

REVENUE: No revenue impact

FISCAL: Minimal fiscal impact, no statement issued

Action: Do Pass
Vote: 5 - 0 - 1
Yeas: Atkinson, Burdick, Edwards, Girod, Starr
Nays: 0
Exc.: Beyer
Prepared By: Richard Berger, Administrator
Meeting Dates: 4/25

WHAT THE MEASURE DOES: Specifies that a permit to practice public accountancy expires if it has not been renewed for six years. Specifies that when a permit expires, the certified public accountant (CPA) certificate or public accountant (PA) license also expires. Allows the Board of Accountancy to restore an expired permit if it determines that it has just cause. Clarifies when the Board may grant inactive status to a licensee. Specifies that an inactive licensee must clearly state “inactive” next to their CPA or PA title on business cards, letterhead, and other professional documents. Specifies that licensees with inactive status are subject to the statutory regulations of the board.

ISSUES DISCUSSED:

- Ability of Board to cleanse rolls of lapsed licenses
- Impact on retired accountants
- What inactive accountants may and may not do
- Fee for inactive license

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: Under current statute, a permit that has lapsed for five years may be restored if the accountant satisfactorily demonstrates to the Board of Accountancy that the applicant is qualified. That provision would be eliminated by House Bill 3181 A and replaced with provisions for expired permits.

Currently, an inactive accountant cannot note that they are a CPA or PA. House Bill 3181 A allows the licensee to note they are a CPA-Inactive or PA-Inactive, and they would be allowed to practice under certain conditions. The fee for an inactive license is \$50 for a biennium, compared to \$160 for an active license. Continuing education requirements are also lower for an inactive licensee.

Examples of what an inactive licensee may do include being employed in government, education, and businesses that do not offer public accounting services. They may also utilize their skills and knowledge for other people or entities in an unpaid capacity. Someone with an inactive license may not practice public accountancy in a business that is registered as a public accounting firm or is a sole practitioner offering any of the following: issuance of financial statements, management advisory services, consulting services, preparation of tax returns, and providing advice on tax issues.

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