



Senate Fiscal Agency
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BILL ANALYSIS

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House Bill 5236 (Substitute H-2 as reported without amendment)
Sponsor: Representative Brandt Iden
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

CONTENT

The bill would amend Article 7 (Public Accounting) of the Occupational Code to do the following:

- Revise continuing education requirements for certified public accountants (CPAs) by, among other things, requiring education in professional ethics and in State statutes and rules related to public accountancy, and allowing a licensee to carry over excess earned continuing education hours to the next year.
- Permit the Director of the Department of Licensing and Regulatory Affairs to promulgate rules governing educational requirements that would qualify an applicant to sit for the Uniform CPA Exam.
- Delete a requirement that a firm obtain a license under Article 7 if an individual representing the firm performs certain services for a client that has its home office in Michigan.
- Allow a firm that is not required to obtain a Michigan license to perform certain services and practice public accountancy if the firm were authorized to perform those services in the licensing jurisdiction where an individual with practice privileges had his or her principal place of business, in addition to meeting current requirements.
- Allow a firm that is not required to obtain a Michigan license, and not seeking to practice specified public accountancy services, to perform attest services, in addition to other professional services as currently allowed; and add to the conditions that such a firm must meet.

MCL 339.720 et al.

Legislative Analyst: Stephen Jackson

FISCAL IMPACT

The bill would have a minor negative impact on the Department of Licensing and Regulatory Affairs. The bill would have no impact on local units of government. The bill would allow out-of-State accounting firms to perform attest services in Michigan without obtaining a Michigan license. This could result in a small reduction in license fee revenue from out-of-State accounting firms. Additionally, the bill would allow the Department to promulgate rules regarding educational requirements for licensees. There are some minor costs associated with the rule-making process that the Department typically absorbs.

Date Completed: 3-2-18

Fiscal Analyst: Michael Siracuse