

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 34 (Senators Ellis and Feldman)
Education, Energy, and the Environment

Certified Public Accountants - Licensure - Qualifications

This bill establishes alternative pathways to licensure as a certified public accountant (CPA) by the State Board of Public Accountancy. Under the bill, practical work experience requirements may be completed over a longer period, while educational and experiential requirements may be combined in alternative ways to qualify for a license.

Fiscal Summary

State Effect: The State Board of Public Accountancy can implement the bill's changes with existing resources. Special fund revenues may increase minimally to the extent additional individuals seek licensure.

Local Effect: None.

Small Business Effect: Potential meaningful.

Analysis

Bill Summary/Current Law:

State Board of Public Accountancy

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.

Qualifications and Educational Requirements

Under current law, among other requirements, an applicant for an initial license must complete practical work experience that is approved by the board and that:

- is obtained over a period of between one and three years (*six years* under the bill);
- includes providing any type of service or advice involving the use of accounting, attest, management advisory, financial advisory, tax, or consulting skills;
- is performed under the direction of a licensed CPA or an appropriately qualified professional, as determined by the board;
- is obtained through employment in government, industry, academia, or public practice; and
- amounts to 2,000 hours.

Under the bill, the 2,000 hours of practical work experience remains unchanged for candidates holding a relevant master's or bachelor's degree with 30 additional hours with a concentration in accounting or equivalent. However, for individuals holding a bachelor's degree without the required additional credit hours in accounting, the bill establishes an alternative requirement of 4,000 hours of practical experience.

Under current law, in order to *take the CPA examination*, an applicant must have satisfactorily completed 120 semester hours or their equivalent, and hold a bachelor's degree or higher. In order to *become licensed*, an applicant must have satisfactorily completed 150 hours or their equivalent, including the attainment of a bachelor's degree or higher. *Under the bill*, these semester hour requirements are repealed. Instead, the bill establishes alternative requirements, with certain bachelor's degree holders subject to greater practical work experience requirements. These requirements are shown in **Exhibit 1**.

Under current law (and generally unchanged under the bill), an applicant must have completed a curriculum that the board considers to constitute a major in accounting or a substantial equivalent, of which required credits or courses may be taken at any two or four-year regionally accredited institution of higher education. The required degree must be awarded by a school, college, university, or other institution that meets specified membership or accreditation requirements or is recognized and approved by the board. The board may use the services of any institution that it considers appropriate to determine what constitutes a "substantial equivalent" to a major in accounting; if it does so, the board may accept the determination as final.

Exhibit 1
Educational and Experiential Requirements
for CPA Applicants under the Bill

| <u>Degree Type</u> | <u>Practical Work Experience</u> | <u>Hours of Work Experience</u> |
|--|--------------------------------------|-------------------------------------|
| Master's degree with a concentration in accounting or equivalent | At least one year | 2,000 hours |
| Bachelor's degree <i>and an additional 30 semester credit hours</i> with a concentration in accounting or equivalent | At least one year | 2,000 hours |
| Bachelor's degree with a concentration in accounting or equivalent | At least two years | 4,000 hours |

Source: Department of Legislative Services

Small Business Effect: Small business accounting firms may benefit to the extent additional individuals choose to pursue licensure under the bill's more flexible educational and experiential work requirements. For instance, under the bill, individuals without additional academic credits beyond a bachelor's degree who may not have otherwise been eligible to pursue licensure may be able to do so, provided they meet the additional work experience required under the bill. Small businesses employing those individuals likely benefit.

Additional Comments: Virginia recently [established](#) alternative pathways to CPA licensure that are similar to the pathways established under the bill.

Additional Information

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

Designated Cross File: HB 643 (Delegate Valderrama, *et al.*) - Economic Matters.

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

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jg/mcr

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