

House Bill 887 Final Testimony.pdf

Uploaded by: Giavante Hawkins

Position: FAV



MARYLAND SOCIETY OF ACCOUNTING AND TAX PROFESSIONALS

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February 10, 2025

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Honorable Members of the House Economic Matters Committee
Maryland General Assembly
11 Bladen Street
Annapolis, MD 21401

RE: House Bill 887 - Accountants - Reciprocal Licenses – Qualifications

Dear Chair and Members of the Committee:

The Maryland Society of Accounting and Tax Professionals, Inc. (MSATP) represents the voices of over 2,000 tax and accounting professional members. Our members, who are tax and accounting professionals, serve over 700,000 Maryland residents. We strongly support House Bill 887, which would streamline and modernize the reciprocal licensing process for certified public accountants seeking to practice in Maryland.

The timing of this legislation is particularly critical as the accounting profession undergoes significant transformation nationwide. Several states have begun modifying their traditional 150-hour education requirement for CPA licensure, allowing candidates to sit for the Uniform CPA Examination with 120 hours while completing the remaining 30 hours post-examination. This shift in the professional landscape makes it imperative that Maryland's reciprocal licensing framework be both robust and adaptable.

The proposed legislation appropriately recognizes the Uniform CPA Examination as the fundamental benchmark of professional competency. This approach is especially important as states adopt varying pathways to licensure while maintaining the examination as the consistent standard of professional knowledge. By focusing on successful completion of the Uniform CPA Examination rather than state-specific educational requirements, Maryland can maintain high professional standards while adapting to evolving industry practices.

Experienced CPAs relocating to Maryland from states with modified education requirements face unnecessary delays and administrative burdens, despite having demonstrated their competency through years of practice and successful completion of the same Uniform CPA Examination. These delays particularly impact our ability to address the growing demand for accounting professionals in Maryland's expanding business sectors.

The bill maintains essential consumer protections by requiring out-of-state practitioners to submit to Maryland's jurisdiction and comply with our state's professional standards. Importantly, the requirements for attest services remain appropriately stringent, ensuring that sensitive work continues to be properly regulated. This balanced approach allows Maryland to welcome qualified professionals while protecting public interests.

By modernizing our reciprocal licensing process now, Maryland can position itself advantageously as the profession continues to evolve. This proactive stance will help address the anticipated shortage of CPAs while maintaining the high standards that Maryland residents expect and deserve from accounting professionals.

For these reasons, MSATP strongly encourages a favorable report on House Bill 887. This legislation would remove unnecessary barriers while ensuring Maryland remains competitive in attracting and retaining qualified accounting professionals in an evolving regulatory landscape.

Respectfully submitted,

Giavante' Hawkins

Giavante' Hawkins
Maryland Society of Accounting and Tax Professionals

HB887 - MACPA Written Testimony _ FAVORABLE.pdf

Uploaded by: Rebekah Brown

Position: FAV



HB887 - Accountants - Reciprocal Licenses - Qualifications
House Economic Matters Committee
February 12, 2025
Legislative Position: FAVORABLE

Dear Chair Wilson and members of the Committee:

Founded in 1901, the Maryland Association of CPAs is a state-wide organization dedicated to advancing the CPA profession. Our members serve thousands of Maryland residents and businesses.

Maryland's Accountancy Act allows Certified Public Accountants (CPAs) licensed in other states to practice **temporarily** in Maryland without a Maryland-specific license, provided they meet certain conditions. This "mobility" concept helps CPAs serve clients across state lines and grants businesses efficient access to the expertise they need.

With the rising cost of education and increasing workforce challenges, many states are considering adjusting CPA licensure standards to create additional pathways to licensure that would alter education requirements in favor of increasing experience requirements. As other states adopt these new pathways, Maryland's current statutes lack provisions to accommodate these changes, effectively restricting CPA mobility. Maryland must act now to stay competitive and support its business community. Without updates, out-of-state CPAs may face extra licensing steps, creating unnecessary barriers and adversely affecting Maryland businesses.

MACPA supports HB887 to enhance mobility for CPAs licensed in other states and the Maryland Board of Public Accountancy supports this concept.

HB887 will allow CPAs who passed the Uniform CPA Exam and are licensed in good standing in their home state—regardless of educational differences—to temporarily practice in Maryland without additional licensing. This would align Maryland with changes adopted by other states while maintaining professional standards.

Benefits of Enhanced Mobility:

1. **Access to Expertise:** Maryland businesses and residents will continue to have access to financial expertise without licensing delays.
2. **Economic Competitiveness:** Seamless CPA practice supports business growth and economic development.
3. **Consumer Protection:** The Maryland Board of Public Accountancy will maintain oversight, ensuring high professional standards.

HB887 is a practical step to support businesses and keep Maryland aligned with national CPA standards while safeguarding consumers.

For more information about this position, please contact Mary Beth Halpern marybeth@macpa.org or Nick Manis nmanis@maniscanning.com.

HB887 - Bensky Testimony _ Favorable.pdf

Uploaded by: Tamara Bensky

Position: FAV

HB887 - Accountants - Reciprocal Licenses - Qualifications
House Economic Matters Committee
February 12, 2025
Legislative Position: FAVORABLE

Chair Wilson and Members of the Committee,

My name is Tamara Bensky, and I am a licensed Certified Public Accountant in Maryland. I wish to express my support for House Bill 887. While I am not speaking on behalf of the Maryland Board of Public Accountancy, I recently completed my term as an appointed Board member and have firsthand knowledge of the Board's discussions and perspectives on this issue. In addition, I am a partner in an accounting firm with 20 offices across the country and CPA mobility is a critical part of our business.

Maryland currently benefits from CPA mobility provisions that allow qualified CPAs licensed from other states to **temporarily** practice within our jurisdiction without additional licensing requirements. However, as other states introduce new pathways to CPA licensure, the language in our existing law could pose challenges to continue this practice mobility.

House Bill 887 addresses these concerns by ensuring that actively licensed CPAs seeking to temporarily practice in Maryland via practice privilege may continue to do so.

Importantly, House Bill 887 preserves the Maryland Board of Accountancy's authority to enforce compliance with state laws and professional standards. Individuals practicing under the mobility provisions will remain subject to the Board's jurisdiction, ensuring that public protection and professional accountability are upheld.

During my tenure on the Maryland Board of Accountancy, we recognized the importance of practice privilege, and the Board has expressed its support for the concept of maintaining CPA license mobility.

As someone who has served as a regulator for the CPA profession and someone who employs CPAs in many states across the country, I can attest to the importance of maintaining practice privilege for CPAs.

For these reasons, I respectfully urge the committee to issue a **favorable report** on House Bill 887.

Thank you.

Tamara Bensky, CPA
11 Quarterhorse Court
Owings Mills, MD 21117

HB 887_MD State Board of Public Accountancy_FWA .d

Uploaded by: John Dove

Position: FWA

CPA BOARD LETTER OF SUPPORT WITH AMENDMENTS ON HB887.

TO: House Economic Matters
FROM: Jan Williams, CPA Board Chair
DATE: 2/12/2025
BILL: HB 887 Accountants - Reciprocal Licenses - Qualifications

The Maryland State Board of Accountancy (“the Board”) appreciates the opportunity to provide its comments on HB 887. The legislation would alter the qualifications for an individual licensed in another state as a Certified Public Accountant (CPA) to be able to practice in Maryland.

The Board strongly favors enactment of HB 887 and offers a minor language change, which is to change the name of the legislation from “Accountants – Reciprocal Licenses - Qualifications” to “Accountants – Licensed Out of State Practice Privilege - Qualifications. “Reciprocal Licenses” refers to granting a Maryland CPA license to a CPA who is licensed by another state while “Out of State Practice Privilege” refers to the practice of accounting in Maryland by CPAs who are licensed by another state and whose principal place of business is outside of Maryland.

The remainder of the Board’s comments relate to why the Board believes enactment of HB 887 is in the best interest of the citizens of the state of Maryland, consistent with the role and obligations of the Board.

The Board’s support for HB 887 is based on three principles: Flexibility, Complexity and State Deference/Process, as I will discuss.

We understand part of the reason for the introduction of HB 887 is to address the dearth of students entering the accounting profession and becoming CPAs, the advancing age and imminent retirements of many existing CPAs, and the profession’s continued lack of diversity; collectively commonly referred to as the accounting “Pipeline” issue. The Pipeline issue has created a challenge for the accounting profession, businesses looking to hire CPAs, and the public, whose interests state boards of accountancy like Maryland’s are entrusted to protect.

State boards of accountancy and CPA societies from various states, concerned about the growing impact of the Pipeline issue in their states, have begun efforts to address the problem. Several states, notably Minnesota and Ohio, have introduced

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legislation to amend their 150-hour Education statutes to allow alternative pathways for licensure, which would substitute one year of experience for the 30 additional credit hours of education. Other states, such as New Jersey, have developed innovative rules regarding experiential learning.

Some of these approaches would depart, even slightly, from the current statutory and regulatory scheme regulating the practice of accountancy in Maryland. Without the changes proposed by HB 887, out-of-state licensed CPAs from these innovative states would lose their ability to practice in Maryland under the concept referred to as CPA Practice Privilege, or “Mobility” for short.

Mobility allows for the interstate practice of accountancy in Maryland by out of state licensed CPAs. HB 887 would provide the Board ‘flexibility’ to continue to allow Mobility to CPAs licensed in states which are changing their statutes to provide alternative pathways to licensure. The proposed legislation provides safeguards to ensure that, while states may innovate, a minimum competency is retained by requiring out of state licensed CPAs to have earned a bachelor’s degree (and required accounting courses), completed one year of work experience, and passed the Uniform CPA Examination. Additionally, under current Maryland law, those CPAs are also subject to the personal and subject matter jurisdiction of the Board and must comply with the laws and regulations of the Board.

If HB 881 is not enacted, CPAs licensed in other states under alternative pathways would be subject to an extremely ‘complex’ system whereby the Board would need to determine whether an out of state CPA would be entitled to practice accounting in Maryland under Mobility. Those unable to meet our state’s current licensing criteria could be required to complete additional education and/or specified experience to use Mobility. The Board believes such complexity would further discourage individuals from becoming CPAs, add additional costs to practicing accounting, reduce competition, and create significantly more work for the Board staff.

The last point, “State Deference/Process” relates to the Board’s belief that there should be greater faith in the competency and capability of state boards of accountancy to evaluate and quickly respond to changes taking place in their states. Just as some states are mostly rural and some mostly urban, there also should be acknowledgment that every state may not have the same changes and challenges to the accounting profession in their state, businesses, and CPA firm employers.

If our current "pipeline" crisis has taught the profession anything, it is that we must engage students on their level, while ensuring the protection of the public interest. Students have many career choices, multitudes more than a mere decade or two ago. Technology alone in the last several years has altered how as well as what is learned. As a result, the practice of accounting and work of CPAs are similarly changing at a very rapid pace. The concept of education is melding with work and experience and are becoming two sides of the same learning. We cannot hope to predict what education, or work will look like in the next several years let alone the next decade. HB 887 will help the Board to be more proactive and to continue the important interstate practice of accounting.

Once again, the Board appreciates the opportunity to provide its comments on HB 887 and is happy to respond to any questions or comments.

Sincerely,

Jan L. Williams, Ph.D., CPA

CPA Board Chair