

Department of Legislative Services
 Maryland General Assembly
 1999 Session

FISCAL NOTE
Revised

House Bill 637 (Chairman, Economic Matters Committee)
 (Departmental - Labor, Licensing and Regulation)

Economic Matters

Licensed Certified Public Accountants - Qualifications

This departmental bill requires an applicant for an initial license as a certified public accountant to complete practical work experience that is approved by the State Board of Public Accountancy and that: (1) includes providing any type of service or advice involving the use of accounting, attest, management advisory, financial advisory, tax, or consulting skills; (2) is performed under the direction of a licensed certified public accountant, or an appropriately qualified professional as determined by the board; and (3) is obtained through employment in government, industry, academia, or public practice.

Applicants applying before October 1, 2000 must complete 1,000 hours of work experience over a six-month to three-year period. Applicants applying after October 1, 2000 must complete 2,000 hours of work experience over a one-year to three-year period.

Fiscal Summary

State Effect: General fund revenues could decrease by \$2,300 in FY 2000 due to a decline in licensees and associated fees. Out-year revenue projections reflect annualization, a biannual licensing schedule, 2% growth in the profession, a \$15 application fee, and a \$40 renewal fee.

(in dollars)	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004
GF Revenues	(\$2,300)	(\$4,500)	(\$8,300)	(\$16,500)	(\$20,300)
GF Expenditures	0	0	0	0	0
Net Effect	(\$2,300)	(\$4,500)	(\$8,300)	(\$16,500)	(\$20,300)

Note: () = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: The Department of Labor, Licensing, and Regulation has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment. (The attached assessment does not reflect amendments to the bill.)

Fiscal Analysis

State Effect: There are approximately 17,000 licensed Certified Public Accountants in Maryland. Because Maryland is one of the only states that currently does not require practical experience as a condition for licensure, Maryland is attractive to many accountants seeking an initial license. The State Board of Public Accountancy expects the bill to result in 150 fewer new licensees in fiscal 2000 and 300 fewer new licensees annually thereafter. Given that the initial fee is \$15, general fund revenues could decline by \$2,300 in fiscal 2000. Out-year revenue projections reflect annualization, a biannual licensing schedule, 2% growth in the profession, a \$15 application fee, and a \$40 renewal fee.

Information Source(s): Department of Labor, Licensing, and Regulation

Fiscal Note History: First Reader - February 26, 1999

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