



AIA North Carolina

May 15, 2017

The Honorable Dennis Riddell
North Carolina House of Representatives
300 N. Salisbury St., Room 533
Raleigh, NC 27603-5925

RE: Opposition to HB 590 Interior Design Profession Act

Dear Representative Riddell:

In advance of your Regulatory Reform hearing this week, The American Institute of Architects, North Carolina Chapter would like to share some of its thoughts and concerns with you on HB 590, Interior Design Profession Act. Presently, we must oppose the measure for the reasons outlined below.

Architects value the contributions that interior designers make as members of the design team and recognize that their education level is higher than that of decorators. However, the AIA does not support diminishing or weakening standards used for the design of interior architectural elements of buildings, a consequence of what HB 590 will do.

Please understand that HB 590 is far more than just a "Title Act" or merely recognition of the term interior designer. This bill sets up a full area of regulated practice, complete with the ability to sign and seal plans for building inspection departments.

Health & Safety Education, Training & Testing

The AIA believes that the level of education, the experience requirements and the NCIDQ testing for interior designers does not appropriately and competently address the full array of health and safety issues that impact the public for interior architecture.

HB 590 looks to sever interior elements of architecture in an attempt to carve out building segments for less qualified designers. Severing the regulation of building interiors could do serious harm to the integrated practice of architecture.

As an illustration, we point you to the devastating fire less than a month ago just three blocks from the Legislative Building. An entire city block of apartments under construction went up in flames threatening hundreds of residents in the fully occupied Quorum Center and the Link Apartment Complex. In the dead of night those residents were awoken by emergency alarms, they were protected by fire rated building materials, and they were escorted through smoke filled corridors designed specifically for fire egress for such emergencies. All of these systems are interior architectural elements and because of the education, training and testing of licensed architects, we are happy to report that these structures performed as designed, giving the residents and first responders the level of protection needed to save their lives.

In no way do we believe this level of life safety should be compromised by allowing less qualified designers to verify building design through stamp and sealing authority.

No Evidence of Need

There is really only one reason for the State to convey a license for any occupation or profession and that is to protect the public's health, safety and welfare. There is no body of evidence calling for interior designer licensing. The public is not clamoring for, or perishing as a result of un-licensed interior designers.

In fact, a 2006 study by the Institute of Justice concluded that since 1907 there were only 52 lawsuits involving interior designers and almost all involved breach of contract, not safety or code violations. In addition, they studied Better Business Bureau complaints for a three-year period, and found that ID companies received an average of less than one-third of one complaint per company over that time frame. And the numbers didn't change between states that had ID regulation and those that didn't. That's commendable for the industry, but hardly a reason for states to create a new regulated profession.

Consumer Confusion and Limiting Choice

For more than 100 years, building inspectors and consumers have turned to the three major licensed design professionals; architects, engineers and landscape architects to ensure that their buildings have been designed and constructed according to the stringent building codes that are regularly reviewed and updated for current science and construction practices to maintain the safety of the public.

The addition of another class of licensee able to sign and seal building plans for acceptance by building officials adds an unnecessary level of confusion and regulation that the building industry does not need nor want.

Barrier to Market Participation

The real reason interior designers seek to institute a licensing law is to create a protected market for their services. As stated above the only legitimate reason for the state to entertain such market limitations is for the protection of the public's health, safety and welfare.

Interior contractors, kitchen and bath specialists and traditional interior decorators would all be prohibited from performing their traditional services if HB 590 is passed. We'd like to point you to an excellent study, as mentioned above, done by the Institute for Justice, "Designing Cartels: How Industry Insiders Cut Out Competition," by Dick Carpenter, III, PhD. A copy can be downloaded at this link:

<http://ij.org/wp-content/uploads/2015/03/Interior-Design-Study.pdf>

The report covers most of the arguments we have outlined in this letter but it pays particular attention to the idea that non-health and life safety professions that have obtained or seek to attain state sponsored licensing protection are in effect creating barriers to market entry from other professionals in the market place.

Monetized Conflict of Interest

It is a long-held practice for interior designers to work closely with interior product manufactures in specifying their products for client projects. That's not unusual in the design and construction industry as a whole; however, the difference within the practice of interior design is the lack of transparency and disclosure to the client about the monetary benefit the designer receives for the specification of those products. Interior Designers make commissions on the sale of product, other licensed design professions do not, and in the case of architects, they are specifically prohibited from this practice in performance of their duties to their clients under the following statute.

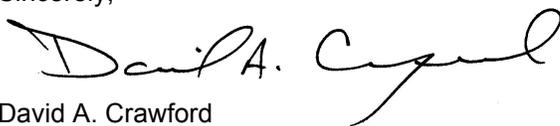
G.S. 83A-15(3)(c) states:

*It shall be unprofessional conduct including but not limited to:
Knowingly undertaking any activity or having any significant financial or other
interest, or accepting any compensation or reward except from registrant's
clients, any of which would reasonably appear to compromise registrant's
professional judgment in serving the best interest of clients or public.*

As interior designers have attempted to enact practice act legislation in other states, this issue has come up time and again. In all cases attempts to address the conflict of interest issue with some sort of transparency language has been rebuffed. We see this as a major consumer protection issue that cannot be overlooked.

Thank you for your consideration of our issues. Please feel free to call on me for any additional information or discussions about HB 590.

Sincerely,

A handwritten signature in black ink that reads "David A. Crawford". The signature is written in a cursive, flowing style.

David A. Crawford
Executive Vice President

Cc: Members of the House Regulatory Reform Committee