



THE STATE  
of **ALASKA**  
GOVERNOR MIKE DUNLEAVY

Department of Commerce,  
Community, & Economic  
Development

DIVISION OF CORPORATIONS, BUSINESS  
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May 11, 2021

The Honorable Ivy Spohnholz and the Honorable Zack Fields  
Co-Chairs, House Labor and Commerce Committee  
State Capitol Rooms 406 and 24  
Juneau, Alaska 99801

Re: Follow-up to Hearing on HB 44: PRACTICE OF ACCOUNTING; LICENSURE.

Dear Co-Chairs Spohnholz and Fields:

During the May 7, 2021 hearing on HB 44 relating to the practice of public accountancy, Representative Snyder requested additional detail on the potential impact of investigative costs of this legislation.

As noted verbally, states that have implemented the American Institute of Certified Public Accountants (AICPA) Uniform Accountancy Act (UAA) have not experienced notable increases in out-of-state violators or the cost of enforcement. Therefore, there is no amalgamated national data on the subject. We anticipate that Thomas Neill, CPA and current chair of the AICPA UAA committee will be available at the next hearing to answer questions regarding how firm mobility has been working nationally and in his home State of Washington.

To put the bill into perspective with current Alaska law, please note the following comparative data and existing mobility within licensing for public accountants:

**The board currently issues “Out-of-State” permits to firms that do not have a physical presence in the state but offer services to Alaska clients:**

- There are currently 98 active permits with an expiration date of December 31, 2021.
- Within the last 10 years, there have only been three (3) investigative cases regarding the “out-of-state” permits; two ended with no action and one with an imposition of civil fine.

**Alaska law already provides individual mobility for CPAs, which has not shown to have resulted in a spike in investigations:**

- AS 08.04.420 has been in place since 2008.
- In the last five years, there have been seven investigative cases involving CPAs with an out-of-state address. Only one of these cases resulted in reportable action—an imposition of civil fine. There is also one case currently under investigation.

In addition, please find the report of expenses for all programs for the last seven fiscal years, including a summary (p.1) and certified public accountancy (p. 12), attached to this letter. Investigative costs are highlighted in yellow.

We believe the concerns about investigative cost recovery are best addressed in a holistic division-wide approach instead of changing the division's accounting and budget structure to accommodate one program; and should take place outside of HB 44. We look forward to further conversations about this issue in the future.

Sincerely,



Sara Chambers  
Division Director

CC: Glenn Hoskinson, Legislative Liaison, Department of Commerce, Community, and Economic Development