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Uploaded by: Arthur Ellis

Position: FAV

ARTHUR ELLIS, CPA
Legislative District 28
Charles County

DEPUTY MAJORITY LEADER

Finance Committee

Senate Chair

Joint Committee on the
Management of Public Funds

Chair, Charles, St. Mary's and Calvert
Counties' Senate Delegation



THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

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3261 Old Washington Road
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Sponsor Written Testimony: Favorable

Senate Bill 51: Accountants – Reciprocal Licenses – Qualifications

January 28, 2025

Chair Feldman, Vice Chair Kegan, and esteemed of the Education, Energy, and the Environment Committee:

I am writing to respectfully request a favorable report from the Senate Finance Committee on Senate Bill 51. This legislation aims to amend the current qualifications for individuals licensed as certified public accountants (CPAs) in other states, facilitating their practice of certified public accountancy within Maryland.

The primary objective of Senate Bill 51 is to streamline the process for out-of-state CPAs to obtain reciprocal licenses in Maryland. By aligning our licensing requirements with those of other states, we can attract highly qualified accounting professional to our state, thereby enhancing the quality and competitiveness of our financial services sector. The Maryland Association of Certified Public Accountants (MACPA) has expressed strong support for this bill, emphasizing its importance in maintain CPA mobility and ensuring that Maryland remains an attractive destination for top-tier accounting talent. I believe that Senate Bill 51 will not only benefit the accounting profession, but also contribute positively to Maryland's economy by attracting skilled professionals and fostering a more dynamic business environment.

Thank you for your consideration.

Sincerely,

Handwritten signature of Arthur Ellis in blue ink.
Arthur Ellis

SB 051 Written Testimony.pdf

Uploaded by: Debra Roberts

Position: FAV

DLR Accounting Solutions

Debra L. Roberts

President

SB 051 – Accountants – Reciprocal Licenses - Qualifications

January 31, 2025

Education, Energy, and the Environment

Chairman and members of the Committee, thank you for the opportunity to provide testimony in support of SB 051 - Accountants – Reciprocal Licenses-Qualifications. My name is Debra Roberts, and I am the President of DLR Accounting Solutions.

This bill aims to remove restrictive qualifications required for licensing within the state. Certified Public Accountants (CPAs) must meet equivalent professional standards and continuing education requirements. Therefore, the existing language does not enhance the value of the license nor impose additional professional obligations. Enacting this bill will bring the state into alignment with most states in the United States, as well as Canada and South Africa.

Should this bill be enacted, it will enable many small CPA firms to operate within the state, potentially resulting in increased revenue through income tax, licensing fees, and employer taxes.

A handwritten signature in cursive script that reads "Debra L. Roberts". The signature is written in black ink and is positioned above the typed name and title.

Debra L. Roberts CPA Ph.D.

President

717-723-5286

Sentate Bill 51 Final Testimony.pdf

Uploaded by: Giavante Hawkins

Position: FAV



MARYLAND SOCIETY OF ACCOUNTING AND TAX PROFESSIONALS

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Giavante' Hawkins
Executive Director

January 8, 2025

Honorable Members of the Senate Education, Energy, and the Environment Committee Maryland General Assembly
Maryland General Assembly
11 Bladen Street
Annapolis, MD 21401

RE: Senate Bill 51 - Accountants - Reciprocal Licenses – Qualifications

Dear Chair and Members of the Committee:

The Maryland Society of Accounting and Tax Professionals, Inc. (MSATP) represents the voices of over 2,000 tax and accounting professional members. Our members, who are tax and accounting professionals, serve over 700,000 Maryland residents. We strongly support Senate Bill 51, which would streamline and modernize the reciprocal licensing process for certified public accountants seeking to practice in Maryland.

Over the years, we have witnessed numerous experienced CPAs relocating to Maryland from states like New Jersey, New York, and other jurisdictions, only to face burdensome and redundant licensing requirements. These professionals, despite having years or even decades of experience and having passed the same Uniform CPA Examination, must navigate complex administrative processes to practice in our state. This creates unnecessary barriers for skilled professionals who could immediately contribute to Maryland's economy and serve our communities.

The current NASBA requirement for verification of substantial equivalence is particularly challenging for these experienced practitioners, who have maintained spotless professional records in their original licensing states. Our members report that this process often delays their ability to serve clients in Maryland, sometimes for months, while adding no meaningful protection for the public. The proposed legislation would appropriately recognize the Uniform CPA Examination as the fundamental benchmark of professional competency, which these practitioners have already demonstrated.

This bill maintains all necessary consumer protections by requiring out-of-state practitioners to submit to Maryland's jurisdiction and comply with our state's professional standards. The requirements for attest services remain appropriately stringent, ensuring that sensitive work continues to be properly regulated. Meanwhile, the streamlined reciprocity process would allow experienced professionals to more quickly integrate into Maryland's business community.

For these reasons, MSATP strongly encourages a favorable report on Senate Bill 51. This legislation would remove unnecessary barriers while maintaining the high standards that Maryland residents expect and deserve from accounting professionals.

Respectfully submitted,

Giavante' Hawkins

Giavante' Hawkins
Maryland Society of Accounting and Tax Professionals



Sentate Bill 51 Final Testimony.pdf

Uploaded by: Giavante Hawkins

Position: FAV



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For these reasons, MSATP strongly encourages a favorable report on Senate Bill 51. This legislation would remove unnecessary barriers while maintaining the high standards that Maryland residents expect and deserve from accounting professionals.

Respectfully submitted,

Giavante' Hawkins

Giavante' Hawkins
Maryland Society of Accounting and Tax Professionals

SB 51 - MACPA Written Testimony _ FAVORABLE.pdf

Uploaded by: Rebekah Brown

Position: FAV



SB51 - Accountants - Reciprocal Licenses - Qualifications
Senate Education, Energy, and the Environment Committee
January 30, 2025
Legislative Position: FAVORABLE

Dear Chair Feldman and members of the Committee:

Founded in 1901, the Maryland Association of CPAs is a state-wide organization dedicated to advancing the CPA profession. Our members serve thousands of Maryland residents and businesses.

Maryland's Accountancy Act allows Certified Public Accountants (CPAs) licensed in other states to practice **temporarily** in Maryland without a Maryland-specific license, provided they meet certain conditions. This "mobility" concept helps CPAs serve clients across state lines and grants businesses efficient access to the expertise they need.

With the rising cost of education and increasing workforce challenges, many states are considering adjusting CPA licensure standards to create additional pathways to licensure that would alter education requirements in favor of increasing experience requirements. As other states adopt these new pathways, Maryland's current statutes lack provisions to accommodate these changes, effectively restricting CPA mobility. Maryland must act now to stay competitive and support its business community. Without updates, out-of-state CPAs may face extra licensing steps, creating unnecessary barriers and adversely affecting Maryland businesses.

MACPA supports SB 51 to enhance mobility for CPAs licensed in other states and the Maryland Board of Public Accountancy supports this concept.

SB 51 will allow CPAs who passed the Uniform CPA Exam and are licensed in good standing in their home state—regardless of educational differences—to temporarily practice in Maryland without additional licensing. This would align Maryland with changes adopted by other states while maintaining professional standards.

Benefits of Enhanced Mobility:

1. **Access to Expertise:** Maryland businesses and residents will continue to have access to financial expertise without licensing delays.
2. **Economic Competitiveness:** Seamless CPA practice supports business growth and economic development.
3. **Consumer Protection:** The Maryland Board of Public Accountancy will maintain oversight, ensuring high professional standards.

SB 51 is a practical step to support businesses and keep Maryland aligned with national CPA standards while safeguarding consumers.

For more information about this position, please contact Mary Beth Halpern marybeth@macpa.org or Nick Manis nmanis@maniscanning.com.

SB0051_MD State Board of Public Accountancy_FWA .d

Uploaded by: John Dove

Position: FWA

CPA BOARD LETTER OF SUPPORT WITH AMENDMENTS ON SB0051.

TO: Education, Energy and Environment
FROM: Jan Williams, CPA Board Chair
DATE: 1/27/2025
BILL: SB0051 Accountants - Reciprocal Licenses - Qualifications

The Maryland State Board of Accountancy (Board) appreciates the opportunity to provide its comments on SB 51. The legislation would alter the qualifications for an individual licensed in another state as a Certified Public Accountant (CPA) to be able to practice in Maryland.

The Board strongly favors enactment of SB 51 and offers a minor language change, which is to change the name of the legislation from “Accountants – Reciprocal Licenses - Qualifications” to “Accountants – Licensed Out of State Practice Privilege - Qualifications. “Reciprocal Licenses” refers to granting a Maryland CPA license to a CPA who is licensed by another state while “Out of State Practice Privilege” refers to the practice of accounting in Maryland by CPAs who are licensed by another state and whose principal place of business is outside of Maryland.

The remainder of the Board’s comments relate to why the Board believes enactment of SB 51 is in the best interest of the citizens of the state of Maryland, consistent with the role and obligations of the Board.

The Board’s support for SB 51 is based on three principles: Flexibility, Complexity and State Deference/Process, as I will discuss.

We understand part of the reason for the introduction of SB 51 is to address the dearth of students entering the accounting profession and becoming CPAs, the advancing age and imminent retirements of many existing CPAs, and the profession’s continued lack of diversity; collectively commonly referred to as the accounting ‘Pipeline’ issue. The Pipeline issue has created a challenge for the accounting profession, businesses looking to hire CPAs, and the public, whose interests state boards of accountancy like Maryland’s are entrusted to protect.

State boards of accountancy and CPA societies from various states, concerned about the growing impact of the Pipeline issue in their states, have begun efforts to address the problem. Several states, notably Minnesota and Ohio, have introduced

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legislation to amend their 150-Hour Education statutes to allow alternative pathways for licensure, which would substitute one year of experience for the 30 additional credit hours of education. Other states, such as New Jersey, have developed innovative rules regarding experiential learning.

Some of these approaches would depart, even slightly, from the current statutory and regulatory scheme regulating the practice of accountancy in Maryland. Without the changes proposed by SB 51, out-of-state licensed CPAs from these innovative states would lose their ability to practice in Maryland under the concept referred to as CPA Practice Privilege, or 'Mobility' for short.

Mobility allows for the interstate practice of accountancy in Maryland by out of state licensed CPAs. SB 51 would provide the Board 'flexibility' to continue to allow Mobility to CPAs licensed in states which are changing their statutes to provide alternative pathways to licensure. The proposed legislation provides safeguards to ensure that, while states may innovate, a minimum competency is retained by requiring out of state licensed CPAs to have earned a bachelor's degree (and required accounting courses), completed one year of work experience, and passed the Uniform CPA Examination. Additionally, under current Maryland law, those CPAs are also subject to the personal and subject matter jurisdiction of the Board and must comply with the laws and regulations of the Board.

If SB 51 is not enacted, CPAs licensed in other states under alternative pathways would be subject to an extremely 'complex' system whereby the Board would need to determine whether an out of state CPA would be entitled to practice accounting in Maryland under Mobility. Those unable to meet our state's current licensing criteria could be required to complete additional education and/or specified experience to use Mobility. The Board believes such complexity would further discourage individuals from becoming CPAs, add additional costs to practicing accounting, reduce competition, and create significantly more work for the Board staff.

The last point, 'State Deference/Process' relates to the Board's belief that there should be greater faith in the competency and capability of state boards of accountancy to evaluate and quickly respond to changes taking place in their states. Just as some states are mostly rural and some mostly urban, there also should be acknowledgment that every state may not have the same changes and challenges to the accounting profession in their state, businesses, and CPA firm employers.

If our current "pipeline" crisis has taught the profession anything, it is that we must engage students on their level, while ensuring the protection of the public interest. Students have many career choices, multitudes more than a mere decade or two ago. Technology alone in the last several years has altered how as well as what is learned. As a result, the practice of accounting and work of CPAs are similarly changing at a very rapid pace. The concept of education is melding with work and experience and are becoming two sides of the same learning. We cannot hope to predict what education, or work will look like in the next several years let alone the next decade. SB 51 will help the Board to be more proactive and to continue the important interstate practice of accounting.

Once again, the Board appreciates the opportunity to provide its comments on SB 51 and is happy to respond to any questions or comments.

Sincerely,

Jan L. Williams, Ph.D., CPA

CPA Board Chair