

ALASKA STATE LEGISLATURE

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Session: January – April
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Official Business

Sponsor Statement HB 315 – Public Accounting

Today's businesses often have locations in multiple states and compliance responsibilities in multiple jurisdictions. Forty-five states recognize this fact and allow Certified Public Accountants (CPAs) the mobility necessary to operate in such a climate. Alaska does not. Certified Public Accountants licensed and located in another state are barred from serving clients in Alaska without obtaining a license and registering with the Alaska State Board of Public Accountancy.

House Bill 315 would change this fact, updating Alaska's uniform accountancy statutes to allow for CPA mobility. Mobility is the ability of a licensee to gain a practice privilege outside his principle place of business without additional licensing or fees. It allows licensed CPAs and CPA firms to practice across state jurisdictions with greater ease and is key to keeping Alaska's CPAs and CPA firms nationally competitive.

In addition to allowing for greater mobility, HB 315 alters the ownership requirements for public accounting firms. The accounting profession consists of more than just CPAs, non-CPA professionals often provide vital services for accounting firms. While these non-accountants enhance the firm's ability to serve their clients, Alaska law bars them from having any ownership in a CPA firm. Under current state law, public accounting firms can only be owned by CPAs. Alaska is one of only five states with such stringent requirements; most states allow non-CPAs to own a minority interest. House Bill 315 brings Alaska into line with the vast majority of states which allow non CPAs to have minority ownership in CPA firms. Such a change puts Alaskan CPA firms on equal footing with those firms practicing in Alaska under out-of- state permits.

Passage of HB 315 will allow consumers to receive timely services from CPAs best suited for the job, regardless of location and without the hindrance of filings, forms, and increased costs that currently typify the system. The bill will ensure that CPA firms in the state are able to provide the best services to their clients and remain competitive with non-Alaskan firms operating in the state under out-of-state permits.

I respectfully ask for your consideration of this bill and look forward to hearing your questions and concerns.

