

Department of Legislative Services  
Maryland General Assembly  
2025 Session

FISCAL AND POLICY NOTE  
First Reader

Senate Bill 51 (Senator Ellis)  
Education, Energy, and the Environment

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Accountants - Reciprocal Licenses - Qualifications

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This bill alters the qualifications for an individual licensed as a certified public accountant (CPA) in another state to practice certified public accountancy in Maryland. Specifically, the bill repeals a requirement that the National Association of State Boards of Accountancy (NASBA) verify that the requirements of the other state be substantially equivalent with the licensure requirements of the Uniform Accountancy Act. Instead, the bill requires that the individual pass the Uniform CPA Examination to qualify for the license in the other state (in addition to holding a valid license as a CPA from the other state, pursuant to current requirements). The bill also repeals related provisions regarding NASBA standards for out-of-state CPAs.

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Fiscal Summary

**State Effect:** The State Board of Public Accountancy can implement the bill's changes with existing resources. Special fund revenues and expenditures for the board are likely not materially affected.

**Local Effect:** None.

**Small Business Effect:** Minimal.

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Analysis

**Current Law:** The State Board of Public Accountancy regulates and licenses individuals acting as CPAs and issues permits to business entities that provide public accountancy services. Practicing certified public accountancy means, among other things, to (1) conduct an audit; (2) conduct any examination, review, or agreed-upon procedures engagement to

be performed in accordance with the Statements on Standards for Attestation Engagements issued by the American Institute of Certified Public Accountants; or (3) provide a written certificate or opinion offering positive or negative assurance or full or limited assurance on the correctness of the information or on the fairness of the presentation of the information in certain documentation.

### *Licensed Out-of-state Accountants*

Generally, an individual must be licensed by the board to practice certified public accountancy in the State. However, an individual whose principal place of business is outside the State is exempt from that requirement and must be considered to have qualifications that are substantially equivalent to a Maryland licensee if (1) the individual holds a valid license as a CPA from another state and (2) the requirements of that state have been verified by NASBA as substantially equivalent with the licensure requirements of the Uniform Accountancy Act. An individual who qualifies for an exemption in this manner may exercise all of the privileges of a licensed CPA in Maryland.

An individual who is licensed by a state that the NASBA National Qualification Appraisal Service has *not* verified to be in substantial equivalence with the CPA licensure requirements of the Uniform Accountancy Act may exercise all of the privileges of a licensed CPA if the individual (1) retains a principal place of business outside of the State; (2) holds a valid license as a CPA; and (3) has qualifications that the NASBA National Qualification Appraisal Service has determined to be substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act. An individual who has passed the Uniform CPA Examination and holds a valid license issued by another state prior to January 1, 2012, may be exempt from the education requirements in the Uniform Accountancy Act. The bill repeals these requirements.

Regardless of any other provision of law, an individual who qualifies for a practice privilege under these provisions may practice certified public accountancy in the State (1) by any means, including mail, telephone, or electronic communication and (2) without any notice, fee, or other submission to the board.

As a condition of the practice privilege, an individual who is licensed by another state and qualifies pursuant to the above requirements must consent to (1) the personal and subject matter jurisdiction and disciplinary authority of the board; (2) complying with State public accountancy laws and regulations adopted by the board; (3) the appointment of the board that issued the individual's license to practice certified public accountancy as the agent upon which process may be served in any action or proceeding by the board against the individual; and (4) ceasing to offer or provide services in Maryland (*i.e.*, that are subject to State regulation) if the license issued by the state in which the individual's principal place of business is located is no longer valid.

An individual authorized to practice certified public accountancy under these provisions and under the practice privilege may represent to the public (by use of specified titles, by description of services, methods, or procedures, or otherwise) that the individual is authorized to practice certified public accountancy in Maryland. However, a sole practitioner who is practicing in Maryland under the practice privilege may only perform attest services, as specified, through a firm that holds a permit issued under State law.

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### **Additional Information**

**Recent Prior Introductions:** Similar legislation has not been introduced within the last three years.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Labor; Department of Legislative Services

**Fiscal Note History:** First Reader - January 28, 2025  
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