

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3598-02
Bill No.: HB 1517
Subject: Accountants: Boards, Commissions, Committees, Councils; Economic
 Development Dept; Licenses - Professional
Type: Original
Date: February 18, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development - Division of Professional Registration**, indicate this proposal would have no fiscal impact on their agency.

Officials from **Office of the Secretary of State (SOS)** assume the Department of Economic Development - State Board of Accountancy would promulgate rules to implement this proposed legislation. These rules would be published in the *Missouri Register* and the *Code of State Regulations*. Based on experience with other divisions, the rules, regulations and forms issued by the State Board of Accountancy could require as many as 36 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the **Missouri Register** as in the *Code of State Regulations* because cost statements, fiscal notes and the like are not repeated in the code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the estimated amount of \$2,214 for FY 03. The impact of this legislation in future years is unknown and depends on the frequency and length of rules file, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations a substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would like be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

There could be a fiscal impact to small businesses resulting from this proposed legislation, due to possible fee increases or to possible income from out of state clients.

DESCRIPTION

This proposed legislation contains provisions regarding the practice of accountancy. The proposal:

- (1) Allows the State Board of Accountancy, at its discretion, to prescribe by rule the terms and conditions for license re-examination and re-examination fees;
- (2) Allows for the temporary practice of accountancy. Temporary practice is a continuation or extension of services for a client which began outside of this state and extends into this state through common ownership, existence of a subsidiary, assets, or other operations located within this state;
- (3) Removes the substantial equivalency standard provision pertaining to the issuance of licenses to out-of-state license holders;
- (4) Requires any licensee initially licensed after August 28, 2001, who is responsible for supervising attest services or signs or authorizes someone to sign the licensee's report on an accounting firm's financial statement, to meet competency standards established by the board;
- (5) Requires any licensee who is responsible for supervising review services or signs or authorizes someone to sign review reports to meet competency requirements established by the board; and
- (6) Prohibits any licensee from preparing an amended tax return or claim for a tax refund for a contingent fee for any client unless permitted by board rule.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Economic Development
Division of Professional Registration
Office of Secretary of State
Administrative Rules Division



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January 18, 2002