Secretary of State

NOTICE OF PROPOSED RULEMAKING HEARING*

A Statement of Need and Fiscal Impact accompanies this form

FILED
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Board of Accountancy — 801
Agency and Division — Administrative Rules Chapter Number

Kimberly Fast — (503) 378-2268
Rules Coordinator — Telephone

Board of Accountancy, 3218 Pringle Rd. SE, Suite 110, Salem, OR 97302
Address

RULE CAPTION

Updates definitions, licensing requirements and ethics rules and standards

Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.

Hearing Date	Time	Location	Hearings Officer
12-11-14	1:00 p.m.	3218 Pringle Rd SE Salem OR 97302	John Lauseng

RULEMAKING ACTION

Secure approval of rule numbers with the Administrative Rules Unit prior to filing.

ADOPT:

AMEND:
801-001-0000, 801-001-0005, 801-001-0035, 801-005-0010, 801-010-0010, 801-010-0045, 801-010-0050, 801-010-0060, 801-010-0065, 801-010-0073, 801-010-0079, 801-010-0080, 801-010-0100, 801-010-0110, 801-010-0120, 801-010-0130, 801-010-0345, 801-030-0005, 801-030-0010, 801-030-0015, 801-030-0020

REPEAL:
801-001-0015, 801-001-0020, 801-010-0078, 801-010-0125

RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

AMEND AND RENUMBER: Secure approval of new rule numbers with the Administrative Rules Unit prior to filing.

Statutory Authority:
ORS 673.010 - 673.457

Other Authority:
ORS 183.360, 197.720, 192.440, 183.341

Statutes Implemented:
ORS 673.010 - 673.457

RULE SUMMARY

The proposed rules move the Board of Accountancy Rules closer to the national model rules for the profession, in line with establishing more commonality among states in terms of licensure standards given established mobility and reciprocity in licensure. That policy goal translates into a range of primarily licensing-related proposed rule changes, including proposed adoption of slightly more stringent educational requirements for licensure, effective June 30, 2017, by removing the ability to count introductory or principles-level accounting courses toward the core accounting requirement, The rules proposal clarifies the experience requirements for licensure for all licensing tracks, removes the requirement for continuous 5-year licensure by supervisor licensees, and removes burdensome specificity in definition of part-time experience. The rules further propose to place emphasis on the applicant documenting compliance with experience requirements. The rules proposal also updates references to AICPA ethical standards and professional standards, and the Attorney General's Uniform and Model Rules of Procedure, and updates definitions.

The Agency requests public comment on whether other options should be considered for achieving the rule's substantive goals while reducing negative economic impact of the rule on business.

12-10-2014 Close of Business — Kimberly Fast — kimberly.fast@state.or.us

Last Day *(m/d/yyyy)* and Time for public comment	Rules Coordinator Name	Email Address

*The Oregon Bulletin is published on the 1st of each month and updates the rule text found in the Oregon Administrative Rules Compilation.

Secretary of State

STATEMENT OF NEED AND FISCAL IMPACT

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Board of Accountancy — 801

Agency and Division — Administrative Rules Chapter Number

Updates definitions, licensing requirements and ethics rules and standards

Rule Caption (Not more than 15 words that reasonably identifies the subject matter of the agency's intended action.)

In the Matter of:

Board of Accountancy amending rules in Divisions 801-001, 801-005, 801-010 and 801-030

Statutory Authority:

ORS 673.010 - 673.457

Other Authority:

ORS 183.360, 197.720, 192.440, 183.341

Statutes Implemented:

ORS 673.010 - 673.457

Need for the Rule(s):

The proposed rules move the Board of Accountancy Rules closer to the national model rules for the profession, in line with establishing more commonality among states in terms of licensure standards given established mobility and reciprocity in licensure. That policy goal translates into a range of primarily licensing-related proposed rule changes, including proposed adoption of slightly more stringent educational requirements for licensure, effective June 30, 2017, by removing the ability to count introductory or principles-level accounting courses toward the core accounting requirement, The rules proposal clarifies the experience requirements for licensure for all licensing tracks, removes the requirement for continuous 5-year licensure by supervisor licensees, and removes burdensome specificity in definition of part-time experience. The rules further propose to place emphasis on the applicant documenting compliance with experience requirements. The rules proposal also updates references to AICPA ethical standards and professional standards, and the Attorney General's Uniform and Model Rules of Procedure, and updates definitions.

Documents Relied Upon, and where they are available:

1. Documents available at the Board web site www.oregon.gov/boa

Proposed Rules in Tracked format, with explanations and clean versions.
Oregon Statutes and Rules pertaining to the Board of Accountancy
Laws and Rules Task Force Agendas and Minutes
Board of Accountancy Agendas and Minutes

2. AICPA Code of Professional Conduct (www.aicpa.org)

3. Uniform Accountancy Act Model Rules (www.nasba.org)

Fiscal and Economic Impact:

The proposed rules have minimal costs of compliance; in some instances the proposed rules reduce regulatory burdens on applicants for licensure with an indeterminate fiscal and economic impact.

Statement of Cost of Compliance:

1. Impact on state agencies, units of local government and the public (ORS 183.335(2)(b)(E)):

There are no anticipated impacts on other state agencies, units of local government and the general public.

2. Cost of compliance effect on small business (ORS 183.336):

a. Estimate the number of small business and types of businesses and industries with small businesses subject to the rule:

The licensee base of the Board of Accountancy consists of about 8,000 individual licensees and 1,000 firm registrations. Within that base, the board licenses slightly over 800 solo practitioners, about 10% of the individual licensee base. Without a specific definition of what constitutes a "small" firm, which could include smaller firms of multiple licensees, not just solo practitioners, probably a quarter of the Board's licensee base could be reasonably considered part of the definition of "small business."

b. Projected reporting, recordkeeping and other administrative activities required for compliance, including costs of professional services:

Minimal

c. Equipment, supplies, labor and increased administration required for compliance:

Minimal

How were small businesses involved in the development of this rule?

The Board of Accountancy developed these rules with the help of a Laws and Rules Task Force (LRTF), which effectively served as a Laws and rules Advisory Committee. The LRTF included representatives of the profession, including representatives of the Oregon Society of CPAs (OSCPA), and the Oregon Association of Independent Accountants (OAIA), which represent members that include many small businesses. The proposed Division 010 rules were also reviewed by the Board's Qualifications committee prior to filing.

Administrative Rule Advisory Committee consulted?: Yes
If not, why?:

12-10-2014 Close of Business	Kimberly Fast	kimberly.fast@state.or.us
Last Day (m/d/yyyy) and Time for public comment	Printed Name	Email Address