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SB 272

Testimony of

Martin Pittioni, Executive Director

Board of Accountancy

Chair Rep. Holvey, Vice-Chair Rep. Barton, Vice-Chair Representative Kennemer, for the record my name is Martin Pittioni. I am the Executive Director of the Board of Accountancy (Board), and I am pleased to be here today to provide testimony about the Board-proposed Senate Bill 272.

SB 272 is the consensus outcome of a process the Board began with its stakeholders in Fall 2013. The goal of that process was to undertake a broad, principles based review of Board statutes and rules. This was done in part to address the problematic outcomes when only patch-work updates to statutes and rules take place over a long period of time. Not surprisingly, the review found that the authorizing statutes of the Board were outdated and did not reflect best practices currently put in place by the Legislature for boards in Oregon. Similarly, the Board's current statutory language does not reflect many of the recommendations for board of accountancy regulatory language developed and vetted carefully by stakeholders nationally for inclusion in the model Uniform Accountancy Act (UAA).

The Board already addressed many of the deficiencies found at the level of its administrative rules through that process, and finished that in December 2014. Now, we respectfully ask that you help us institute the language fixes we need at the statutory level that have been identified through that same negotiation process.

In broad summary, the proposed fixes in SB 272 at the statutory level include the following:

- 1) The bill provides for a much needed update to the definition of attest and report in our statutes, reflecting nationally vetted language in the UAA to address the evolution of the profession, an update that will help the Board in its mission to protect the public. Board Vice Chair Scott Wright will focus his testimony on that critical aspect of SB 272.
- 2) Beyond that change in the definition of attest, the bill consolidates and rewrites existing authority of the Board into one section of the Board's statutes (ORS 673.410) and in the process reflects much cleaner language. What was accomplished there is language much closer to the UAA, while leaving untouched the borders of the Board's current authority, except as follows:



a) The Board under this bill has much clearer authority for rulemaking, replacing current isolated references and authorities to that effect in statute.

b) The Board gains clear authority to hold licensees practicing in Oregon legally under the authority of an out-of state license accountable. This does not change the policy put in place by the Legislature in 2009 (SB 867) to allow such practice – it simply clarifies and ensures that with that practice privilege also comes accountability for the services provided. This is directly consistent with the UAA and has the full support of our stakeholders.

c) The Board gains clearer authority to emergency suspend licensees in egregious cases, of course with all the provisions and caveats applicable to such a process put in place by the Administrative Procedures Act Chapter 183 Attorney General Model Rules for Contested Cases that the Board must follow.

d) The Board gains clear authority to establish its own fund in the Oregon State Treasury, which is common practice for many Other Funds agencies, and utilizes the standard language in use by Legislative Counsel for that purpose.

I close with emphasizing that all the language before you, including but not limited to the critical update to the definition of attest, was very carefully negotiated between the Board and the Oregon Society of CPAs (OSCPA), and the Oregon Association of Independent Accountants (OAIA). SB 272 represents a consensus product which on behalf of the Board I respectfully ask you to support. To our knowledge, there are no amendments being worked on for this bill, and the Board would thus appreciate your consideration of moving this bill to the Senate floor without amendments.

Finally, I would like to publicly thank Mark Mayer from the Office of Legislative Counsel, who was instrumental in helping us craft the many necessary cleanups in Board statutes and conforming amendments, and ensuring that the language before you reflected best practices also from the stand point of his office.

I would be happy to answer any questions by the Committee.