

SESSION OF 2009

**SUPPLEMENTAL NOTE ON
SUBSTITUTE FOR HOUSE BILL NO. 2339**

As Amended by House Committee of the Whole

Brief*

Sub. for HB 2339 deals with certified public accountants (CPAs) regarding two main issues, namely (1) powers of the Board of Accountancy, and (2) the mobility of practice privilege for CPAs which would allow out-of-state CPAs to practice in Kansas without having to be individually licensed.

New powers of the Board are outlined in the bill to do the following:

- Clarify the Board's ability to investigate violations of accountancy statutes and rules and regulations of the Board;
- Allow the Board subpoena powers and the ability to compel the attendance of witnesses and the production of all necessary papers, books, records, documentary evidence, and necessary materials;
- Allow a subpoenaed person the ability to petition the Board to revoke, limit, or modify the subpoena within five days after service of the subpoena;
- Allow the Board to recoup reasonable costs in any proceeding conducted under the Kansas Administrative Procedure Act in which the Board prevails;
- Allow the Board to charge increased fees. These fees may be assessed against the parties;

*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>

- Increase the administrative fine cap from \$2,000 to \$5,000;
- Permit CPAs to practice in this state and the practice privilege of other states; and
- Provide cleanup, clarifying, and technical amendments.

Background

Tony Scott, Kansas Society of Certified Public Accountants, appeared in support of the bill. Ginger Powell, member of the Kansas Board of Accountancy, also spoke in favor of the bill. Susan Somers, President of the Board of Accountancy, offered comments in support of the measure.

There was no opposition offered on the bill.

The House Committee of the Whole made a clarifying amendment regarding the definition of the term “compilation.”

The fiscal note on the original bill indicates that HB 2339 has the potential for increasing litigation in the courts because of the new subpoena power that would be granted to the Board of Accountancy. If it does, the Office of Judicial Administration indicates that there would be a fiscal effect on the operations of the court system. However, it is not possible to predict the number of additional court cases that would arise or how complex and time consuming they would be. Therefore, a precise fiscal effect cannot be determined. In any case, the fiscal effect would most likely be accommodated within the existing schedule of court cases and would not require additional resources.