
By: **Delegates Krebs and Feldman**

Introduced and read first time: January 13, 2006

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 a certain date;
14 requiring the Comptroller to distribute certain fees to the Fund; prohibiting
15 certain fees from increasing by more than a certain amount each year; altering,
16 establishing, and specifying the use of certain fees; defining certain terms;
17 requiring that certain fees in effect on a certain date shall remain in full force
18 and effect until certain other fees are adopted and made effective; providing for
19 the delayed effective date of this Act; and generally relating to the State Board
20 of Public Accountancy Fund.

21 BY repealing and reenacting, with amendments,
22 Article - Business Occupations and Professions
23 Section 2-101, 2-206, 2-304, 2-308(b)(3), 2-309(a), 2-311(b)(2)(iii) and (c)(2),
24 2-312(e), 2-313(a), (c), and (d), 2-314, 2-319(b), 2-320(a)(5), 2-321(b)(1)
25 and (e), 2-404(a)(2), 2-405(a)(2), 2-407(b)(2) and (c)(2), 2-414(b), and
26 2-416(d)(3)
27 Annotated Code of Maryland
28 (2004 Replacement Volume and 2005 Supplement)

29 BY repealing
30 Article - Business Occupations and Professions
31 Section 2-209
32 Annotated Code of Maryland

1 (2004 Replacement Volume and 2005 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 2005 Supplement)

7 BY adding to

8 Article - Business Regulation

9 Section 2-106.5 and 2-106.6

10 Annotated Code of Maryland

11 (2004 Replacement Volume and 2005 Supplement)

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] SET
7 BY THE BOARD, the Board shall certify the licensing or permit status and
8 qualifications of any person 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, 2008, 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 § 2-106.6 OF THE
3 BUSINESS REGULATION ARTICLE.

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

5 (C) (1) BEGINNING ON JULY 1, 2007, THE BOARD SHALL PAY ALL FEES
6 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 § 2-106.5 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 SET BY THE BOARD;
16 AND

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

19 2-308.

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

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

22 (I) A NONREFUNDABLE APPLICATION FEE SET BY THE BOARD;
23 AND

24 (II) A LICENSE FEE SET BY THE BOARD; and

25 2-309.

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

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

29 (2) on receipt of a [\$15] license fee SET BY THE BOARD, the Board will
30 issue a license to the applicant.

1 2-311.

2 (b) At least 1 month before a license expires, the Board shall mail to the
3 licensee, at the last known address of the licensee:

4 (2) a notice that states:

5 (iii) the amount of the [renewal] LICENSE fee.

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

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

10 2-312.

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

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

14 (i) submit to the Board an application on the form that the Board
15 provides; and

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

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

20 2-313.

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

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

25 (2) pays to the Board an inactive status [application fee not exceeding
26 \$20, as] FEE set by the Board; and

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

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

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

32 (ii) in an even-numbered year.

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

3 (i) a renewal application form; and

4 (ii) a notice that states:

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

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

8 3. the amount of the [renewal] INACTIVE STATUS fee.

9 (3) Before an inactive status expires, the licensee periodically may renew
10 it for an additional 2-year term, if the licensee:

11 (i) otherwise is entitled to be placed on inactive status;

12 (ii) pays to the Board [a renewal fee not exceeding \$20, as set by
13 the Board] AN INACTIVE STATUS FEE SET BY THE BOARD; and

14 (iii) submits to the Board a renewal application on the form that the
15 Board provides.

16 (4) After an inactive status expires, the former licensee may reapply for
17 inactive status without meeting the continuing education requirements to qualify for
18 an active license under § 2-312 of this subtitle, only if the former licensee:

19 (i) otherwise is entitled to be placed on inactive status;

20 (ii) pays to the Board [a reapplication fee not exceeding \$40, as] AN
21 INACTIVE STATUS FEE set by the Board; and

22 (iii) reapplies to the Board for inactive status within 2 years after
23 initial expiration of inactive status on a form that the Board provides.

24 (5) The Board shall renew the inactive status of each licensee or grant
25 the reapplication for inactive status of each former licensee who meets the
26 requirements of this subsection.

27 (d) The Board shall reactivate the license of a licensee who is on inactive
28 status, if the licensee:

29 (1) complies with each continuing education requirement that the Board
30 sets for this purpose;

31 (2) submits to the Board an application for reactivation; and

32 (3) pays to the Board a reactivation fee that is equal to the license
33 [renewal] fee set by the Board under § 2-311 of this subtitle.

1 2-314.

2 In accordance with its regulations, the Board may reinstate the license of an
3 individual who has failed to renew the license for any reason if the individual:

4 (1) otherwise is entitled to be licensed;

5 (2) complies with each continuing education requirement that the Board
6 sets for this purpose; and

7 (3) pays to the Board[:

8 (i) all past due renewal fees; and

9 (ii)] a reinstatement fee [not exceeding \$60, as] set by the Board.

10 2-319.

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

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

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

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

17 (4) THE INDIVIDUAL PAYS TO THE BOARD A REINSTATEMENT FEE SET
18 BY THE BOARD.

19 2-320.

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

22 (5) pays to the Board [an application fee of \$25] A LICENSE FEE SET BY
23 THE BOARD.

24 2-321.

25 (b) An individual actively licensed as a certified public accountant in another
26 state may practice certified public accountancy in the State upon notifying the Board
27 of the individual's intent to practice under this section, if:

28 (1) the individual:

29 (i) verifies that the individual's principal place of business is
30 located outside the State; and

1 (ii) pays to the Board a notification fee [of \$50] SET BY THE BOARD;
2 and

3 (e) An individual who meets the requirements of this section may renew the
4 right to practice under this section by notifying the Board and paying a [renewal fee
5 of \$50] LICENSE FEE SET BY THE BOARD.

6 2-404.

7 (a) An applicant for a permit shall:

8 (2) pay to the Board [an] A NONREFUNDABLE application fee [of \$25]
9 SET BY THE BOARD.

10 2-405.

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

13 (2) on receipt of a [\$25] permit fee SET BY THE BOARD, the Board will
14 issue a permit to the applicant.

15 2-407.

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

18 (2) a notice that states:

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

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

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

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

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

27 2-414.

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

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

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

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

3 (4) THE PARTNERSHIP, LIMITED LIABILITY COMPANY, OR CORPORATION
4 PAYS TO THE BOARD A REINSTATEMENT FEE SET BY THE BOARD.

5 2-416.

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

8 (3) pay to the Board [an application fee of \$25] A PERMIT FEE SET BY
9 THE BOARD.

10 **Article - Business Regulation**

11 2-106.5.

12 (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS
13 INDICATED.

14 (2) "BOARD" MEANS THE STATE BOARD OF PUBLIC ACCOUNTANCY.

15 (3) "FUND" MEANS THE STATE BOARD OF PUBLIC ACCOUNTANCY FUND.

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

18 (2) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT SUBJECT
19 TO § 7-302 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

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

23 (D) THE FUND SHALL BE USED TO COVER THE ACTUAL DOCUMENTED DIRECT
24 AND INDIRECT COSTS OF FULFILLING THE STATUTORY AND REGULATORY DUTIES
25 OF THE BOARD.

26 (E) THE SECRETARY OR A DESIGNEE OF THE SECRETARY SHALL ADMINISTER
27 THE FUND.

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

31 2-106.6.

32 (A) IN THIS SECTION, "BOARD" MEANS THE STATE BOARD OF PUBLIC
33 ACCOUNTANCY.

1 (B) IN CONSULTATION WITH THE BOARD, THE SECRETARY SHALL ANNUALLY
2 CALCULATE THE DIRECT AND INDIRECT COSTS ATTRIBUTABLE TO THE BOARD.

3 (C) BEGINNING ON JULY 1, 2008, THE BOARD SHALL ESTABLISH FEES BASED
4 ON THE CALCULATIONS PROVIDED BY THE SECRETARY UNDER THIS SECTION.

5 (D) EACH FEE ESTABLISHED BY THE BOARD MAY NOT BE INCREASED
6 ANNUALLY BY MORE THAN 12.5% OF THE EXISTING AND CORRESPONDING FEE OF
7 THE BOARD.

8 SECTION 2. AND BE IT FURTHER ENACTED, That the fees set forth in Title
9 2, Subtitles 2, 3, and 4 of the Business Occupations and Professions Article in effect on
10 June 30, 2007, shall remain in full force and effect until the fees authorized to be set
11 by the State Board of Public Accountancy in accordance with this Act are adopted and
12 made effective.

13 SECTION 3. AND BE IT FURTHER ENACTED, That, except as provided in
14 Section 2 of this Act, this Act shall take effect July 1, 2007.