

**HB**

**26**

<TARGET><BILL>HB 26</BILL><SUBJECT>HB  
26</SUBJECT><COMM>SFIN28</COMM></TARGET>

# SENATE FINANCE COMMITTEE REPORT

DATE: 3/27/13

FURTHER:

DATE TURNED  
IN TO OFFICE: \_\_\_\_\_

Finance Committee considered HOUSE BILL NO. 26

## HB 26-EXTEND BOARD OF PUBLIC ACCOUNTANCY

"An Act extending the termination date of the Board of Public Accountancy; and providing for an effective date."

and recommends:

- [ ] be replaced with SCS \_\_\_\_\_ ( \_\_\_\_\_ ) [ ] Same Title [ ] Technical Title Change  
[ ] New Title/SCR No. \_\_\_\_\_
- [ ] adopt previous SCS \_\_\_\_\_ ( \_\_\_\_\_ ) [ ] Same Title [ ] Technical Title Change  
[ ] New Title/SCR No. \_\_\_\_\_
- [ ] attached amendment(s)
- [ ] adopt \_\_\_\_\_ Letter of Intent
- [ ] further referral to \_\_\_\_\_ Committee

Dept Abbr.	
ADM	LWF
CED	LAW
COR	LEG
CRT	MVA
EED	DNR
DEC	DPS
DFG	REV
GOV	DOT
DHS	UA

NEW FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #

PREVIOUS FISCAL NOTE(S)				
Dept.	Fiscal	Indet.	Zero	FN #
CED	✓			1

[ ] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Hoffman	✓			
Click Bishop	BISHOP	X			
	Dunbar			✓	
	Kelly			✓	
CO-CHAIR:					
CO-CHAIR: K. Meyer	Meyer	✓			

# Fiscal Note

State of Alaska  
2013 Legislative Session

Bill Version: HB 26  
Fiscal Note Number: 1  
(H) Publish Date: 1/30/13

Identifier: HB026-DCCED-CBPL-01-25-13  
Title: EXTEND BOARD OF PUBLIC ACCOUNTANCY  
Sponsor: HAWKER, THOMPSON  
Requester: House Labor & Commerce

Department: Department of Commerce, Community and  
Economic Development  
Appropriation: Corporations, Business and Professional  
Licensing  
Allocation: Corporations, Business and Professional  
Licensing  
OMB Component Number: 2360

**Expenditures/Revenues**

Note: Amounts do not include inflation unless otherwise noted below. (Thousands of Dollars)

	FY2014	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2014 Request	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
<b>OPERATING EXPENDITURES</b>	<b>FY 2014</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
Personal Services		124.4	124.4	124.4	124.4	124.4	124.4
Travel		26.1	26.1	26.1	26.1	26.1	26.1
Services		11.0	11.0	11.0	11.0	11.0	11.0
Commodities		0.2	0.2	0.2	0.2	0.2	0.2
Capital Outlay							
Grants & Benefits							
Miscellaneous							
<b>Total Operating</b>	<b>0.0</b>	<b>161.7</b>	<b>161.7</b>	<b>161.7</b>	<b>161.7</b>	<b>161.7</b>	<b>161.7</b>

**Fund Source (Operating Only)**

1156 Rcpt Svcs		161.7	161.7	161.7	161.7	161.7	161.7
<b>Total</b>	<b>0.0</b>	<b>161.7</b>	<b>161.7</b>	<b>161.7</b>	<b>161.7</b>	<b>161.7</b>	<b>161.7</b>

**Positions**

Full-time		1.0	1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

<b>Change in Revenues</b>							
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Estimated SUPPLEMENTAL (FY2013) cost: 0.0

Estimated CAPITAL (FY2014) cost: 0.0

**ASSOCIATED REGULATIONS**

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? No  
If yes, by what date are the regulations to be adopted, amended or repealed?

**Why this fiscal note differs from previous version:**

Not applicable, initial version.

Prepared By: Don Habeger, Director  
Division: Corporations, Business and Professional Licensing  
Approved By: JoEllen Hanrahan, Director  
Administrative Services Division

Phone: (907)465-2536  
Date: 01/25/2013 06:10 PM  
Date: 01/25/13

**FISCAL NOTE ANALYSIS #1**

**STATE OF ALASKA  
2013 LEGISLATIVE SESSION**

**BILL NO. HB 26**

**Analysis**

HB 26 extends the termination date of the Board of Public Accountancy through June 30, 2021 and takes effect immediately upon passage. The board will terminate June 30, 2013 under current law. In accordance with AS 08.03.020 the Board of Public Accountancy will have one year to conclude their business affairs after the date of termination. Licensing and program authority transfers to DCCED if the board is terminated.

Personal Services costs include a full-time executive secretary of the board as per AS 08.04.55.

Travel expenses represent transportation and per diem for the seven member board and staff to meeting in accordance with AS 08.04.025.

Services include contractual obligations, support costs, legal and other necessary services.

Commodities include small equipment and business supplies.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated from board fees are anticipated to cover its full operating costs.

Representative Mike Hawker  
Alaska State Legislature



**House Bill 26**  
**Sponsor Statement**

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Glen Alps  
Rainbow  
Indian  
Bird  
Girdwood

**Short Title: Extend Board of Public Accountancy**

House Bill 26 extends the termination date of the Board of Public Accountancy until June 30, 2021, in accordance with the recommendation of the Legislative Auditor.

The Board of Public Accountancy serves the public interest by effectively licensing and regulating Certified Public Accountants. The Board also monitors the profession and ensures only qualified individuals practice as CPAs.



# Division of Legislative Audit

## Report Digest #08-20077-12

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**SUMMARY OF:** A Sunset Review on the Department of Commerce, Community, and Economic Development, Board of Public Accountancy (BPA or board), June 1, 2012

### PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed BPA activities. The purpose of this audit was to determine if there is a demonstrated public need for the board's continued existence and if it has been operating effectively. Alaska Statute 08.03.010(c)(1) states the board will terminate on June 30, 2013. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BPA should be reestablished. Our audit objectives were as follows.

1. Determine if the board's termination date should be extended.
2. Determine if the board is operating in the public's interest.
3. Determine if the board has exercised appropriate, regulatory oversight of certified public accountants (CPA) and licensed public accounting firms.
4. Provide a current status of recommendations made in prior board-related audits.

### REPORT CONCLUSIONS

In our opinion, the board's termination date should be extended. BPA is serving the public's interest by effectively licensing and regulating CPAs. The board is also serving the public's interest by monitoring the profession and ensuring only qualified individuals practice as CPAs.

BPA is proactive in shaping the future of the accounting profession through member participation on national committees which set professional standards. Furthermore, the board successfully developed and adopted regulatory changes to improve the public accountancy profession in Alaska.

The board is scheduled to terminate June 30, 2013. If no action is taken by the legislature, BPA will have one year from that date to conclude its administrative operations. We recommend the board's termination date be extended eight years to June 30, 2021.

### FINDINGS AND RECOMMENDATIONS

#### Recommendation No. 1

The Division of Corporations, Business and Professional Licensing (division) director should continue to address deficiencies in the investigative case management system.

The division has taken steps to address previously noted findings; however, deficiencies in the case management system remain. A review of BPA cases found key information, such as priority codes, case open dates, and resolution codes, was missing from the case management system. Additionally, two cases were listed as open on the system for over a year beyond their actual closure dates. The noted deficiencies hamper the division's ability to provide adequate investigative support to the board.

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Contacts for HB 26

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and Professional Licensing

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**Kris Curtis**, Legislative Auditor

907 465-3830

**Jeff Johnson**, Board of Public Accountancy

907 452-4156

Representative Mike Hawker  
Alaska State Legislature



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*House District 27:*

Anchorage  
Glen Alps  
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Indian  
Bird  
Girdwood

**MEMORANDUM**

**TO:** Senator Kevin Meyer  
Co-Chairman, Senate Finance Committee  
Senator Pete Kelley  
Co-Chair Senate Finance Committee

**FROM:** Representative Mike Hawker

A handwritten signature in black ink, appearing to read "Mike", written over the "FROM:" line.

**DATE:** March 27, 2013

**RE:** House Bill 26

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I request that House Bill 26, which extends the termination date of the Board of Public Accountancy until June 30, 2021 be scheduled for a hearing at your earliest convenience. I have attached a copy of the bill and Sponsor Statement, for your review.

Please feel free to contact me or my legislative aide, Cecile Elliott, at 465-4949, for any additional information.