

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3979-03  
Bill No.: SCS for SB 952  
Subject: Accountants; Licenses - Professional  
Type: Original  
Date: February 21, 2008

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Bill Summary: Modifies the licensing requirements and practice of certified public accountants and accounting firms.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Board of Accountancy	(\$41,205)	(\$41,205)	(\$41,205)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(\$41,205)</b>	<b>(\$41,205)</b>	<b>(\$41,205)</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2009</b>	<b>FY 2010</b>	<b>FY 2011</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal for Administrative Rules is less than \$2,500. The SOS does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration (DIFP) - Division of Professional Registration (DPR)** state the proposal allows out-of-state licensed Certified Public Accountants (CPAs) to have all the privileges of licensure in this state. The DPR anticipates the proposal will result in a decrease in the number of new applicants for licensure. The DPR estimates a decrease of approximately 491 applications annually, with a resulting decrease of \$41,205 in annual revenue going to the Board of Accountancy Fund.

**This proposal will result in a decrease in total state revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
<b>BOARD OF ACCOUNTANCY FUND</b>			
<u>Loss - DIFP</u>			
Reduction in licensing revenue	<u>(\$41,205)</u>	<u>(\$41,205)</u>	<u>(\$41,205)</u>
<b>ESTIMATED NET EFFECT ON BOARD OF ACCOUNTANCY FUND</b>	<b><u>(\$41,205)</u></b>	<b><u>(\$41,205)</u></b>	<b><u>(\$41,205)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

The proposal may impact small business accounting firms if more out-of-state CPAs decide to practice in Missouri.

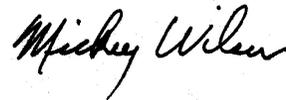
FISCAL DESCRIPTION

The proposal modifies the out-of-state equivalency requirements for certified public accountants. Currently, an individual having a valid designation to practice whose principal place of business is in a state with equivalent qualifications for licensure shall have all of the privileges of licensure in this state. The proposal allows those having an out-of-state domicile or residency to also qualify.

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 Insurance, Financial Institutions and Professional Registration  
Office of Secretary of State



Mickey Wilson, CPA  
Director  
February 21, 2008