

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 40

PRINTER'S NO. 538

AMOUNT

Minimal Fiscal Impact in FY 2013-14

FUND

Professional Licensure Augmentation
Restricted Revenue Account - General Fund

DATE INTRODUCED

February 5, 2013

PRIME SPONSOR

Representative Denlinger

HISTORY OF BILL

Referred to PROFESSIONAL LICENSURE, Feb. 5, 2013

Reported as committed, March 13, 2013

First consideration, March 13, 2013

Laid on the table, March 13, 2013

Removed from table, March 18, 2013

Second consideration, March 19, 2013

Re-committed to APPROPRIATIONS, March 19, 2013

Re-reported as committed, March 20, 2013

Third consideration and final passage, March 20, 2013 (199-0)

In the Senate

Referred to CONSUMER PROTECTION AND PROFESSIONAL LICENSURE, April 3, 2013

Reported as committed, May 8, 2013

First consideration, May 8, 2013

Re-referred to APPROPRIATIONS, May 14, 2013

Re-reported as committed, June 3, 2013

DESCRIPTION AND PURPOSE OF BILL

House Bill 40 amends Act 140 of 1947, known as the CPA Law, by deleting the requirement for certificate of completing a minimum number of hours of attest activity, and replacing it with a broad-based experience requirement. Any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, which were gained through employment in government, industry, academia or public practice, as deemed satisfactory to the State Board of Accountancy and verified by a current licensee, will satisfy the one-year (subsection d) or two-year (subsection e) certification experience requirement.

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This change reflects the current language regarding attest activity in the Uniform Accountancy Act (UAA). The UAA is model legislation jointly developed by the National Association of State Boards of Accountancy (NASBA) and the American Institute of CPAs (AICPA) to provide a uniform national approach to the regulation of the accounting profession. Currently, twenty-five states and the District of Columbia have adopted the replacement of a specified number of hours of attest activity with a broad-based experience requirement for CPA certification.

The act shall take effect in 60 days.

FISCAL IMPACT:

The State Board of Accountancy anticipates incurring some costs to promulgate the amended regulations, equaling about \$6,000. However, potentially offsetting these costs will be savings realized by the Board, due to the substantial reduction in their work to evaluate and assess candidate-specific defined attest activity for the CPA credentialing experience qualification. Also, the Board expects to see a corresponding decrease in needed Board action, including the elimination of an estimated 10 to 20 provisional license denials per year as well as about 3 to 5 formal hearings on certification attest activity qualification issues. Thus, it is anticipated that there will be minimal fiscal impact to the Commonwealth as a result of the replacement of attest activity with broad-based experience for the CPA certification requirement.