

SUBJECT: Eliminating exemptions from professional fees for licensed engineers

COMMITTEE: Licensing and Administrative Procedures — favorable, without amendment

VOTE: 6 ayes — Wilson, Yarbrough, Goolsby, Haggerty, J. Moreno, Palmer
0 nays
3 absent — Flores, D. Jones, A. Reyna

WITNESSES: For — Gerhardt Schulle, Jr., Texas Society of Professional Engineers
Against — None

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 imposed a \$200 professional fee on many licensed and regulated occupations. Fifty dollars of this fee is deposited to the credit of the foundation school fund and \$150 goes to general revenue. This \$200 fee applies to most licensed engineers.

Sec. 20 of the act exempts a variety of engineers from licensing requirements, generally because they have no authority to alter designs, do not supervise other employees, and do not perform any engineering services other than for their employers. Specifically, current law exempts from licensing requirements:

- ! employees or subordinates of licensed engineers, provided that they do not have responsible charge of design or supervision;
- ! federal government employees working solely for the government;
- ! people doing the actual work of installing, operating, or servicing locomotive or stationary engines;
- ! people engaged solely in the design and construction of certain small buildings;
- ! any regular full-time employee of a private corporation or other business who solely performs engineering services exclusively for the company,

including a privately owned public utility; and
! scientists engaged in research of the physical and natural sciences.

These exempted engineers often comply voluntarily with licensing requirements. Those who do must pay regular licensing fees established by the board, but they are exempt from the \$200 professional fee under sec. 13(B)(c) of the act. This exemption also applies to engineers who have conditions that substantially impair their abilities to earn a living as a professional engineer.

DIGEST: HB 745 would repeal sec. 13B(c) of art. 3271a, VTCS, which exempts from the professional fee engineers who do not have to be licensed but choose to be licensed and disabled engineers.

This bill would take effect September 1, 1999, and would apply to license fees, annual renewal fees, or reciprocal license fees that become due on or after that date.

SUPPORTERS SAY: HB 745 would require all licensed engineers to pay the \$200 professional fee that the Legislature placed on this and other professions in 1991. This would only be fair. Voluntarily licensed engineers have an advantage over their unlicensed colleagues in competing for opportunities in an industry that is becoming increasingly reliant on independent contractors instead of in-house engineers. The holder of a license is qualified under state law to hold supervisory and decision-making capacities, even if the holder is not currently in one of those positions. Thus, all licensees should pay the professional fee.

OPPONENTS SAY: The purpose of exempting voluntary licensees from the professional fee was to encourage their compliance with licensing requirements. As drafted, HB 745 would discourage these engineers from renewing their licenses voluntarily, because it would add \$200 to the cost of their \$75 license, a 267 percent increase.

The bill at least should maintain the exemption from the professional fee for any engineers the board designates as being disabled.

OTHER OPPONENTS SAY: All exemptions to licensing requirements should be eliminated. The public should be assured that every engineer working in the state is properly qualified and licensed according to state law. Eliminating the exemptions in

the Engineering Practice Act also would achieve this bill's goal, which is to require all engineers to pay the professional fee.