

SB 21 STAFF MEASURE SUMMARY**House Committee On Business and Labor**

Action Date: 05/03/17**Action:** Do pass and be placed on the Consent Calendar.**Vote:** 9-0-0-0**Yeas:** 9 - Barreto, Bynum, Doherty, Evans, Fahey, Hack, Heard, Holvey, Kennemer**Fiscal:** Has minimal fiscal impact**Revenue:** No revenue impact**Prepared By:** Jan Nordlund, LPRO Analyst

WHAT THE MEASURE DOES:

Provides authorization to the Board of Accountancy to disclose confidential information to certain public entities. Requires public entities receiving such information to take reasonable steps to maintain the confidentiality of the information. Declares emergency, effective on passage.

ISSUES DISCUSSED:

- 2011 legislation provided no ability to share documents when investigation is pending
- Assurance that measure does not allow for release of information received from Department of Revenue under ORS 314.991

EFFECT OF AMENDMENT:

No amendment.

BACKGROUND:

The Board of Accountancy is the state agency responsible for licensing and providing oversight of over 9,100 certified public accountants, municipal auditors and public accounting firms. As part of this responsibility, the Board is authorized to take disciplinary action against firms and individuals, including revocation or suspension of privileges or censure, for violations including fraud, gross negligence, incompetence, criminal violations, and violations of statutory requirements. To this end, the Board is also authorized to conduct investigations of alleged violations that are subject to Board discipline.

House Bill 2067 (2011) permitted the Board to not disclose information related to a pending investigation. Prior to that measure's passage, all investigatory information was subject to disclosure, even confidential information or other information not otherwise subject to public disclosure, which raised concerns about unnecessary and potentially damaging disclosure during investigations. This change in 2011, however, did not authorize the Board to cooperate with law enforcement and other state and federal regulatory entities while the investigation is pending, meaning that those entities were required to issue a subpoena to access the information.

Senate Bill 21 allows the Board of Accountancy to share information as necessary with law enforcement, district attorneys and the Oregon Department of Justice while an investigation is pending. The receiving agencies and entities are directed to take reasonable steps to maintain confidentiality of the information.