



National Center for
Interstate Compacts
THE COUNCIL OF STATE GOVERNMENTS

Occupational Licensure Compacts: Policy Tools to Preserve, Share State Sovereignty

Interstate compacts are powerful, durable and adaptive tools to achieve interstate policy goals through collective action while preserving state sovereignty. States joining interstate compacts mutually agree on the terms for collaboration on an interstate policy issue. Compacts do not otherwise abdicate a state's governing authority within its own borders, nor does they supersede state law beyond its scope. This is a principle of interstate compact law and a function of a compact's unique position within America's federalist system of government, preserving state sovereignty while solving multistate issues without the need for federal intervention.

There are more than 260 active compacts in the U.S., and on average states are members of about 42. There are many compacts, including the Interstate Compact for Adult Offender Supervision, the Military Interstate Children's Compact Commission (MIC3) and the Interstate Compact on the Placement of Children, that all 50 states are a member of and are operating with similar components (rulemaking authority, fees, etc.) to all other compacts.

Over the past decade, there has been an increased interest from states in using interstate compacts to facilitate licensure portability. As of the end of 2024, there are 18 occupational licensure compacts. Nearly every state is a member of at least one occupational licensure compact and 41 states and territories have joined at least three.

The Role of Interstate Compacts in State Sovereignty

A misconception sometimes exists that since interstate compacts serve as a way for states to share sovereignty, they in turn require a loss of existing sovereignty. Interstate compacts in fact preserve state sovereignty through their construction and well-established policy principles.

The following are compact standards for state sovereignty, with examples applied to occupational licensure compacts.

4. The powers of compact commissions with rulemaking authority are confined to the administration of the compact language. Compact commission rules cannot extend beyond the plain wording of the compact.

The intent and plain language of the compact statute serves as guardrails for the authority and purpose of any compact commission rule. Rules that exceed the intent of the compact and not authorized by the language of the statute are “null and void.”

Many compacts restate this principle in the compact language explicitly with language such as: “The Commission shall promulgate reasonable Rules in order to effectively and efficiently implement and administer the purposes and provisions of the Compact. A Rule shall be invalid and have no force or effect only if a court of competent jurisdiction holds that the Rule is invalid because the Commission exercised its rulemaking authority in a manner that is beyond the scope and purposes of the Compact, or the powers granted hereunder, or based upon another applicable standard of review.”

Examples of common rules promulgated by compact commissions are the following:

- Adding or further clarifying existing compact definitions.
- Detailing implementation processes to meet the requirements of the compact.
- Outlining specific operational procedures and potential dues or fees.

EXAMPLE

Since licensure compacts create procedures and standards for persons to receive only a compact authorization to practice, the rulemaking authority of interstate compact commissions is limited to persons seeking or exercising an authorization to practice through the compact. Application of an interstate commission’s rules to persons not governed by the compact would be rejected through judicial review.

5. Each state has the ability to withdraw from the compact.

Just as states can choose whether to participate in an interstate compact, they also have the choice to withdraw. Interstate compacts include a provision for a state to withdraw from the compact if they wish to do so. The process of withdrawing would entail repealing the statute that enacted the compact into law in that state and completing a “wind down” period to coordinate the withdrawal process with all affected parties.

EXAMPLE

Occupational licensure compact legislation contains the withdrawal process for member states. A defined “wind down” period is particularly important for licensure compacts as the practitioners within that state who may be using the compact may be properly notified and make necessary accommodations.



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