

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulations
Department of Labor, Licensing, and Regulation
(DLS Control No. 14-312)**

Overview and Legal and Fiscal Impact

These regulations define various terms and alter various requirements relating to continuing education for certified public accountants.

The regulations present no legal issues of concern.

There is no fiscal impact on State or local agencies.

Regulations of COMAR Affected

Department of Labor, Licensing, and Regulation:

Board of Public Accountancy: Continuing Education: COMAR 09.24.02.01-.06

Legal Analysis

Background

A licensed public accountant must currently complete at least 80 hours of continuing education over a two-year licensing cycle in order to renew the license for a subsequent two-year term. If the licensee earns more than 80 hours in a given licensing cycle, the State Board of Public Accountancy is required to credit the excess hours towards the continuing education requirement for the following term. Statute requires the board to ensure that the continuing education program (1) establishes a high standard of practice in the profession; (2) provides for programs in specialized areas of the profession; (3) provides a licensee with a choice of programs; and (4) allows for programs that are available at reasonable intervals throughout the State.

Summary of Regulations

The regulations define five continuing education terms and alter various aspects of the continuing education requirements. Specifically, the regulations:

- specify that a licensee must complete a minimum of 80 hours of continuing education prior to submitting an application for license renewal;
- clarify that the continuing education requirement does not apply to the first license renewal;

- specify that, although excess professional *ethics* credit hours may not be used to satisfy the professional ethics credit-hour requirement for a subsequent cycle (“carried forward”), the credit hours may be carried forward to satisfy the *general* continuing education requirement;
- clarifies that a maximum of 80 credit hours may be carried forward to satisfy the requirement for the following license term (given the 80-hour requirement per term, this is a technical or clarifying change only);
- alter the standards by which the board computes continuing education credit hours for teachers, lecturers, or discussion leaders;
- repeal a requirement that an applicant complete 80 credit hours of continuing education before applying for a license if the applicant is not licensed in another state or jurisdiction and the applicant passed the examination more than four years before applying;
- alter the standards for qualifying a group continuing education program, university or college course, other program, or peer review for credit;
- establish standards for qualifying a continuing education publication or service as a teacher, lecturer, or discussion leader for credit;
- establish standards by which the board computes continuing education credit hours for peer reviews;
- establish standards by which the board computes continuing education credit hours for continuing education publications;
- alter documentation requirements for a group continuing education program, university or college course, or other program;
- establish documentation requirements for a peer review, continuing education publication, or service as a teacher, lecturer, or discussion leader;
- specify that the documentation requirements for reinstatement of a license are the same as those for license renewal; and
- establish standards by which the board computes continuing education credit hours for an applicant for reinstatement of a license.

Legal Issue

The regulations present no legal issues of concern.

Statutory Authority and Legislative Intent

The Department of Labor, Licensing, and Regulation cites §§ 2-207(a), 2-311, and 2-312 of the Business Occupations and Professions Article as authority for the regulations. Specifically, § 2-311(c)(3)(ii) authorizes a licensee to renew a license for a subsequent two-year term if the licensee submits evidence of compliance with the continuing education requirement and meets other requirements. Section 2-312 requires the board to adopt regulations to require continuing education as a condition of license renewal (other than the first renewal); requires the board to credit excess hours over the required 80-hours for a two-year licensing cycle; and requires the board to allow a licensee to satisfy the continuing education requirement through choice of participation in a variety of programs. Section 2-207(a) more broadly authorizes the board to adopt regulations to carry out Title 2 of the Business Occupations and Professions Article. This authority is correct and complete. The regulations comply with the legislative intent of the law.

Technical Corrections and Special Notes

The term “carry forward hours” is not used in the regulations, as the regulations instead refer to credit hours that have been, may, or may not be “carried forward.” The department has agreed to substitute “carried forward” as the applicable defined term in 09.24.02.02, with the following definition: “means eligible to be counted towards the continuing education requirement for the following 2-year licensing term.”

Additionally, the department has agreed to correct a typographical error in current law in 09.24.02.04B(2)(d) and (e) by adding an “and” to connect the last two paragraphs in the subsection.

Fiscal Analysis

There is no fiscal impact on State or local agencies.

Agency Estimate of Projected Fiscal Impact

The department advises that the regulations are technical and clarifying in nature and, therefore, have minimal or no impact on State or local governments. The Department of Legislative Services concurs.

Impact on Budget

There is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulations have minimal or no economic impact on small businesses in the State. The Department of Legislative Services concurs.

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