
By: **Delegates Krebs, Feldman, Jameson, Miller, and Stocksdale**

Introduced and read first time: February 11, 2005

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **State Board of Public Accountancy Fund**

3 FOR the purpose of establishing the State Board of Public Accountancy Fund as a
 4 special, nonlapsing fund in the Department of Labor, Licensing, and Regulation;
 5 requiring that the Fund be used for certain purposes; providing for an audit of
 6 the Fund; requiring the Secretary of Labor, Licensing, and Regulation, or a
 7 designee of the Secretary, to administer the Fund; requiring the Secretary, in
 8 consultation with the State Board of Public Accountancy, to annually calculate
 9 certain costs; authorizing the State Board of Public Accountancy to set certain
 10 fees, based on certain calculations, beginning on a certain date; requiring the
 11 Board to publish a certain fee schedule; repealing a provision of law requiring
 12 the Board to pay certain money into the General Fund of the State; requiring
 13 the Board to pay certain fees to the Comptroller beginning on or after a certain
 14 date; requiring the Comptroller to distribute certain fees to the Fund; requiring
 15 any unspent portion of the Fund in excess of a certain amount to revert to the
 16 General Fund of the State at the end of each fiscal year beginning on a certain
 17 date; prohibiting certain fees from increasing by more than a certain amount
 18 each year; providing that a certain reversion of funds shall occur on or before a
 19 certain date; establishing, increasing, repealing, and specifying the use of
 20 certain fees; defining certain terms; and generally relating to the State Board of
 21 Public Accountancy Fund.

22 BY repealing and reenacting, with amendments,

23 Article - Business Occupations and Professions

24 Section 2-101, 2-206, 2-304, 2-308(b)(3), 2-309(a), 2-311(c)(2), 2-312(e),
 25 2-313(a), (c), and (d), 2-314, 2-319(b), 2-320(a)(5), 2-404(a)(2),
 26 2-405(a)(2), 2-407(b)(2) and (c)(2), 2-414(b), and 2-416(d)(3)

27 Annotated Code of Maryland

28 (2004 Replacement Volume and 2004 Supplement)

29 BY repealing

30 Article - Business Occupations and Professions

31 Section 2-209

32 Annotated Code of Maryland

1 (2004 Replacement Volume and 2004 Supplement)

2 BY adding to

3 Article - Business Occupations and Professions

4 Section 2-209

5 Annotated Code of Maryland

6 (2004 Replacement Volume and 2004 Supplement)

7 BY adding to

8 Article - Business Regulation

9 Section 2-106.3 and 2-106.4

10 Annotated Code of Maryland

11 (2004 Replacement Volume)

12 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
13 MARYLAND, That the Laws of Maryland read as follows:

14 **Article - Business Occupations and Professions**

15 2-101.

16 (a) In this title the following words have the meanings indicated.

17 (b) "Board" means the State Board of Public Accountancy.

18 (c) "License" means, unless the context requires otherwise, a license issued by
19 the Board to practice certified public accountancy.

20 (D) "LICENSE FEE" MEANS THE FEE PAID IN CONNECTION WITH THE
21 ISSUANCE OR RENEWAL OF A LICENSE.

22 [(d)] (E) "Licensed certified public accountant" means, unless the context
23 requires otherwise, an individual licensed by the Board to practice certified public
24 accountancy.

25 [(e)] (F) "Permit" means, unless the context requires otherwise, a permit
26 issued by the Board to allow a partnership or corporation to operate a business
27 through which an individual may practice certified public accountancy.

28 (G) "PERMIT FEE" MEANS THE FEE PAID IN CONNECTION WITH THE ISSUANCE
29 OR RENEWAL OF A PERMIT OR THE ISSUANCE OF A LIMITED PERMIT.

30 [(f)] (H) "Practice certified public accountancy" means to perform any of the
31 following accountancy services:

32 (1) conducting an audit of financial statements; or

33 (2) providing a written certificate or opinion on the correctness of the
34 information or on the fairness of the presentation of the information in:

- 1 (i) a financial statement;
- 2 (ii) a report;
- 3 (iii) a schedule; or
- 4 (iv) an exhibit.

5 2-206.

6 (a) On request of any person and payment of a VERIFICATION fee of [~~\$10~~] \$20,
7 the Board shall certify the licensing or permit status and qualifications of any person
8 who is the subject of the request.

9 (b) Each certification under this section:

10 (1) shall include a statement of the licensing or permit status of the
11 person who is the subject of the request; and

12 (2) may include:

13 (i) information about the examination results and other
14 qualifications of that person;

15 (ii) information about the dates of issuance and renewal of the
16 license or permit of that person;

17 (iii) information about any disciplinary action taken against that
18 person; and

19 (iv) if authorized by that person, information about any complaint
20 against that person.

21 [(c) The Board shall collect a fee of \$10 for each certification under this
22 section.]

23 [2-209.

24 The Board shall pay all money collected under this title into the General Fund of
25 the State.]

26 2-209.

27 (A) (1) BEGINNING ON JULY 1, 2006, THE BOARD MAY SET BY REGULATION
28 REASONABLE FEES FOR ITS SERVICES.

29 (2) THE FEES SHALL BE:

30 (I) SET SO AS TO PRODUCE FUNDS TO APPROXIMATE THE COST OF
31 MAINTAINING THE BOARD; AND

1 (II) BASED ON THE CALCULATIONS PERFORMED BY THE
2 SECRETARY OF LABOR, LICENSING, AND REGULATION UNDER § 2-106.4 OF THE
3 BUSINESS REGULATION ARTICLE.

4 (B) THE BOARD SHALL PUBLISH THE FEE SCHEDULE SET BY THE BOARD.

5 (C) (1) BEGINNING ON OR AFTER JULY 1, 2005, THE BOARD SHALL PAY ALL
6 FEES COLLECTED UNDER THIS TITLE TO THE COMPTROLLER.

7 (2) THE COMPTROLLER SHALL DISTRIBUTE THE FEES TO THE STATE
8 BOARD OF PUBLIC ACCOUNTANCY FUND ESTABLISHED IN § 2-106.3 OF THE BUSINESS
9 REGULATION ARTICLE.

10 2-304.

11 An applicant for a license shall:

12 (1) submit to the Board an application on the form that the Board
13 provides; and

14 (2) pay to the Board or the Board's designee:

15 (I) A NONREFUNDABLE APPLICATION FEE OF \$25; AND

16 (II) an examination fee set by the Board in an amount not to exceed
17 the cost of the required examination.

18 2-308.

19 (b) The Board may grant a waiver under this section only if the applicant:

20 (3) pays to the Board [an application fee of \$50]:

21 (I) A NONREFUNDABLE APPLICATION FEE OF \$25; AND

22 (II) A LICENSE FEE OF \$50; and

23 2-309.

24 (a) If an applicant qualifies for a license under this subtitle, the Board shall
25 send the applicant a notice that states that:

26 (1) the applicant has qualified for a license; and

27 (2) on receipt of a [\$15] \$50 license fee, the Board will issue a license to
28 the applicant.

29 2-311.

30 (c) Before a license expires, the licensee periodically may renew it for an
31 additional 2-year term, if the licensee:

1 (2) pays to the Board a [renewal] LICENSE fee [not exceeding \$40, as set
2 by the Board] OF \$50; and

3 2-312.

4 (e) (1) The Board may enter into written agreements with qualified persons
5 wishing to conduct approved programs.

6 (2) A person seeking approval by the Board for this purpose shall:

7 (i) submit to the Board an application on the form that the Board
8 provides; and

9 (ii) pay [an application fee, not exceeding \$200, as set by the
10 Board] A CONTINUING EDUCATION PROVIDER FEE OF \$250.

11 (3) Agreements entered into under this section shall expire on April 30 of
12 each even-numbered year.

13 2-313.

14 (a) The Board shall place a licensee on inactive status and issue an inactive
15 status certificate to the licensee, if the licensee:

16 (1) submits to the Board an application for inactive status on the form
17 that the Board provides;

18 (2) pays to the Board an inactive status [application fee not exceeding
19 \$20, as set by the Board] FEE OF \$30; and

20 (3) except for the continuing education requirements set under § 2-312
21 of this subtitle, qualifies for an active license.

22 (c) (1) Unless a licensee on inactive status renews it as provided in this
23 section, the licensee loses that status on the first December 31 that comes:

24 (i) after the inactive status certificate is issued to the licensee; and

25 (ii) in an even-numbered year.

26 (2) At least 1 month before the inactive status of a licensee expires, the
27 Board shall mail to the licensee, at the last known address of the licensee:

28 (i) a renewal application form; and

29 (ii) a notice that states:

30 1. the date on which the inactive status expires;

31 2. the date by which the Board must receive the renewal
32 application for the renewal to be mailed before the inactive status expires; and

- 1 (i) all past due renewal fees; and
2 (ii) BOARD a reinstatement fee [not exceeding \$60, as set by the
3 Board] OF \$75.

4 2-319.

5 (b) A license may be reinstated under this section only if:

6 (1) the individual whose license has been revoked or suspended submits
7 a written request to the Board;

8 (2) the Board holds a hearing on the request; [and]

9 (3) the Board, by an affirmative vote of a majority of its members, votes
10 to reinstate the license; AND

11 (4) THE INDIVIDUAL PAYS TO THE BOARD A REINSTATEMENT FEE OF
12 \$75.

13 2-320.

14 (a) The Board may issue a limited license for the practice of certified public
15 accountancy on a specific job to any applicant who:

16 (5) pays to the Board [an application fee of \$25] A LICENSE FEE OF \$50.
17 2-404.

18 (a) An applicant for a permit shall:

19 (2) pay to the Board [an] A NONREFUNDABLE application fee of \$25.

20 2-405.

21 (a) If an applicant qualifies for a permit under this subtitle, the Board shall
22 send the applicant a notice that states that:

23 (2) on receipt of a [\$25] \$100 permit fee, the Board will issue a permit to
24 the applicant.

25 2-407.

26 (b) At least 1 month before a permit expires, the Board shall mail to the
27 permit holder, at the last known address of the holder:

28 (2) a notice that states:

29 (i) the date on which the current permit expires;

1 (ii) the date by which the Board must receive the renewal
2 application for the renewal to be issued and mailed before the permit expires; and

3 (iii) the amount of the [renewal] PERMIT fee.

4 (c) Before a permit expires, the permit holder periodically may renew it for an
5 additional 2-year term, if the holder:

6 (2) pays to the Board a [renewal fee not exceeding \$80, as set by the
7 Board] PERMIT FEE OF \$100; and

8 2-414.

9 (b) A permit may be reinstated under this section only if:

10 (1) the partnership, limited liability company, or corporation whose
11 permit has been revoked or suspended submits a written request to the Board;

12 (2) the Board holds a hearing on the request; [and]

13 (3) the Board, by an affirmative vote of a majority of its members, votes
14 to reinstate the permit; AND

15 (4) THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION
16 PAYS TO THE BOARD A REINSTATEMENT FEE OF \$100.

17 2-416.

18 (d) In order to qualify for a limited permit under this section a corporation,
19 limited liability company, or partnership shall:

20 (3) pay to the Board [an application fee of \$25] A PERMIT FEE OF \$50.

21 **Article - Business Regulation**

22 2-106.3.

23 (A) IN THIS SECTION, "FUND" MEANS THE STATE BOARD OF PUBLIC
24 ACCOUNTANCY FUND.

25 (B) (1) THERE IS A STATE BOARD OF PUBLIC ACCOUNTANCY FUND IN THE
26 DEPARTMENT.

27 (2) THE FUND IS A SPECIAL, NONLAPSING FUND.

28 (C) THE FUND CONSISTS OF FEES COLLECTED BY THE BOARD AND
29 DISTRIBUTED TO THE FUND UNDER § 2-209 OF THE BUSINESS OCCUPATIONS AND
30 PROFESSIONS ARTICLE.

1 (D) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT
2 AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES
3 OF THE STATE BOARD OF PUBLIC ACCOUNTANCY.

4 (E) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER
5 THE FUND.

6 (F) THE LEGISLATIVE AUDITOR SHALL AUDIT THE ACCOUNTS AND
7 TRANSACTIONS OF THE FUND AS PROVIDED IN § 2-1220 OF THE STATE GOVERNMENT
8 ARTICLE.

9 (G) (1) AT THE END OF EACH FISCAL YEAR BEGINNING ON JUNE 30, 2006,
10 ANY UNSPENT PORTION OF THE FUND IN EXCESS OF 10% OF THAT YEAR'S
11 DOCUMENTED DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE BOARD
12 REVERTS TO THE GENERAL FUND OF THE STATE.

13 (2) THE REVERSION OF FUNDS PROVIDED FOR IN PARAGRAPH (1) OF
14 THIS SUBSECTION SHALL OCCUR ON OR BEFORE OCTOBER 1 OF THE FOLLOWING
15 FISCAL YEAR TO ALLOW THE DEPARTMENT TO FULLY ACCOUNT FOR THE BOARD'S
16 DIRECT AND INDIRECT COSTS.

17 2-106.4.

18 (A) IN CONSULTATION WITH THE STATE BOARD OF PUBLIC ACCOUNTANCY,
19 THE SECRETARY SHALL ANNUALLY CALCULATE THE DIRECT AND INDIRECT COSTS
20 ATTRIBUTABLE TO THE BOARD.

21 (B) BEGINNING ON JULY 1, 2006, THE BOARD SHALL ESTABLISH FEES BASED
22 ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS SECTION.

23 (C) EACH FEE ESTABLISHED BY THE BOARD MAY NOT BE INCREASED
24 ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF
25 THE BOARD.

26 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take
27 effect June 1, 2005.