

**Department of Legislative Services**  
Maryland General Assembly  
2001 Session

**FISCAL NOTE**

House Bill 86 (Chairman, Economic Matters Committee)  
(Departmental – Labor, Licensing and Regulation)

Economic Matters

Economic and Environmental Affairs

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**Certified Public Accountancy - Permits - Firm Ownership by Nonlicensees**

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This departmental bill allows an individual who is not a certified public accountant (CPA) to have an ownership interest in an accountancy firm provided that a simple majority of the owners are certified public accountants and the non-CPA owner is an active participant in the partnership, limited liability company, or corporation.

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**Fiscal Summary**

**State Effect:** The bill's changes could be handled with existing budgeted resources.

**Local Effect:** None.

**Small Business Effect:** The Department of Labor, Licensing, and Regulation (DLLR) has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

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**Analysis**

**Current Law:** All owners of a certified public accounting firm must be certified public accountants certified by Maryland or another state.

**Background:** The National Association of State Boards of Accountancy (NASBA) permits firms with non-CPA owners to join its organization. In addition to the NASBA membership rules, the Uniform Accountancy Act (UAA), the recommended model law for NASBA's state affiliates, includes a provision to allow non-CPA owners. The bill

seeks to make Maryland law consistent with the recognized national accounting professional standards and recommendations.

There are 463 licensed CPA firms in Maryland. Many CPA firms already offer a variety of business services but current law prohibits the firms from rewarding top producing staff that work in business services such as consulting with an ownership interest.

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### **Additional Information**

**Prior Introductions:** None.

**Cross File:** None.

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

**Fiscal Note History:** First Reader – January 22, 2001  
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