ACEC
American Council of Engineering Companies
of Michigan

October 28, 2025

The Honorable Mike Hoadley, Chair
Committee on Economic Competitiveness
Michigan House of Representatives
P.O. Box 30014
Lansing, MI 48909-7514

RE: HB 4914

Dear Chair Hoadley and Honorable Members of the Committee on Economic Competitiveness:

On behalf of the American Council of Engineering Companies (ACEC) of Michigan we are writing to express our strong opposition to House Bill 4914. As an organization representing more than 100 firms and thousands of licensed engineers dedicated to upholding the highest standards in design, engineering, and surveying, we urge the Committee to reject this legislation, which would compromise public safety, professional accountability, and the integrity of Michigan's built environment.

House Bill 4914 seeks to amend the Occupational Code (MCL 339.2010) by eliminating the longstanding requirement that at least two-thirds of a firm's principals be licensed architects, professional engineers, or professional surveyors in order to engage in these practices. While the bill maintains provisions for licensed individuals in responsible charge at business locations and departmental approval for non-licensed principals, removing the ownership threshold could allow non-professionals to dominate firm governance—prioritizing commercial interests over ethical and safety considerations. This change, introduced on September 11, 2025, and currently pending in your committee, overlooks the critical role of licensed majority ownership in safeguarding public welfare.

Public Safety and Professional Oversight at Risk

Licensed professionals in architecture, engineering, and surveying are bound by rigorous ethical codes and disciplinary mechanisms that ensure competence and accountability.

The current two-thirds requirement guarantees that decision-making remains in the hands of those educated and trained to prioritize public health, safety, and welfare—preventing scenarios where unqualified individuals influence designs that could lead to structural failures, public health concerns, environmental hazards, or costly errors. Firm principals and owners guide the firm and control final decisions on architectural/engineering designs. These important decisions need to be made by licensed design professionals that understand the science behind the decision. Without this threshold, firms might cut corners to maximize profits, diluting the protections that have served Michigan well for decades.

Public Safeguards for Firms

Michigan only licenses individuals to practice professional engineering, architecture or surveying. Professional **firms** are not licensed to practice professional engineering or architecture. This means Michigan does not issue a firm Certificate of Authorization, firm license, or firm registration as many other states do (currently 40+).

HB 4914 deletes the only real statutory safeguard Michigan currently has at the firm level - the two-thirds licensed-principal requirement.

In other words:

- *Before HB 4914:* Firm ownership and leadership had to have a 2/3 majority of professional licensed individuals personally accountable to the Board.
- *After HB 4914:* There is no statutory firm ownership or competency threshold.

Moreover, HB 4914 does not add a new firm-licensing regime (such as a Certificate of Authorization) to replace the lost protection, leaving Michigan well below the standard of care used in other states.

Key message: Michigan's two-thirds rule is not "red tape." It is the only statewide structural safety check in place to ensure professional architectural/engineering firms are protecting the health, safety and welfare of the public. All other states have at least one of several protections: Licensed ownership requirements, firm licensure, or Certificate of Authorization. HB 4914 would remove the states current and only protection and knowingly lower the bar below what other states require to protect the public.

Alignment with National Standards

As detailed in the American Bar Association's *Forum on Construction Law's 50-State Survey of Firm Licensure Requirements for Architectural and Engineering Firms* (2nd

Edition, October 2024), Michigan's current requirment aligns with practices in approximately 20–25 states that mandate majority licensed ownership, often at two-thirds, This survey, co-edited by experts Matthew J. Ninneman and Mark W. Mercante, emphasizes that such thresholds ensure professional control and ethical governance.

Nearly every state—42 out of 50—requires engineering firms to have either licensed owners/principals or to obtain a Certificate of Authorization (COA) or permit to offer services, with many mandating both requirements for layered protection. Examples include:

- **Alabama:** Requires two-thirds or more of officers, partners, or directors to be licensed for COAs, ensuring accountable oversight.
- **Connecticut:** Requires not less than two-thirds of members or owners to be licensed, holding two-thirds of voting interests for firm registration.
- **Maryland:** Requires at least two-thirds of directors, partners, or members to be licensed, with mandatory permitting.
- **Nevada:** Requires control and two-thirds ownership by licensed persons, with resident professionals in responsible charge.
- **North Carolina:** Requires a minimum of two-thirds ownership by professionals, with state-licensed officers.

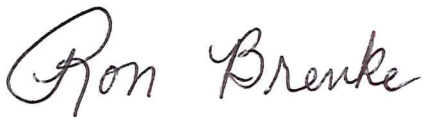
These examples demonstrate that Michigan's framework is not an outlier but a proven mechanism for protection. Removing the two-thirds requirement without implementing Certificates of Authorization or similar mechanisms would leave no firm-level safeguards, uniquely exposing residents to risks and placing Michigan below national standards.

Broader Professional Perspectives

National organizations—including the National Council of Architectural Registration Boards (NCARB) and the Alliance for Responsible Professional Licensing—emphasize that licensure protects against negligence in high-risk professions. While deregulation might appear to ease business entry, it risks eroding public trust and safety. Our coalition urges the Committee to preserve the two-thirds rule, which already provides flexibility by allowing one-third non-licensed ownership while maintaining essential public protections.

We respectfully request that the Committee **not advance House Bill 4914**. We are available to provide testimony or additional information at your convenience. Please contact us at the addresses below.

Sincerely,



Ron Brenke, PE, Executive Director
ACEC/Michigan
530 W. Ionia Street, Suite D
Lansing, MI 48933
(517) 332-2066
rbrenke@acecmi.org

cc: The Honorable Matt Hall, Speaker of the Michigan House of Representatives
The Honorable Bill G. Schuette, Chair, House Rules Committee