

MINUTES OF THE HOUSE COMMERCE AND LABOR COMMITTEE.

The meeting was called to order by Chairman Donald Dahl at 9:00 a.m. on March 11, 2003 in Room 243-N of the Capitol.

All members were present except: Representative Broderick Henderson, Excused
Representative Dale Swenson, Excused

Committee staff present: Jerry Ann Donaldson, Kansas Legislative Research Department
Norman Furse, Revisor of Statutes
Rena Jefferies, Revisor of Statutes
June Evans, Secretary

Conferees appearing before the committee: Tim Mitchell, Vice Chair, Board of Accountancy
Adley Johnson, Chair, Board of Accountancy
Susan Somers, Executive Director, Board of Accountancy

Others attending: See attached sheet

The Chairman called the meeting to order at 9:05a.m.

The Chairman welcomed Norm Furse, Revisor of Statutes Office, and stated Mr. Furse would be in attendance the rest of the session.

The Chairman stated three related bills, **HBs 2241, 2242 and 2243** were sent to the committee. **HBs 2242 and 2243** had hearings earlier and were passed out of committee and placed on the Consent Calendar. The Chairman was not sure why the bills were pulled off the Calendar. Turn around has passed and since these are non-exempt bills, they were re-referred back to the committee for possible inclusion in an exempt bill. After a meeting with the Speaker it was decided that **HB 2241**, an exempt bill, would be sent to this Committee and **HBs 2242 and 2243** could be incorporated into **HB 2241** if the committee desired. There will be a hearing on **HB 2241** and a review/discussion of **HB 2242 and 2243** today. The bills will be worked sometime next week.

Staff gave a briefing on all three bills and there was discussion (See Attachment 1).

The Chairman opened the hearing on **HB 2241 - Certified Public Accountants, Fees.** (**HB 2241** was introduced in committee by the Kansas Board of Accountancy.)

Tim Mitchell, CPA, Vice-Chair, Kansas Board of Accountancy, stated the Kansas Society of Certified Public Accountants objected to some of the changes to current law proposed in **HB 2241**. Therefore, the Board of Accountancy agreed to withdraw the changes that the Kansas Society of Certified Public Accountants objected to. It was agreed that the fees would not be changed as proposed. It is requested that the changes on page 2,

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lines 9-12 remain and delete lines 13 and 14 (Attachment 2).

T. C. Anderson, Executive Director, Kansas Society of Certified Public Accountants, expressed concerns members of the Society had with **HB 2241**. Mr. Anderson asked for consideration of a balloon which was the same the Board of Accountancy agreed to (same as previous testimony of Tim Mitchell) (Attachment 3).

The Chairman closed the hearing on **HB 2241**.

The Chairman opened the discussion on **HB 2242 - Accounting firms and persons, investigation of conduct, fees and costs**.

Tim Mitchell, CPA, Vice-Chair, Kansas Board of Accountancy, stated they would like to have **HB 2242** adopted as written. The Board has attempted to contact 49 state Boards of Accountancy to determine their subpoena power authority. Of the 49 contacted, either by phone or e-mail, 36 have responded. All 36 have reported that they have subpoena power (Attachment 4).

T. C. Anderson, Executive Director, Kansas Society of Certified Public Accountants, stated since **HB 2242** had passed out of committee, several items had been brought to his attention concerning the investigation subpoena power granted the Accountancy Board. The description of how the Board would use this power was explained. As an example, a client calls the Board office complaining about a CPA because they received a notice of underpayment of federal income tax of \$25,000. The client then called the Board office for a complaint form. Several days later the client called back and indicated he/she had worked things out with the CPA. Under the provisions of the bill, the Board would have the authority to subpoena that person's tax records to determine if the CPA had erred in preparing the return before proceeding to a formal disciplinary hearing. The Society believes the Board should use the services of the Attorney General. He requested the phrase "if the Attorney General refuses to handle the matter" be added at the end of the sentence on line 38.

The Chairman closed the discussion on **HB 2242**.

The Chairman opened the discussion on **HB 2243 - Accountants, education and examination of**.

Tim Mitchell, CPA, Vice-Chair, Kansas Board of Accountancy, recommended passage of **HB 2243**.

T. C. Anderson, Executive Director, Kansas Society of Certified Public Accountants, urged passage of **HB 2243** as it is written.

Adley Johnson, Chair, Kansas Board of Accountancy, stated he supported passage of **HBs 2241, 2242, and HB 2243** with the above suggestions.

There was discussion and the Chairman stated the committee would work the bills next week. Amendments, as proposed, to **HBs 2241 and 2242** will be written up for the next meeting.

The meeting adjourned at 10:45 a.m. and the next meeting will be March 12, 2003.

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