

Susan L. Somers, Executive Director

Board of Accountancy

Sam Brownback, Governor

**BOARD OF ACCOUNTANCY  
ECONOMIC IMPACT STATEMENT**

**K.A.R. 74-2-1; K.A.R. 74-2-7; K.A.R. 74-3-8; K.A.R. 74-4-3a; K.A.R. 74-4-7; K.A.R. 74-4-8; K.A.R. 74-9; K.A.R. 74-4-10; K.A.R. 74-5-2; K.A.R. 74-5-202; K.A.R. 74-5-405; K.A.R. 74-5-406; K.A.R. 74-5-408; K.A.R. 74-6-2; K.A.R. 74-7-2; K.A.R. 74-11-6; and K.A.R. 74-12-1**

**I. SUMMARY OF PROPOSED REGULATIONS, INCLUDING THEIR PURPOSE:**

K.A.R. 74-2-1 sets out the requirements for application for the CPA exam and mirrors a change that was made to the enabling statute to allow candidates to sit in advance of meeting the education requirements.

K.A.R.74-2-7 further defines the specific course requirements to sit for the exam.

K.A.R. 74-3-8 sets forth the specific passing score for the required ethics exam for certification.

K.A.R. 74-4-3a expands the definition of continuing education requirements for licensure.

K.A.R. 74-4-7 also expands the definition of continuing education requirements for licensure.

K.A.R. 74-4-8 expands further defines the requirements that a course sponsor must meet in the issuance of certificates of attendance in accordance with the continuing professional education standards.

K.A.R. 74-4-9 mirrors the changes made to K.A.R. 74-4-8 for the requirements of a person chosen for audit of their continuing professional education and specifies the requirements of the course sponsor for the issuance of a certificate of attendance/completion.

K.A.R. 74-4-10 expands the definition of continuing education requirements to mirror the changes made in K.A.R. 74-4-3a, 74-4-7 and 74-4-8.

K.A.R. 74-5-2 updates materials adopted by reference.

K.A.R. 74-5-202 updates materials adopted by reference.

K.A.R. 74-5-405 is revoked.

K.A.R. 74-5-406 clarifies the definition of fictitious firm or professional names.

K.A.R. 74-5-408 requires a person to notify the Board of a change of name.

K.A.R. 74-6-2 revises the requirements for a resident manager of the firm and locations of the firm.

K.A.R. 74-7-2 clarifies the firms who are required to register with the Board in compliance with K.S.A. 1-308.

K.A.R. 74-11-6 updates materials adopted by reference.

K.A.R. 74-12-1 increases fees for certificates, permits and firms.

## **II. REASON OR REASONS THE PROPOSED REGULATION IS REQUIRED, INCLUDING WHETHER OR NOT THE REGULATIONS ARE MANDATED BY FEDERAL LAW.**

The purpose for these amendments is for clarification purposes, to update materials adopted by reference and to increase fees to compensate for increased costs in operations and diminishing numbers of licensees.

## **III. ANTICIPATED ECONOMIC IMPACT UPON THE KANSAS STATE BOARD OF ACCOUNTANCY.**

The Board does not anticipate any economic impact upon itself in the adoption of these revisions to its regulations.

## **IV. ANTICIPATED FINANCIAL IMPACT UPON OTHER GOVERNMENTAL AGENCIES AND UPON PRIVATE BUSINESSES OR INDIVIDUALS.**

There is no anticipated financial impact on governmental agencies or upon private business or individuals.

## **V. ANTICIPATED ECONOMIC IMPACT UPON LICENSEES.**

The Board is increasing its fees for the reason that the cost of operating the agency has grown considerably over the years, along with a decrease in the overall number of licensees due to individual mobility (allowing out of state CPAs to provide services to Kansas clients without having to be individually registered with the Board) and retirement. The increase in fees are as follows: \$25.00 for applications for certificates by exam which should result in an approximate increase in annual revenue of \$2,250; an increase for issuance and biennial renewal of a permit of \$15.00, which should result in an approximate annual increase of \$28,500 for permit renewals; and an increase in the registration and annual renewal of a firm from \$40.00 to \$100.00, which should result in an annual increase of \$48,000, if the number of certificates, permits and firms stay constant. Approximately 90 applicants apply for a certificate by exam annually. Currently there are approximately 3,900 licensees. However, Licensees renew biennially, but are staggered between even and odd years. There are approximately 800 firms that renew annually. The increase in fees will also affect the fees being charged for late renewals of firms and permits. This can result in an increase in revenue for late renewals of \$17,550 annually. The Board has not increased fees on certificates since 1997; permits since 1999; and firms since 2000.

## **VI. LESS COSTLY OR INTRUSIVE METHODS THAT WERE CONSIDERED, BUT REJECTED, AND THE REASON FOR REJECTION.**

No less costly or intrusive methods were identified.

Susan Somers  
Executive Director