



Legislative
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FISCAL NOTE

Drafting Number: LLS 19-0348
Prime Sponsors: Sen. Williams A.; Priola
Date: March 6, 2019
Bill Status: Senate Business
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Bill Topic: SUNSET ACCOUNTANCY BOARD

Summary of Fiscal Impact:

<input checked="" type="checkbox"/> State Revenue	<input type="checkbox"/> TABOR Refund
<input checked="" type="checkbox"/> State Expenditure	<input type="checkbox"/> Local Government
<input type="checkbox"/> State Transfer	<input type="checkbox"/> Statutory Public Entity

Sunset bill. SB 19-155 continues the Accountancy Board and the regulation of accountants in the Department of Regulatory Agencies, which is scheduled to repeal on July 1, 2019. State fiscal impacts under the bill include minimal new workload increases as well as the continuation of the program's current revenue and expenditures. The program is continued through September 1, 2030.

Appropriation Summary: No appropriation is required.

Fiscal Note Status: The fiscal note reflects the introduced bill.

Table 1
State Fiscal Impacts Under SB-155*

New Impacts		FY 2019-20	FY 2020-21
Revenue		-	-
Expenditures		-	-
TABOR Refund		-	-
Continuing Program Impacts		FY 2019-20	FY 2020-21
Revenue	Cash Funds	-	\$700,000
Expenditures	Cash Funds	-	\$700,000
	FTE	-	2.3 FTE
TABOR Refund		-	-

* Table 1 shows the new impacts resulting from changes to the program under the bill and the continuing impacts from extending the program beyond its current repeal date. The continuing program impacts will end if the bill is not passed and the program is allowed to repeal.

Summary of Legislation

This bill continues the Accountancy Board, which regulates certified public accountants and accounting firms, in the Department of Regulatory Agencies until September 1, 2030. The bill includes the recommendations in the sunset report and specifies that:

- grounds for disciplinary action includes fraudulent, coercive, dishonest, incompetent, or untrustworthy practices;
- foreign public accounting firms are exempt from state registration requirements provided their work in Colorado is incidental to work conducted outside the state;
- foreign companies must register with the board if they have a Colorado office;
- graduates of an unaccredited education program can petition the board to satisfy the educational requirements that are needed to obtain a CPA license;
- chartered global management accountants may use that title and the abbreviation "CGMA" if they are not licensed CPAs; and
- the board may take disciplinary action against a person acting as the resident manager of a registered public accounting firm if the person does not have an active CPA license.

The bill also makes several technical changes.

Continuing Program Impacts

Based on the most recent budget projections, the Department of Regulatory Agencies is expected to have revenue and expenditures of \$700,000 to administer the Accountancy Board. If this bill is enacted, current revenue and expenditures will continue for the program starting in FY 2020-21. This continuing revenue is subject to the state TABOR limit and is currently included in the Legislative Council Staff revenue forecast. The state is not expected to collect a TABOR surplus in FY 2020-21. If this bill is not enacted, the program will end on June 30, 2020, following a wind-down period, and state revenue and expenditures will decrease starting in FY 2020-21 by the amounts shown in Table 1. The changes to the program that increase board workload are discussed below in the State Expenditures section.

State Expenditures

The bill will create minimal new workload increases for the board to evaluate petitions from graduates of an unaccredited education program and potentially review additional disciplinary action cases. These tasks can be accomplished within existing resources.

Effective Date

The bill takes effect July 1, 2019; except sections 11 through 19 only take effect if House Bill 19-1172 becomes law, in which case those sections become effective October 1, 2019.

State and Local Government Contacts

Regulatory Agencies