

**Department of Legislative Services**  
Maryland General Assembly  
2010 Session

**FISCAL AND POLICY NOTE**

**Revised**

House Bill 80

(Chair, Economic Matters Committee)(By Request -  
Departmental - Labor, Licensing and Regulation)

Economic Matters

Education, Health, and Environmental Affairs

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**State Board for Professional Engineers**

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This departmental bill requires licensees of the State Board for Professional Engineers to demonstrate continuing professional competency as a condition of license renewal. The bill also authorizes the board to issue certain individuals a retired status license.

The bill takes effect July 1, 2010.

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**Fiscal Summary**

**State Effect:** Potential minimal decrease in special fund revenues beginning in FY 2011 due to an expected low number of individuals who place their licenses on retired status in lieu of full renewal. The number of individuals who place their licenses on retired status may increase beginning in FY 2013 due to the effective date of the continuing professional competency requirements for license renewal. The effect on special fund revenues in FY 2013 and future years is also expected to be minimal. No effect on expenditures.

**Local Effect:** None.

**Small Business Effect:** The Department of Labor, Licensing, and Regulation (DLLR) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

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## Analysis

**Bill Summary:** The board must adopt regulations to implement the continuing professional competency license renewal requirement. The continuing professional competency requirements do not apply to the first renewal of a license and are phased in beginning on October 1, 2012.

The board may issue a retired status license to individuals who meet certain criteria. Similar to emeritus status, holders of retired licenses may use the designation “professional engineer, retired,” but may not engage in the practice of professional engineering. The bill establishes guidelines for individuals with a retired license to reactivate their licenses.

**Current Law:** The State Board for Professional Engineers regulates the practice of engineering in the State and has authority over a variety of disciplines collectively known as engineering. Maryland law defines the practice of engineering as the provision of any service or creative work that requires education, training, and experience in the application of mathematical, physical, and engineering sciences and the principles and methods of engineering analysis and design. State law grants several exceptions that allow nonlicensed individuals to practice engineering, such as the performance of duties by officers or employees of government agencies, public utilities, and State or federally regulated facilities. In addition, employees or subordinates under the personal control, direction, and supervision of a licensed engineer are exempted.

The board issues licenses on a two-year, staggered basis. At the time of renewal, licensees must submit to the board a renewal application and pay a fee of \$68. A reinstatement fee of \$100 must be paid if the license is not renewed on time. If a license is not reinstated within two years, the board may require the individual to reapply for a license in the same manner as an applicant who applies for an original license.

**Background:** Including the State Board for Professional Engineers, there are five design boards within DLLR. The other boards regulate architects, interior designers, landscape architects, and professional land surveyors. Chapter 227 of 2003 established the State Occupational and Professional Licensing Design Boards’ Fund as a special, nonlapsing fund in DLLR to cover the operating costs for all five boards.

The bill’s continuing professional competency requirements are modeled on those established for the State Board for Professional Land Surveyors by Chapter 567 of 1999 and made permanent by Chapter 601 of 2001. DLLR advises that the provision allowing for retired status licenses is a common feature of continuing education programs because it allows licensees who may not be practicing to maintain recognition in the profession. According to DLLR, there are approximately 1,012 licensees of the State Board for

Professional Land Surveyors and 43 licensees on retired status. Whereas active licensees must renew biennially – and pay the \$68 renewal fee – individuals who choose to place their licenses on retired status pay a one-time \$25 fee. Licensees who are on retired status may reactivate their licenses after completing the continuing professional competency requirements and paying backdated renewal fees.

All 50 states regulate professional engineers; 32 states have a continuing education or professional competency requirement. Three of the other four design boards have similar competency requirements.

**State Fiscal Effect:** The board regulates over 17,000 professional engineers, all of whom are subject to the continuing professional competency requirement under the bill. Due to the size of the licensee base, the bill’s provisions result in additional interaction – letters, phone calls, and e-mails – between the board and the licensees. DLLR advises that staff reassignments within the design boards allows for the increased workload to be handled with existing resources.

Special fund revenues to the State Occupational and Professional Licensing Design Boards’ Fund decrease minimally in fiscal 2011 and in future years as licensees choose to place their licenses on retired status, particularly after the continuing professional competency requirements become effective. In doing so, these individuals would likely pay a one-time fee that is lower than the biennial renewal fee. Legislative Services estimates that, considering the relatively large number of licensees, the number who choose to forgo license renewal due to the bill is expected to be 50 or less per year. If, *for illustrative purposes only*, 50 licensees per year choose to place their licenses on retired status, revenues to the special fund decrease by approximately \$2,150 per year, assuming fees comparable to those of the State Board for Professional Land Surveyors.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

**Information Source(s):** Department of Labor, Licensing, and Regulation; Department of Legislative Services

**Fiscal Note History:** First Reader - January 20, 2010  
ncs/mcr Revised - House Third Reader - March 23, 2010

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Board for Professional Engineers

BILL NUMBER: HB 80

PREPARED BY: Department of Labor, Licensing and Regulation

### PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

### PART B. ECONOMIC IMPACT ANALYSIS

The proposed legislation will have no impact on small business in Maryland.