

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass

Vote: 8 - 2 - 0

Yeas: Barton, Cameron, Edwards C., Esquivel, Kennemer, Matthews, Thatcher, Schaufler

Nays: Holvey, Witt

Exc.: 0

Prepared By: Theresa Van Winkle, Administrator

Meeting Dates: 5/22

WHAT THE MEASURE DOES: Authorizes accountants licensed in other states to practice public accountancy in Oregon without notification or payment of fees to the Oregon Board of Accountancy, if the accountants' requirements for licensing or qualifications are substantially equivalent to the state's requirements. Codifies permit fees at \$160 for an initial application or renewal and \$175 for a business organization. Provides authority for the board to censure an accountant licensed in another state and to discipline an Oregon licensee for the licensee's actions in another state. Directs the board to investigate complaints made by another state's accountancy board. Requires the board to adopt national accounting standards for providing professional services. Establishes an operational date of January 1, 2010. Declares an emergency, effective upon passage.

ISSUES DISCUSSED:

- Number of states who have enacted similar reciprocity statutes
- Rationale behind exempting notification for out-of-state accountants practicing in Oregon
- Who makes determination of whether a state's requirements meet or exceed Oregon's requirements
- How accountants are regulated in other states
- Reciprocity for Oregon-based accountants
- Number of complaints filed to the Board of Accountancy
- Level of legal remedies for consumers

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: In order for Oregon-based accountants to obtain a license, applicants must pass all sections of either the Uniform CPA examination or, for Public Accountants, required sections of the examination; pass a written examination on the Code of Professional Ethics for accountants; meet the required experience requirements; and demonstrate core competencies in areas such as skills in decision and critical analytical thinking, and the ability to express scope of work, findings, and conclusions.

Oregon participates in reciprocity with other states whose licensing is substantially equivalent, based on the requirements of 150 hours of education from an accredited higher education institution, including a baccalaureate degree, one year of work experience, and successful completion of all sections of the Uniform CPA Exam. Most states, with the notable exceptions of California (unless licensed under section 5093), Colorado, Delaware, Florida, New Hampshire, and Vermont, are substantially equivalent. Substantially-equivalent licensees must apply to practice public accounting in Oregon, with an annual fee of \$100. SB 867-A establishes a statutory definition for "substantially equivalent" and establishes that out-of-state licensees who meet Oregon's requirements can practice without notifying or paying fees to the Board of Accountancy. The measure stipulates that accountants covered under the measure's provisions must cease offering or rendering professional services if their license is no longer valid, and requires registration for out-of-state entities that provide certain types of professional services such as audits. 41 states have enacted legislation similar to SB 867-A, including Washington, Nevada, and Idaho.

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This summary has not been adopted or officially endorsed by action of the committee.