

Department of Planning and Budget
2007 Fiscal Impact Statement

1. Bill Number SB1395

House of Origin	<input checked="" type="checkbox"/> Introduced	<input type="checkbox"/> Substitute	<input type="checkbox"/> Engrossed
Second House	<input type="checkbox"/> In Committee	<input type="checkbox"/> Substitute	<input type="checkbox"/> Enrolled

2. Patron Stosch

3. Committee General Laws and Technology

4. Title Public Accountancy.

5. Summary/Purpose: This bill revises and makes several amendments to the public accounting statute including: (i) clarification of the Certified Public Accounting (CPA) title as a practice designation, (ii) setting out requirements and standards for the issuance of an individual and a firm license, for obtaining a license through renewal, reinstatement or the lifting of a suspension, and (iv) detailing standards of conduct and practice for the profession. The bill also authorizes the Board of Accountancy to enter into confidential consent orders. In addition, the bill provides that all attest or compilation services provided in the state must be under the supervision of a person who holds a Virginia license, or meets the requirements for using the CPA title in Virginia under substantial equivalency, and must be carried out in conformity with standards of conduct and practice.

6. Fiscal Impact Estimates are: Preliminary, see item 8 (below).

7. Budget amendment necessary: No.

8. Fiscal implications: The Board of Accountancy (BOA) anticipates that this bill will not have a significant fiscal impact on the state. This bill should not affect the fees to regulants or the level of entry and exit of CPAs to the state labor market (thereby not impacting the current level of revenue to the state from licensing fees), and should not require additional funding to the BOA.

BOA anticipates that this bill may result in fiscal savings, however, as it allows them to enter into confidential consent agreements. BOA reports spending an average of \$12,500 per year to conduct hearings that are a result of the public access to the consent agreements they currently issue. By being able to enter into confidential consent agreements, BOA expects to reduce the number of conduct hearings by 70 percent, saving approximately \$8,750 per year.

9. Specific agency or political subdivisions affected: The Board of Accountancy.

10. Technical amendment necessary: No.

11. Other comments: None.

Date: 1/24/07 / aek

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cc: Secretary of Commerce and Trade