

Department of Legislative Services

Maryland General Assembly

2004 Session

FISCAL AND POLICY NOTE

House Bill 145

(Chairman, Economic Matters Committee)

(By Request – Departmental – Labor, Licensing, and Regulation)

Economic Matters

Education, Health, and Environmental Affairs

State Board of Public Accountancy - Grounds for Disciplinary Action

This departmental bill expands the grounds for disciplinary action by the State Board of Public Accountancy against an applicant or a licensee to include sanctions by another state, any unit of the State, or the federal government that do not involve a suspension or revocation of a license.

Fiscal Summary

State Effect: Expanding the grounds for disciplinary action would not affect the finances or operations of the Board of Public Accountancy within the Department of Labor, Licensing, and Regulation (DLLR).

Local Effect: None.

Small Business Effect: DLLR has determined that this bill has minimal or no impact on small business (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: The State Board of Public Accountancy has the authority to deny a license to an applicant, reprimand a licensee, or suspend or revoke a license, if the applicant or licensee has had the right to practice as a certified public accountant denied, suspended, or revoked by another state, any unit of the State, or the federal government.

The board may also deny a license to an applicant, reprimand a licensee, or suspend or revoke a license, if the applicant or licensee: (1) fraudulently or deceptively obtains or attempts to obtain a license for the applicant or licensee or for another; (2) fraudulently or deceptively uses a license; (3) under the laws of the United States or of any state is convicted of a felony or of a misdemeanor that is directly related to the fitness and qualification of the applicant or licensee to practice certified public accountancy; (4) is guilty of fraud or other dishonesty in the practice of accountancy; (5) is guilty of gross negligence in the practice of accountancy; (6) violates any provision of a prohibited act including practicing without a license, providing services without a permit, misrepresentation as an authorized practitioner, or misrepresentation that a business may provide services; (7) has had the renewal of the right to practice in another state denied for any cause other than failure to pay a renewal fee; or (8) violates a rule of professional conduct adopted by the board.

Background: DLLR advises that the bill clarifies the Board of Public Accountancy's ability to address ethical and professional issues concerning the fitness of certified public accountants to hold a license in Maryland. The department further advises that the board, in concert with other state accountancy boards, is working with the Securities and Exchange Commission and the Public Corporation Accountancy Oversight Board to protect the interests of investors in public companies and further public interest in the preparation of informative, fair, and independent audit reports.

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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ncs/ljm

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