Unofficial Copy C2 2004 Regular Session 4lr0095

By: Chairman, Economic Matters Committee (By Request - Departmental - Labor, Licensing and Regulation)

Introduced and read first time: January 16, 2004

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

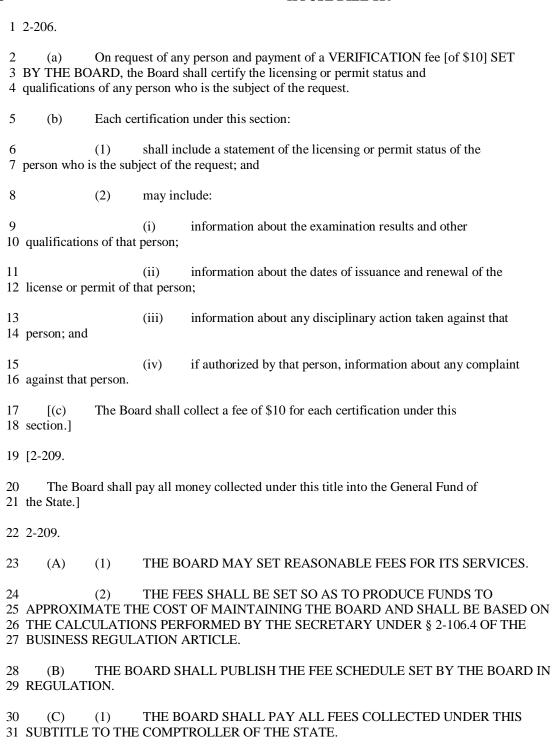
2 State Board of Public Accountancy - Special Fund

- 3 FOR the purpose of establishing a State Board of Accountancy Fund as a continuing,
- 4 nonlapsing special fund in the Department; requiring that the Fund be used for
- 5 certain purposes; authorizing the State Board of Public Accountancy to set
- 6 certain fees; specifying the use of certain fees; directing the payment of certain
- 7 fees to the Fund; changing the classification of certain fees; providing that
- 8 certain fees remain in effect until certain other fees are adopted and made
- 9 effective; and generally relating to the authority of the Department of Labor,
- 10 Licensing, and Regulation and the State Board of Public Accountancy.
- 11 BY repealing and reenacting, with amendments,
- 12 Article Business Occupations and Professions
- 13 Section 2-101, 2-206, 2-304, 2-308(b)(3), 2-309(a)(2), 2-311(c)(2), 2-312(e),
- 14 2-313(a)(2), (c), and (d)(3), 2-314, 2-315(a)(1)(vii), 2-319(b), 2-320(a)(5),
- 15 2-404(a)(2), 2-405(a)(2), 2-407(b)(2) and (c)(2), 2-414(b), and 2-416(d)(3)
- 16 Annotated Code of Maryland
- 17 (2000 Replacement Volume and 2003 Supplement)
- 18 BY repealing
- 19 Article Business Occupations and Professions
- 20 Section 2-209
- 21 Annotated Code of Maryland
- 22 (2000 Replacement Volume and 2003 Supplement)
- 23 BY adding to
- 24 Article Business Occupations and Professions
- 25 Section 2-209
- 26 Annotated Code of Maryland
- 27 (2000 Replacement Volume and 2003 Supplement)
- 28 BY adding to

1 2 3 4	Article - Business Regulation Section 2-106.3 and 2-106.4 Annotated Code of Maryland (1998 Replacement Volume and 2003 Supplement)						
5 6	SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:						
7	Article - Business Occupations and Professions						
8	2-101.						
9	(a) In this title the following words have the meanings indicated.						
10	(b) "Board" means the State Board of Public Accountancy.						
11 12	(c) "License" means, unless the context requires otherwise, a license issued by the Board to practice certified public accountancy.						
	(D) "LICENSE FEE" MEANS THE FEE PAID IN CONNECTION WITH THE ISSUANCE OR RENEWAL OF A LICENSE OR THE ISSUANCE OF A RECIPROCAL LICENSE AND A LIMITED LICENSE.						
	[(d)] (E) "Licensed certified public accountant" means, unless the context requires otherwise, an individual licensed by the Board to practice certified public accountancy.						
	[(e)] (F) "Permit" means, unless the context requires otherwise, a permit issued by the Board to allow a partnership or corporation to operate a business through which an individual may practice certified public accountancy.						
22 23	(G) "PERMIT FEE" MEANS THE FEE PAID IN CONNECTION WITH THE ISSUANCE OR RENEWAL OF A PERMIT OR THE ISSUANCE OF A LIMITED PERMIT.						
24 25	[(f)] (H) "Practice certified public accountancy" means to perform any of the following accountancy services:						
26	(1) conducting an audit of financial statements; or						
27 28	(2) providing a written certificate or opinion on the correctness of the information or on the fairness of the presentation of the information in:						
29	(i) a financial statement;						
30	(ii) a report;						
31	(iii) a schedule; or						
32	(iv) an exhibit.						

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34 BUSINESS REGULATION ARTICLE.



THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE STATE

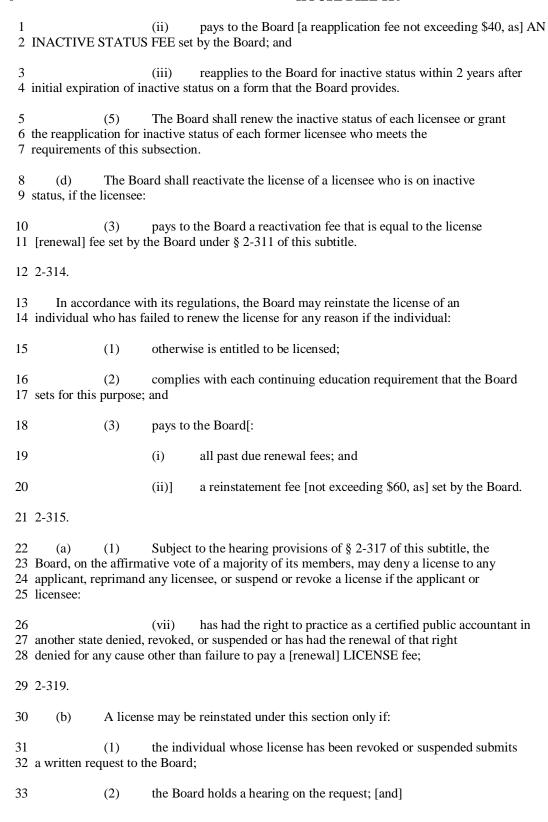
33 BOARD OF PUBLIC ACCOUNTANCY FUND ESTABLISHED UNDER § 2-106.3 OF THE

		a license s	shall:			
provides; and	(4)					
-	(1) d	submit to	o the Board an application on the form that the Board			
	(2)	pay to th	e Board or the Board's designee:			
AND		(I)	A NONREFUNDABLE APPLICATION FEE SET BY THE BOARD;			
the cost of th	e require		an examination fee set by the Board in an amount not to exceed ation.			
2-308.						
(b)	The Boa	rd may g	rant a waiver under this section only if the applicant:			
	(3)	pays to the	he [Board an application fee of \$50; and] BOARD:			
		(I)	THE NONREFUNDABLE APPLICATION FEE SET BY THE BOARD			
		(II)	A LICENSE FEE SET BY THE BOARD; AND			
2-309.						
(a) If an applicant qualifies for a license under this subtitle, the Board shall send the applicant a notice that states that:						
	(2) se to the		ot of a [\$15] license fee SET BY THE BOARD, the Board will			
2-311.						
(c) Before a license expires, the licensee periodically may renew it for an additional 2-year term, if the licensee:						
	(2) pard; and		he Board a [renewal] LICENSE fee [not exceeding \$40, as]			
2-312.						
(e) wishing to c	(1) onduct ap		rd may enter into written agreements with qualified persons programs.			
	(2)	A person	seeking approval by the Board for this purpose shall:			
	d	(i)	submit to the Board an application on the form that the Board			
	AND the cost of the 2-308. (b) AND 2-309. (a) send the apprissue a licene 2-311. (c) additional 2-set by the Both 2-312. (e) wishing to compare the cost of the c	the cost of the require 2-308. (b) The Boa (3) AND 2-309. (a) If an apprend the applicant a result of the applicant and (2) issue a license to the 2-311. (c) Before a additional 2-year term (2) set by the Board; and 2-312. (e) (1) wishing to conduct applicant and (2)	provides; and (2) pay to the (I) AND (II) the cost of the required examinated examin			

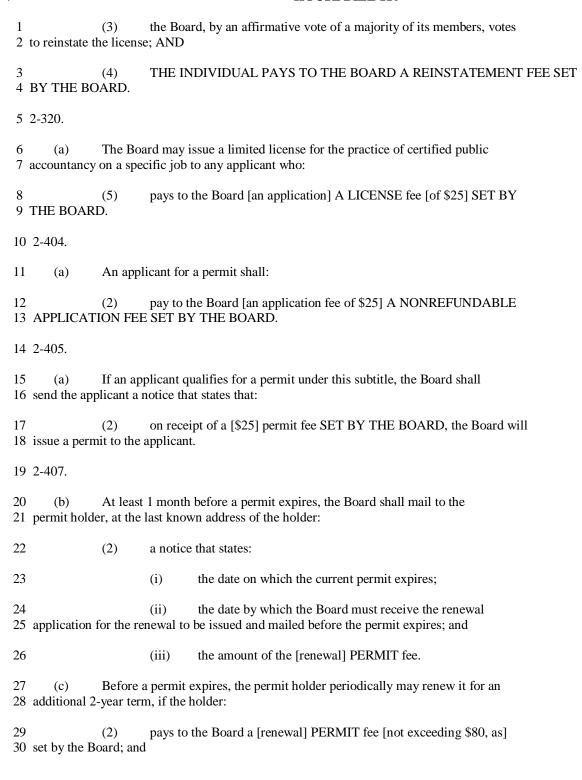
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1 2	A CONTINUING ED	(ii) UCATIO	pay [an application fee, not exceeding \$200, as] TO THE BOARD ON PROVIDER FEE set by the Board.			
3	(3) each even-numbered y		ents entered into under this section shall expire on April 30 of			
5	2-313.					
6 7	(a) The Boa status certificate to the		place a licensee on inactive status and issue an inactive e, if the licensee:			
8 9	(2) \$20, as] set by the Box		he Board an inactive status [application] fee [not exceeding			
10 11	(c) (1) section, the licensee l		licensee on inactive status renews it as provided in this status on the first December 31 that comes:			
12		(i)	after the inactive status certificate is issued to the licensee; and			
13		(ii)	in an even-numbered year.			
14 15	(2) Board shall mail to th		1 month before the inactive status of a licensee expires, the e, at the last known address of the licensee:			
16		(i)	a renewal application form; and			
17		(ii)	a notice that states:			
18			1. the date on which the inactive status expires;			
19 20	application for the rea	newal to	2. the date by which the Board must receive the renewal be mailed before the inactive status expires; and			
21			3. the amount of the [renewal] INACTIVE STATUS fee.			
22 23	(3) it for an additional 2-		in inactive status expires, the licensee periodically may renew in, if the licensee:			
24		(i)	otherwise is entitled to be placed on inactive status;			
25 26	exceeding \$20, as] se	(ii) t by the I	pays to the Board [a renewal] AN INACTIVE STATUS fee [not Board; and			
27 28	Board provides.	(iii)	submits to the Board a renewal application on the form that the			
	(4) After an inactive status expires, the former licensee may reapply for inactive status without meeting the continuing education requirements to qualify for an active license under § 2-312 of this subtitle, only if the former licensee:					
32		(i)	otherwise is entitled to be placed on inactive status;			

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- 1 2-414. 2 (b) A permit may be reinstated under this section only if: 3 the partnership, limited liability company, or corporation whose 4 permit has been revoked or suspended submits a written request to the Board; 5 (2) the Board holds a hearing on the request; [and] the Board, by an affirmative vote of a majority of its members, votes 6 7 to reinstate the permit; AND THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION 9 PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD. 10 2-416. 11 (d) In order to qualify for a limited permit under this section a corporation, 12 limited liability company, or partnership shall: 13 pay to the Board [an application fee of \$25] THE PERMIT FEE SET BY (3) 14 THE BOARD. 15 **Article - Business Regulation** 16 2-106.3. THERE IS A STATE BOARD OF PUBLIC ACCOUNTANCY FUND IN THE 17 (A) (1) 18 DEPARTMENT. 19 (2) THE FUND IS A CONTINUING, NONLAPSING SPECIAL FUND. 20 (1) EXCEPT AS OTHERWISE PROVIDED BY LAW, THE STATE BOARD OF

21 PUBLIC ACCOUNTANCY SHALL PAY ALL FEES COLLECTED TO THE COMPTROLLER OF

24 (C) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT

THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE FUND.

- 25 AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES
- 26 OF THE STATE BOARD OF PUBLIC ACCOUNTANCY.
- 27 (D) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER 28 THE FUND.
- 29 (E) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND
- 30 TRANSACTIONS OF THE FUND AS PROVIDED UNDER § 2-1220 OF THE STATE
- 31 GOVERNMENT ARTICLE.

(2)

22 THE STATE.

23

- 1 2-106.4.
- 2 (A) IN CONSULTATION WITH THE STATE BOARD OF PUBLIC ACCOUNTANCY,
- 3 THE SECRETARY SHALL ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS
- 4 ATTRIBUTABLE TO THE BOARD.
- 5 (B) THE BOARD SHALL ESTABLISH FEES BASED ON THE CALCULATIONS
- 6 PROVIDED BY THE SECRETARY UNDER THIS SECTION.
- 7 (C) EACH FEE ESTABLISHED BY THE BOARD MAY NOT BE INCREASED
- 8 ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF
- 9 THE BOARD.
- 10 SECTION 2. AND BE IT FURTHER ENACTED, That any fees repealed under
- 11 this Act shall remain in full force and effect until the fees authorized to be set in
- 12 accordance with Section 1 of this Act are adopted by the State Board of Public
- 13 Accountancy and take effect.
- 14 SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take
- 15 effect June 1, 2004.