

Approved: 3/1/07  
Date

## MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE

The meeting was called to order by Chairman Steve Brunk at 9:02 A.M. on February 06, 2007 in Room 231-N of the Capitol.

All members were present except:  
Brenda Landwehr- excused  
Candy Ruff- excused

Committee staff present:  
Jerry Ann Donaldson, Kansas Legislative Research Department  
Dustin Slinkard, Office of Revisor of Statutes  
Stephen Bainum, Committee Assistant

Conferees appearing before the committee:  
Paul Allen, Vice-Chair of the Kansas Board of Accountancy  
Tony A Scott, Executive Director, Kansas Society of Certified Public Accountants  
Susan L. Somers, Executive Director, Kansas Board of Accountancy

The Chairman called for bill introductions. There were none from the committee. The Chairman introduced a bill to change the rate of unemployment payments.

The Chairman advised that Wednesday was the last day for individual bill introductions and went over this week and next weeks schedule. The Chairman asked everyone to hold their questions until each conferee finished their presentation.

The Chairman opened the hearing on **HB 2293 - Technical changes to the licensure, examination and registration of certified public accountants.**

Paul Allen, Vice-Chair of the Kansas Board of Accountancy testified in support of **HB 2293 (Attachment 1).**

Representative Pauls asked a question on 1-319 regarding the removal of the terms "uttering or utterance". Paul Allen said that he was not aware of a problem connected with it.

Representative Sharp how many accountants would be impacted with the change in 1-316. Paul Allen stated that it's use was limited to the corporate environment and involved people from another state who were only practicing within the corporation.

Representative Kiegerl asked about the changes in wording of 1-302b, using the words *attest* and *service* in place of "audit", "review" and "the examination of prospective financial information". He said that the terms were less precise and asked why they were being changed. Paul Allen explained that in their language *attest* was precise and did mean those things.

The Chairman asked for an explanation of the terms on page 7 line 33. Paul stated that the changes were being made because the terms were being discontinued. This change was to allow the new terms to be used.

Tony Scott, Executive Director, Kansas Society of Certified Public Accountants testified in support of **HB 2293 (Attachment 2).**

Representative Kiegerl asked the same question that he had asked of Paul Allen. Tony Scott said that the word *attest* was a professional certified professional accountant term and a more succinct one.

The Chairman asked about the meaning of the changes on page 5, line 41-43. Tony Scott said that they refer to statutory deadlines that CPAs have to remit taxes to the state and if that is not done in a timely fashion it is a discredit to the profession and as a result they would like the authority to discipline those CPAs who through negligence or willful conduct do not comply with the statutory requirements.

## CONTINUATION SHEET

MINUTES OF THE House Commerce and Labor Committee at 9:02 A.M. on February 06, 2007 in Room 231-N of the Capitol.

The Chairman further asked who could be suspended under the change on page 7, line 35. Tony Scott explained that under the present regulation a firm could be suspended from practicing but the individual in the firm could continue to practice. This change was made so that the board could suspend the firm and the individual.

Representative Grant asked for an example of the reason for disciplinary action. Tony Scott referred the question to the Board of Accountancy to answer. Paul Allen answered that this was to correct an oversight when the UAA was adopted that really needed to be addressed. An example might be the case of a firm having an audit failure and the individual in the firm still continuing to practice.

The Chairman closed the hearing on **HB 2293**.

The Chairman opened the hearing on **HB 2314 - Board of accountancy approval of course work**.

Paul Allen, Vice-Chair of the Kansas Board of Accountancy testified in support of **HB 2314** (Attachment 3).

Representative Goico asked if courses offered by the universities over the internet qualified. Paul Allen said that if they were the traditional college courses accredited by the university they would be accepted.

Representative Kiegerl asked about accreditation. Paul Allen indicated that there were many kinds and levels of accreditation. The board needs to have the authority to accept or reject any college's credits.

Representative Sharp asked a question about page 1, line 27 which states the requirement that the credit be accepted by the board. Paul Allen stated that their concern was out of state or out of country colleges. They had no problem with the Kansas regent colleges.

Tony Scott, Executive Director, Kansas Society of Certified Public Accountants testified in support of **HB 2314** (Attachment 4). He stressed that the board needs to be the gate keeper for the profession. This is to protect the profession and the public.

Representative Roth asked what the result would be if we struck item (3). Would the board be forced to accept the credits from any colleges? That would be correct and it is one of our concerns that it would take away the boards ability to regulate the profession.

The Chairman asked what was the time frame for changing the regulation. The question was deferred to Susan Somers, Executive Director, Kansas Board of Accountancy. She said that it would take effect when it was published in the Kansas Register rather than waiting for July 1<sup>st</sup> statute book. As soon as it is in the Register they can begin the regulation process. They would file notices of hearings. Once the hearings are held they are published again in the Kansas Register and become law. We anticipate early fall for it to be taken care of.

The Chairman closed the hearings on **HB 2314**.

The Chairman again called for bill introductions. There were none.

The Committee was adjourned at 10:08 A.M.