

Kansas Enacts Practice Mobility Legislation

Two years ago, the various State Societies of CPAs, with the endorsement of the AICPA and the National Association of State Boards of Accountancy, took on the task of enacting a uniform practice mobility system for CPAs—the ability of a licensed CPA to practice across state lines without notification or additional fees.

On March 27, 2009, Governor Kathleen Sebelius signed HB 2339, which, with certain exceptions, enables out-of-state CPAs to practice in the State of Kansas without first obtaining a Kansas permit or notifying the Board of Accountancy. Kansas is the 36th state to adopt practice mobility. The new legislation provides for “no notice”, “no fee” (for individuals) and “no escape”.

The good news for Kansas CPAs is that thirty-seven states have now passed the same or similar legislation, thus allowing Kansas CPAs to enter into those states without any notice or fee. As of the date of this publication, those states are: Arizona, Arkansas, Colorado, Connecticut, Delaware, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Hampshire, New Jersey, New Mexico, North Dakota, Ohio, Oklahoma, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Washington, Wisconsin and Wyoming. ***We strongly encourage you to check with the other states where you are licensed to determine their specific mobility provisions.***

While the Board urges all CPAs to thoroughly review the contents of HB 2339 at <http://www.kslegislature.org/bills/2010/2339.pdf> key components to the legislation are as follows:

- a. Implementation date of November 1, 2009 for practice mobility.
- b. Out of state CPAs may be granted practice privileges and will no longer be required to obtain a permit or practice by notification, if they have a valid permit to practice from the state where their principal place of business is located. The existence of a practice privilege is conditioned upon whether the non-resident is from a state that is deemed to be substantially equivalent to Kansas. A notable exception to the practice mobility concept is that a CPA may only perform attest services in the State of Kansas (reports issued in accordance with SAS; SSARS; SSAE (except a compilation); the Public Accounting Oversight Board; or the Kansas Municipal Audit Guide), if they do so through a firm which is registered with the Board.
- c. Out of state CPAs practicing in this state are subject to the same laws and regulations as Kansas permit holders, and consent to the jurisdiction of the Kansas Board of Accountancy in matters relating to their practice.
- d. Increase in the amount of fines that the Board may impose.
- e. Increase in the cap on fees that may be charged by the Board.
- f. Subpoena power.

Under the practice privilege, out of state firms registered with the Board will still be required to undergo Peer Review and report the results to the Board of Accountancy.

Out of state CPAs who hold practice by notification permits will be notified November 1, 2009 that they will no longer be required to obtain or renew their notification permits.

Out of State CPAs who hold reciprocal permits to practice will be notified upon their renewal date, that they will no longer be required to renew their permit, but may continue to renew, if they so choose.

The practice mobility provisions contained in the new legislation do not apply to in-state CPAs. CPAs who are in this State will still be required to have a permit to practice in order to provide services, hold out, or practice as a CPA in Kansas.

If you have any questions concerning this legislation, please contact the State Board of Accountancy at info@ksboa.ks.gov or at 785-296-2162.