

Department of Legislative Services
Maryland General Assembly
2001 Session

FISCAL NOTE
Revised

Senate Bill 640 (Senator Sfikas)

Economic and Environmental Affairs

Economic Matters

Certified Public Accountants - Waiver of Examination Requirements

This bill alters one of the waiver of examination requirements for a certified public accountant (CPA) who seeks State licensing by reciprocity. It provides that an applicant may be granted a waiver if after passing the Uniform Public Accountancy Examination, the applicant has obtained, outside of this State, four years experience within the last ten years immediately preceding submission of the application.

Additionally, the State Board of Public Accountancy must adopt regulations implementing the bill.

The bill is effective June 1, 2001.

Fiscal Summary

State Effect: Potential minimal increase in general fund revenues due to a minimal increase in the number of licensed CPAs. Expenditures would not be affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: A person may be granted a waiver of State licensing requirements (licensed by reciprocity) if the person: (1) provides evidence that, at the time the applicant was licensed by another state or country, the applicant met educational, examination, and experience requirements that were substantially equivalent to those then

required under Maryland law; or (2) has practiced full time as a CPA for *five* out of the last ten years immediately preceding the application date in another state or country, and passed the Uniform Public Accountancy Examination. Other requirements must also be met.

Background: The National Association of State Boards of Accountancy (NASBA) model law, the Uniform Accountancy Act (UAA), for its state affiliates, includes a provision to allow out-of-state CPAs to be licensed by reciprocity if the CPA has been licensed as a full-time CPA for four out of the last ten years immediately preceding the application date by another state or by a recognized authority of another country in a manner comparable to practicing certified public accountancy in the state in which the applicant is seeking licensure.

There are 463 licensed CPA firms in Maryland.

State Fiscal Effect: The Department of Labor, Licensing, and Regulation advises that the bill provides a less rigorous standard than the existing one, and that as a result 36 additional applicants could be considered for licensure annually. With an application fee of \$50, this would increase revenues by \$1,800 annually.

Additional Information

Prior Introductions: None.

Cross File: None.

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

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