

REVENUE: No revenue impact

FISCAL: No fiscal impact

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<b>Action:</b>	Do Pass
<b>Vote:</b>	6 - 0 - 1
<b>Yeas:</b>	Berger, Edwards C., Esquivel, Holvey, Rosenbaum, Schaufler
<b>Nays:</b>	0
<b>Exc.:</b>	Smith P.
<b>Prepared By:</b>	Theresa Van Winkle, Administrator
<b>Meeting Dates:</b>	5/4

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**WHAT THE MEASURE DOES:** Authorizes the Oregon Board of Accountancy to grant a time extension for business organizations of certified public accountants or public accountants to meet the existing requirement that a majority of the business's ownership belong to licensed accountants.

**ISSUES DISCUSSED:**

- How often an accounting firm's registration license must be renewed
- Why the change to current statute is needed
- What happens to a sole proprietor based accounting business when the owner passes away

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** Prior to 2000, the ownership of public accounting firms was entirely restricted to licensed accountants (either certified public accountants or licensed public accountants). This 100 percent licensed-owner requirement was relaxed by the 1999 Legislature to allow some unlicensed ownership interest if a majority of the firm was still held by licensees. Current law requires termination of a firm's registration if the ownership requirement is not met.

The death or disability of an owner could suddenly change the level of licensed-owner interest and bring the firm out of compliance. The Board of Accountancy considers it prudent to allow a reasonable extension of time for such a firm to return to compliance with the ownership requirement. SB 182 would authorize the board to allow an extension and to determine the process and conditions for approving such extensions by rule. The extension would not be available for new firms when they first register. The board also indicates that extensions would not be granted for events that could be anticipated, such as retirements.