

SESSION OF 2007

**SUPPLEMENTAL NOTE ON HOUSE BILL NO. 2293**

As Amended by House Committee on  
Commerce and Labor

**Brief\***

HB 2293 would make several changes to the law governing licensure, examination, and registration of Certified Public Accountants (CPAs). Many of the changes are technical and clarifying in nature.

The bill would do the following:

- Require out-of-state CPA firms, who wish to practice in Kansas, to register with the Board of Accountancy.
- Allow the Board to deny an application or revoke or suspend any certificate or refuse to renew any permit, censure the holder of any such permit or certificate, limit the scope of practice of any permit holder, or impose a fine of up to \$2,000 for failure to comply with federal or state requirements regarding a person's personal tax returns, the tax returns of the person's firm, payroll, and other taxes.
- Add a definition of firm to include an individual who operates as a sole practitioner as well as a business organization.
- Define PCAOB to mean the Public Accounting Oversight Board created by the Sarbanes-Oxley Act of 2002.
- Authorize the Board to adopt rules and regulation regarding the terms "modified" and "adverse."
- Delete obsolete and unnecessary language.

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\*Supplemental notes are prepared by the Legislative Research Department and do not express legislative intent. The supplemental note and fiscal note for this bill may be accessed on the Internet at <http://www.kslegislature.org>

## **Background**

Paul Allen, Vice-Chairman of the Kansas Board of Accountancy, and Tony Scott, Executive Director of the Kansas Society of CPAs, appeared in support of the bill.

The House Committee amended the bill by inserting the word "person's" for the term "permit holder's."

The fiscal note indicates that, according to the Board of Accountancy, enactment of HB 2293, as drafted, would increase postage and printing costs to communicate with out-of-state firms that would register with the Board. No specific estimate of these costs is made, but they are expected to be negligible. The Board also reports that there would be an increase in fee revenues from the out-of-state firms registering with the agency. The Board estimates this increase to be \$15,000. Of this amount, 20.0 percent, would be deposited in the State General Fund, in accordance with current law regarding agency fee fund earnings. Any fiscal effect resulting from enactment of HB 2293 is not accounted for in *The FY 2008 Governor's Budget Report*.