

HB

147

<TARGET><BILL>HB 147</BILL><SUBJECT>HB
147</SUBJECT><COMM>HL&C30</COMM></TARGET>

ALASKA STATE LEGISLATURE

Session:
State Capitol Building
Room 511
Juneau, Alaska 99801-2186
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REPRESENTATIVE STEVE THOMPSON DISTRICT 2 MEMORANDUM

To: Representative Sam Kito, Chairman
House Labor & Commerce Committee

From: Representative Steve Thompson

A handwritten signature in black ink, appearing to read "SMT", is written over the name "Representative Steve Thompson".

Date: February 13, 2018

Re: Hearing Request for HB 147 – Public Accounting

Please accept this memorandum as a request for SSHB 147 to be heard in the House Labor and Commerce Committee. Attached are the following documents:

- HB 147 Sponsor Substitute ver J 02.13.18
- HB 147 Sectional Analysis ver J 02.13.18
- HB 147 Summary of Changes ver A to J 02.13.18
- HB 147 Bill ver A 30-LS0541 02.13.18
- HB 147 Bill ver J 30-LS0541 02.13.18
- HB 147 Supporting Documents
 - HB 147 Support Letter- AKCPA Moore 02.13.18
 - HB 147 Support Letter- RJG Prof Corp. CPAs 02.13.18

Should you have any questions, please do not hesitate to contact Rep. Thompson's legislative staff, Lynette Bergh at 465-6541.

E-mail Representative_Steve_Thompson@akleg.gov

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REPRESENTATIVE STEVE THOMPSON

Sponsor Statement

SSHB 147 (30-LS0541\J) - "An Act relating to the Board of Public Accountancy; relating to the licensure of public accountants; and relating to the practice of public accounting."

SSHB 147 is a bill that updates the statutes in Title 8 (*Business and Professions*), Chapter 4 (*Accountants*).

The National Association of State Boards of Accountancy (NASBA) and the American Institute of Certified Public Accountants (AICPA) provided the Alaska Board of Public Accountancy under the Department of Commerce, Community, and Economic Development with a summary of areas where the Alaska statutes and regulations for public accountancy differ from the Uniform Accountancy Act or AICPA's Code of Professional Conduct.

The proposed statute changes will align the Alaska statutes and regulations for public accountancy with these national organizations.

Many of the changes in the bill are housekeeping items. Some changes expand existing language to provide more information or clarity, while other changes remove unnecessary language or condense it.

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Sectional Analysis

SSHB 147 (30-LS0541\J) - "An Act relating to the Board of Public Accountancy; relating to the licensure of public accountants; and relating to the practice of public accounting."

- Section 1.** Amends AS 08.04.080 – Removes requirement for the board to mail full paper copies to every licensee/interested party to notice proposed rules or amendments.
- Section 2.** Amends AS 08.04.110 – Removes minimum age requirement.
- Section 3.** Amends AS 08.04.195(a) – Removes the number of years of prior public accounting experience and examination for out-of-state applicants as the applicants must meet accounting experience requirements as established by the Board by regulation.
- Section 4.** Amends AS 08.04.565 - Adds a new section that delineates prohibited acts. An individual under AS 08.04.105 may not perform attest functions through a partnership, limited liability company, corporation or other business entity unless those groups mentioned above hold a valid permit under AS 08.04.240.
- Section 5.** Amends AS 08.04.622—Amends the exceptions to confidential communication by adding information that is disclosed under applicable state or federal laws or as required by the Public Company Accounting Oversight Board.
- Section 6.** Amends AS 08.04.680(1) by expanding the definition of “attest function” to include procedures in accordance with the standards developed by national accountancy organizations and adopted by the board in regulation.
- Section 7.** AS 08.04.680(19) is amended by clarifying the definition of “report”. The definition was also amended to conform with the drafting rules.
- Section 8.** Amends AS 08.04.680(20) definitions for “state” by adding the Northern Mariana Islands and clarifying language for the United States Virgin Islands.
- Section 9.** Repeals AS 08.04.120(b), 08.04.180, 08.04.580, 08.04.590, 08.40.595 and 08.04.598.

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REPRESENTATIVE STEVE THOMPSON

Summary of Changes

SSHB 147 (30-LS0541\J) - "An Act relating to the Board of Public Accountancy; relating to the licensure of public accountants; and relating to the practice of public accounting."

In SSHB 147 ver J, the following changes were made from HB 147 ver A:

Section 1. AS 08.04.080 Adoption of Rules.

Deleted "mail copies" and inserted "send notice" and deleted "together with a notice of its effective date".

Sec. 3. AS 08.04.120 in version A was deleted and replaced with AS 08.04.195(a) [which was Section 4 in version A]. An out-of-state applicant must meet "the accounting experience" requirements established by the board by regulation.

Section 6 from the version A bill was deleted [i.e. sharing working papers].

Section 7. AS 08.04.680(19) was amended in the version J bill. New language for the definition of "report" was added when used with reference to "an attest or compilation service". Conforming language was added to meet the drafting standards.



January 31, 2018

Representative Steve Thompson
Alaska State Capitol, Rm 500
Juneau, Alaska 99801

Representative Thompson:

The Alaska Society of CPAs (AKCPA) currently has over 600 members that include students, educators, and accountants in both public and private practice. Together we represent a wide array of Alaskan accounting professionals. The AKCPA's overall mission is the promotion, upgrading, perpetuation and unification of the accounting profession. To that end, we provide a variety of services to our members, the profession, and to the public. These services include continuing professional education; collection and dissemination of information on the profession to members; monitoring and influencing legislation and regulation by the government and the profession for the public convenience and welfare; collection and dissemination of general information and making Alaska a better business environment.

On behalf of our members, the AKCPA would like to express our support of the changes proposed in HB 147. We thank you for your continued efforts to protect the public interest and for ensuring that all licensees meet the appropriate standards of competency.

Thank you for your consideration of this request.

Sincerely,

A handwritten signature in black ink that reads "Kara Moore". The signature is written in a cursive style with a large, stylized "K" and "M".

Kara Moore, CPA
President, on behalf of the Alaska Society of CPAs

cc: Leslie Schmitz, Chair of the Alaska State Board of Public Accountancy
Cori Hondolero, Alaska State Board of Public Accountancy
Kathleen Thompson, Chair of the AKCPA Legislative Committee

2600 Cordova Street, Suite 211 Anchorage, AK 99503
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RJG A Professional Corporation

Certified Public Accountants

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(907) 452-4156 Fax (907) 452-3156 www.rjgcpa.com

February 9, 2018

Alaska State Legislature
State Capitol
Juneau, Alaska 99801

Re: HB No. 147

Honorable Members of the Alaska House of Representatives:

On behalf of the members of the accounting profession employed by RJG, A Professional Corporation, we would like to express support for the changes to AS 08.04.080 as proposed in HB 147.

The proposed changes would allow improvements in the operations of the Board of Public Accountancy. The ability to send a notice to members in any fashion instead of being limited to mailed notifications would save the board money and time. The clarification of the language used in AS 08.04.080, including that allowing the reciprocity of licensure for Certified Public Accountants who wish to become licensed in Alaska, is a needed and welcome change.

Sincerely,

RJG

RJG, A Professional Corporation
Fairbanks, Alaska

Fiscal Note

State of Alaska
2018 Legislative Session

Bill Version: HB 147
Fiscal Note Number: _____
() Publish Date: _____

Identifier: HB147SS-DCCED-CBPL-02-22-18
Title: PUBLIC ACCOUNTING
Sponsor: THOMPSON
Requester: (H) 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)

	FY2019	Included in	Out-Year Cost Estimates				
	Appropriation Requested	Governor's FY2019 Request	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
OPERATING EXPENDITURES	FY 2019	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Personal Services							
Travel							
Services	4.0						
Commodities							
Capital Outlay							
Grants & Benefits							
Miscellaneous							
Total Operating	4.0	0.0	0.0	0.0	0.0	0.0	0.0

Fund Source (Operating Only)

1156 Rcpt Svcs (DGF)	4.0						
Total	4.0	0.0	0.0	0.0	0.0	0.0	0.0

Positions

Full-time							
Part-time							
Temporary							

Change in Revenues

1156 Rcpt Svcs (DGF)	4.0						
Total	4.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimated SUPPLEMENTAL (FY2018) cost: 0.0 *(separate supplemental appropriation required)*
(discuss reasons and fund source(s) in analysis section)

Estimated CAPITAL (FY2019) cost: 0.0 *(separate capital appropriation required)*
(discuss reasons and fund source(s) in analysis section)

ASSOCIATED REGULATIONS

Does the bill direct, or will the bill result in, regulation changes adopted by your agency? Yes
If yes, by what date are the regulations to be adopted, amended or repealed? 07/01/19

Why this fiscal note differs from previous version/comments:

Not applicable, initial version.

Prepared By: <u>Janey McCullough, Director</u>	Phone: <u>(907)465-2538</u>
Division: <u>Corporations, Business and Professional Licensing</u>	Date: <u>02/23/2018</u>
Approved By: <u>Catherine Reardon, Director</u>	Date: <u>02/23/18</u>
Agency: <u>Division of Administrative Services, DCCED</u>	

FISCAL NOTE ANALYSIS

STATE OF ALASKA
2018 LEGISLATIVE SESSION

BILL NO. SSHB 147

Analysis

HB147 amends Board of Public Accountancy statutes.

The bill removes the requirement that a full copy of proposed regulations be mailed to every licensee, thereby allowing the board to follow the same notice procedures as all other programs in the division.

This legislation removes the specific accounting experience requirements for licensure from statute and allows the board to establish experience requirements by regulation.

The bill updates statutes to reflect the national Uniform Accountancy Act (UAA).

If the bill passes, the following expenses will be incurred:

Services: \$4.0 (printing, postage and legal costs for regulation project)

Professional licensing programs within the Division of Corporations, Business and Professional Licensing are funded by Receipt Supported Services, fund source 1156 Rcpt Svcs (DGF). Licensing fees for each occupation are set per AS 08.01.065 so the total amount of revenue collected approximately equals the occupation's actual regulatory costs.