

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 63

(Chair, Economic Matters Committee)(By Request -
Departmental - Labor)

Economic Matters

Education, Energy, and the Environment

State Board of Public Accountancy - Sunset Extension and Report

This departmental bill extends the termination date for the State Board of Public Accountancy within the Maryland Department of Labor (MD Labor) by five years to July 1, 2030. MD Labor must submit a report to the Joint Audit and Evaluation Committee (JAEC) with information regarding the board (as determined by JAEC). **The bill takes effect June 1, 2025.**

Fiscal Summary

State Effect: Special fund revenues and expenditures for the board are maintained from FY 2026 through 2030. MD Labor and JAEC can handle the reporting requirement with existing resources.

Local Effect: None.

Small Business Effect: MD Labor has determined that this bill has a meaningful impact on small business (attached). The Department of Legislative Services (DLS) disagrees with this assessment as discussed below.

Analysis

Current Law/Background: The State Board of Public Accountancy regulates and licenses individuals acting as certified public accountants 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. To qualify for a license, an applicant must meet certain educational and experience criteria and pass the Uniform Certified Public Accountant Examination. Additionally, a firm that has an office in the State and either uses the title of “CPA” or “CPA firm” or performs certain services must have a permit issued by the board. To qualify for a permit, a firm must meet certain requirements depending on the type of firm.

The board is 1 of approximately 60 regulatory entities and activities subject to termination unless reauthorized periodically through statute. Under the Maryland Program Evaluation Act, these entities may also be subject to an evaluation by the Office of Program Evaluation and Government Accountability (OPEGA) within DLS prior to their termination. However, OPEGA may conduct an evaluation only if directed by specified entities or by legislation. The board is scheduled to terminate July 1, 2025; OPEGA was not asked to conduct an evaluation prior to its termination. Accordingly, the board has requested reauthorizing legislation.

Small Business Effect: MD Labor advises that the extension of the board has a meaningful impact on small businesses in the State, as any licensees must continue to adhere to board regulations. DLS disagrees that the bill has a meaningful impact and notes that it only extends existing requirements. Thus, the bill has no additional impact on licensees.

Additional Information

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

Designated Cross File: SB 261 (Chair, Education, Energy, and the Environment Committee)(By Request - Departmental - Labor) - Education, Energy, and the Environment.

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

Fiscal Note History: First Reader - January 14, 2025
km/mcr
Third Reader - February 14, 2025

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: State Board of Public Accountancy - Sunset Extension and Report

BILL NUMBER: HB 63

PREPARED BY: Christopher Dorsey

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

 WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

OR

 x WILL HAVE A MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES