not the only excellent economist in his family. My (now retired but still active) colleague Richard E. Muth is also a well known scholar. While Dick often refers to himself as the "Uncle of Rational Expectations," he is also the father of modern urban economics and has had a distinguished career at Washington University, Stanford, and Emory.

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