

- SUBJECT:** Requiring the registration of engineering businesses
- COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended
- VOTE:** 8 ayes — Wilson, Yarbrough, Flores, Goolsby, Haggerty, J. Moreno, Palmer, A. Reyna
- 0 nays
- 1 absent — D. Jones
- WITNESSES:** For — Gerhardt Schulle, Jr., Texas Society of Professional Engineers; Steve Stagner, Consulting Engineers Council of Texas
- Against — None
- On — John R. Speed, Texas Board of Professional Engineers
- BACKGROUND:** The Texas Engineering Practice Act (art. 3271a, VTCS) requires that the Texas Board of Professional Engineers license engineers. The act authorizes the board to assess fees for its administrative services and provides for a maximum charge of \$50 for an initial license, \$75 to renew an annual license, and \$50 for a reciprocal license. In 1991, the Legislature increased those three fees by a flat \$200, of which \$50 is deposited to the credit of the foundation school fund and \$150 goes to general revenue. The fee increase provision does not apply to engineers who do not have to be licensed but choose to be licensed, nor to disabled persons.
- Current law requires the board to publish a roster showing the names and places of business of all licensed professional engineers. A copy of the roster must be furnished without charge to any licensed engineer, and the board may charge a reproduction fee to any other individual who requests a copy of the roster.
- Current law does not require engineering businesses to be licensed or registered

in any manner. However, a business may engage in the practice of professional engineering only if all of its engineers practicing in the state are licensed.

DIGEST:

CSHB 1544 would require engineering businesses or firms, including sole proprietors, to register with the board annually. Applications for registration would have to include the name and address of each officer or director of the business and each licensed person who practiced engineering on behalf of the business. The board would be authorized only to accept the application and register the business. Registration would not involve an approval process, but registered businesses nonetheless could use only licensed engineers. The board could assess a registration fee of up to \$100.

The bill would amend the requirement that the board publish a roster to include registered businesses. It also would require that the roster be made available in an online database format. The board could assess a shipping fee, in addition to a copying fee, for providing physical copies of the roster.

The bill would increase the maximum fee for a licensing examination to \$200 from \$120.

CSHB 1544 would take effect September 1, 1999, except that the registration requirement sections would not take effect until January 1, 2000. The board would have to adopt rules to implement the registration requirement by November 1, 1999.

**SUPPORTERS
SAY:**

CSHB 1544 would bring Texas into line with 33 other states that require businesses offering engineering services to register with state regulatory agencies. Many sections of current law require the board to regulate businesses, but enforcement is haphazard because the law does not require these businesses to identify themselves to the board in any way. This bill would establish an identification process.

The registration process would be simple and would not involve the board's approval. Professional engineering companies and trade associations support this process because it would allow the board to regulate unscrupulous competitors with greater ease.

The public would benefit from CSHB 1544 because the board could provide a roster of registered businesses as well as of licensed engineers working in a given location. Currently, the public's only access to accurate information about licensed engineers is through the roster. This roster includes all licensed engineers, including government and utility employees, whose work is solely for those companies. These engineers do not have to obtain licenses because they are not authorized to make changes to designs or supervise employees, but many do.

People requiring an engineer's help to solve a problem could seek out licensed engineers in business for themselves or working for an engineering business. The business registration requirements would make it easier for the public to locate engineers who could help them. Requiring the board to provide this information in an online database would allow the public to search the database freely and easily.

Requiring sole proprietors to register as businesses would eliminate potential confusion if their business name differed from the name that appeared on their professional engineer's license.

The bill would allow the board to raise its examination fee and assess a fee for business registration to cover the costs of those services.

**OPPONENTS
SAY:**

CSHB 1544 would impose another fee on businesses. Instead of increasing the costs of businesses that follow the law and comply with the board's rules, the state should increase administrative and criminal penalties for breaking the law and should enforce the law more strongly.

Sole proprietors should not have to register as a business in addition to holding a license to practice engineering.

**OTHER
OPPONENTS
SAY:**

Not only should all engineering businesses be required to register with the board, but all exemptions to licensing requirements should be eliminated. The public should be assured that every engineer working in Texas is properly qualified and licensed according to state law. Eliminating the exemptions in the Engineering Practice Act would enable the board to have a complete roster of all engineers and engineering businesses permitted to do business in the state.

NOTES:

The committee substitute added the provision that would increase the maximum examination fee to \$200 from \$120 and added language requiring the board to include registered businesses on its roster and to make the roster available electronically. The substitute also added the provision that would require sole proprietors to register as businesses and made numerous other conforming changes.

The companion bill, SB 1898 by Madla, has been referred to the Senate State Affairs Committee.