

FISCAL NOTE

(Return original and 10 copies)

Bill/Resolution No.: HB 1150 Amendment to: \_\_\_\_\_

Requested by Legislative Council \_\_\_\_\_ Date of Request: 1-4-99

- 1. Please estimate the fiscal impact (in dollar amounts) of the above measure for state general or special funds, counties, cities, and school districts.

Narrative:

See over

- 2. State fiscal effect in dollar amounts:

1997-99 Biennium		1999-2001 Biennium		2001-03 Biennium	
General Fund	Special Funds	General Fund	Special Funds	General Fund	Special Funds

Revenues:

Expenditures: See Narrative (Over)

- 3. What, if any, is the effect of this measure on the appropriation for your agency or department:

- a. For rest of 1997-99 biennium: \$2000
- b. For the 1999-2001 biennium: Negligible
- c. For the 2001-03 biennium: Negligible

- 4. County, City, and School District fiscal effect in dollar amounts:

1997-99 Biennium			1999-2001 Biennium			2001-03 Biennium		
Counties	Cities	School Districts	Counties	Cities	School Districts	Counties	Cities	School Districts

See Narrative (Over)

If additional space is needed, attach a supplemental sheet.

Signed Jim Abbott

Typed Name Jim Abbott

Department North Dakota State Board of Accountancy

Phone Number 800-532-5904

Date Prepared: 1/7/99

**Fiscal Note****Bill Number HB 1150.***Section 1. Narrative:*

1. The bill eliminates the "individual" permit to practice, which will result in a revenue decline to the agency of about \$16500 per biennium. However, the Board will likely cover this decline by adjusting certificate and license renewal fees, which are set by rule. An adjustment of \$5 per renewal would more than cover the decline.

2. Staff time related to applications will be increased by the new experience provision, but also decreased by the elimination of the residence requirement and the probable streamlining of the reciprocal application. We estimate no net change in the administrative staffing needs of the agency due to these issues.

3. The bill "grandfathers" candidates who will have parts of the CPA Exam passed as of March 2000 (approximately 55 candidates); without this provision, many of these particular candidates will incur additional college costs, which will in turn result in additional cost to the university system.  
Cost saving: unknown.

4. The bill deletes various details about Continuing Professional Education (CPE), but allows for the Board to require CPE by rule for all licensees. CPE is now required of accountants in public practice, and the Board will be enacting rules with similar provisions. The Board may also propose CPE for all other accountants, which could result in additional costs for government agencies that pay educational expenses; the Board will provide exceptions to the CPE provisions, which could impact these expenses. Fewer accountants will be considered to be in public practice due to redefining the term, and this may lessen CPE costs for some government agencies. We estimate no net change in the administrative staffing needs of the agency, due to these issues.  
Cost effect on other governmental units: unknown.

5. The Board will incur costs in preparing rules as a result of the bill.  
Net cost: approx. \$2000.