

Secretary of State
NOTICE OF PROPOSED RULEMAKING HEARING*
A Statement of Need and Fiscal Impact accompanies this form

FILED
8-13-15 12:28 PM
ARCHIVES DIVISION
SECRETARY OF STATE

Board of Accountancy
Agency and Division
Kimberly Fast
Rules Coordinator
Board of Accountancy, 3218 Pringle Rd. SE, Suite 110, Salem, OR 97302
Address

801
Administrative Rules Chapter Number
(503) 378-2268
Telephone

RULE CAPTION

Conforms rules with SB 272 (2015); raises licensing/exam fees commensurate with SB 581 (2015)

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

| Hearing Date | Time | Location | Hearings Officer |
|--------------|-----------|---|------------------|
| 9-17-15 | 2:00 p.m. | 3218 Pringle Rd SE, Board Room, Salem, OR 97302 | John Lauseng |

RULEMAKING ACTION

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

ADOPT:

AMEND:

801-005-0010, 801-005-0400, 801-010-0010, 801-010-0050, 801-010-0065, 801-010-0075, 801-010-0100, 801-010-0130, 801-010-0340, 801-010-0345, 801-020-0690, 801-040-0010, 801-040-0030, 801-040-0040, 801-040-0050, 801-040-0150, 801-040-0160, 801-040-0090, 801-040-0150, 801-040-0160

REPEAL:

801-005-0200, 801-005-0300, 801-040-0080

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, 673.410, 673.040, 673.100, 673.150, 673.153, 673.160, 673.220, 670.310

Other Authority:

SB 272 (2015) and SB 581 (2015)

Statutes Implemented:

ORS 673.010, 673.410, 673.040, 673.100, 673.150, 673.153, 673.160, 673.220, 670.310

RULE SUMMARY

Need for the Rule(s):

The proposed rules implement portions of Senate Bill 272 especially with respect to updating the definitions in rule of the Board of Accountancy, including the definition of attest services which was a central piece of SB 272. In addition, the Board of Accountancy has fees set by statute and rule. The Board worked closely with its stakeholders and came to a consensus with its stakeholders on the need for significant fee increases in statute and rule. As a result, OSCP spearheaded a statutory fee increase bill (SB 581) that passed the 2015 Oregon Legislature. The proposed rules raise fees of the Board set by rule in line with the fee increases approved by statute. Both the statutory fee increases and rule-based fee increased were analyzed and negotiated together in one package between the Board and its stakeholders. All other proposed changes are housekeeping only.

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.

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.

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Board of Accountancy
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801
Administrative Rules Chapter Number

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

In the Matter of:

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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 Committee Agendas and Minutes

Board of Accountancy Agendas and Minutes

2. State of Oregon - Senate Bill 272 - 2015

<https://olis.leg.state.or.us/liz/2015R1/Measures/Overview/SB272>

3. State of Oregon - Senate Bill 581 - 2015

<https://olis.leg.state.or.us/liz/2015R1/Measures/Overview/SB581>

Fiscal and Economic Impact:

The proposed rules include fee increases that are estimated to impose additional costs on the accounting profession of approximately \$175,000 over a period of 21 months from October 1, 2015 to June 30, 2017. Most of the impact of these proposed fee increases by rule relate to examination and application / initial licensing fees, as the Legislature already approved in the 2015 session fee increases by statute (SB 581) relating to the primary revenue source for the Board, i.e. licensure renewals by CPAs and public accounting firms.

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 significant 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:

Estimate the number of small businesses and types of business 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 Committee (LRC), which included representatives of the Oregon Society of CPAs (OSCPA), and the Oregon Association of Independent Accountants (OAIA). These two associations represent many members that either own or are employed by a small business, including solo practitioner firms, small public accounting firms, and other tax practices. These associations also were part of a separate process negotiating a consensus with the Board on a package of statutory and rule based fee increases. The proposed rules follow-up on the rules-based fee increase portion of the consensus reached between the Board and its stakeholders.

Administrative Rule Advisory Committee consulted?: Yes

If not, why?:

| | | |
|--|---------------|---------------------------|
| 09-24-2015 5:00 p.m. | Kimberly Fast | kimberly.fast@state.or.us |
| Last Day (m/d/yyyy) and Time for public comment | Printed Name | Email Address |