

**Maryland General Assembly
Department of Legislative Services**

**Proposed Regulation
Department of Labor, Licensing, and Regulation
(DLS Control No. 16-096)**

Overview and Legal and Fiscal Impact

This regulation eliminates the fee charged by the State Board of Public Accountancy for a license verification certificate.

The regulation presents no legal issues of concern.

Special fund revenues decrease by \$8,500 annually beginning in fiscal 2017. Expenditures are not directly affected.

Regulation of COMAR Affected

Department of Labor, Licensing, and Regulation:

Board of Public Accountancy: General Regulations: COMAR 09.24.01.09

Legal Analysis

Background

On September 15, 2015, Governor Larry Hogan announced a plan to reduce or eliminate a number of fees across State government. Governor Hogan announced a second round of fee reductions or eliminations on May 12, 2016. This regulation is part of the second round of reductions or eliminations. Additional information regarding Governor Hogan's fee reduction initiative may be found [here](#).

Summary of Regulation

The State Board of Public Accountancy currently charges a \$25 fee to prepare a license verification certificate, which is generally requested by licensees seeking a CPA license in another state. This regulation eliminates the fee for the license verification certificate.

Legal Issues

The regulation presents no legal issues of concern.

Statutory Authority and Legislative Intent

The Department of Labor, Licensing, and Regulation cites §§ 2-102, 2-207, 2-209, 2-304 through 2-307, 2-309, 2-311, 2-313, and 2-416 of the Business Occupations and Professions

Article as authority for the regulation. This authority is overinclusive. Although relevant to the general regulations of the State Board of Public Accountancy, only two of the cited sections address the board's authority relating to fees. Section 2-207 authorizes the board to adopt regulations to carry out the title, and § 2-209 specifically authorizes the board to set by regulation reasonable fees for its services. The remaining cited authority is not relevant to this regulation.

The relevant authority is correct and complete. However, if elimination of the fee affects the balance of the State Board of Public Accountancy Fund to the extent that the board would be unable to carry out its responsibilities, the regulation may not reflect the legislative intent of the law.

Fiscal Analysis

Special fund revenues decrease by \$8,500 annually beginning in fiscal 2017. Expenditures are not directly affected.

Agency Estimate of Projected Fiscal Impact

The department advises that special fund (State Board of Public Accountancy Fund) revenues decrease by \$8,500 annually due to the elimination of the \$25 license verification certificate fee, beginning in fiscal 2017. The State Board of Public Accountancy issues approximately 340 license verification certificates annually. The Department of Legislative Services concurs but notes that the revenue reduction in fiscal 2017 may be slightly less than this estimate due to the effective date of the regulation.

Impact on Budget

The estimated annual revenue reduction associated with the regulation is not anticipated to meaningfully affect the balance of the State Board of Public Accountancy Fund, which, according to the department, is expected to be \$705,000 as of July 1, 2017. Fiscal 2017 revenues (absent the regulation) are estimated to be \$726,000, while fiscal 2017 expenditures are estimated to be \$665,000, resulting in a closing fund balance of \$766,000 at the end of fiscal 2017. Thus, there is no impact on the State operating or capital budget.

Agency Estimate of Projected Small Business Impact

The department advises that the regulation has minimal or no impact on small businesses. The Department of Legislative Services concurs and notes that the eliminated fee is relatively small and is not paid by licensees on a recurring basis.

Contact Information

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