

Dear Senators TIPPETS, Patrick, Schmidt, and
Representatives HENDERSON, Thompson, Smith:

The Legislative Services Office, Research and Legislation, has received the enclosed rules of
the Board of Accountancy:

IDAPA 01.01.01 - Rules Pertaining To The Idaho Accountancy Rules - Proposed Rule (Docket
No. 01-0101-1401);

IDAPA 01.01.01 - Rules Pertaining To The Idaho Accountancy Rules - Proposed Rule (Docket
No. 01-0101-1402).

Pursuant to Section 67-454, Idaho Code, a meeting on the enclosed rules may be called by the
cochairmen or by two (2) or more members of the subcommittee giving oral or written notice to Research
and Legislation no later than fourteen (14) days after receipt of the rules' analysis from Legislative
Services. The final date to call a meeting on the enclosed rules is no later than 10/08/2014. If a meeting is
called, the subcommittee must hold the meeting within forty-two (42) days of receipt of the rules' analysis
from Legislative Services. The final date to hold a meeting on the enclosed rules is 11/06/2014.

The germane joint subcommittee may request a statement of economic impact with respect to a
proposed rule by notifying Research and Legislation. There is no time limit on requesting this statement,
and it may be requested whether or not a meeting on the proposed rule is called or after a meeting has
been held.

To notify Research and Legislation, call 334-4834, or send a written request to the address on the
memorandum attached below.



Jeff Youtz
Director

Legislative Services Office Idaho State Legislature

Serving Idaho's Citizen Legislature

MEMORANDUM

TO: Rules Review Subcommittee of the Senate Commerce & Human Resources Committee and the House Business Committee
FROM: Division Manager - Mike Nugent
DATE: September 19, 2014
SUBJECT: Board of Accountancy

IDAPA 01.01.01 - Rules Pertaining To The Idaho Accountancy Rules - Proposed Rule (Docket No. 01-0101-1401)

IDAPA 01.01.01 - Rules Pertaining To The Idaho Accountancy Rules - Proposed Rule (Docket No. 01-0101-1402)

The Board of Accountancy is proposing to promulgate two proposed rules. The first proposed rule would provide an extension deadline of April 30 of each year for licensees. The second proposed rule would clarify that only firms performing any of the services enumerated in the Board of Accountancy's Rule 602 need to annually register with the Board. It appears that both proposed rules have been granted within the statutory authority granted to the State Board of Accountancy.

cc: Board of Accountancy
Kent A. Absec

IDAPA 01 - BOARD OF ACCOUNTANCY

01.01.01 - IDAHO ACCOUNTANCY RULES

DOCKET NO. 01-0101-1401

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 54-204(1) Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 15, 2014.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Modify Rule 502.01 to reflect a new extension deadline date of April 30th each year which will help licensees who ask for an extension to have them completed, processed, and approved earlier in the process to help with timely license renewals.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: None.

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: NA

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was conducted. The Notice of Intent to Promulgate Rules - Negotiated Rulemaking was published in the Idaho Administrative Bulletin, [Vol. 14-8, page 15](#).

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: NA

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Kent A. Absec, (208) 334-2490.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2014.

DATED this 21st Day of August, 2014.

Kent A. Absec
Executive Director
Idaho State Board of Accountancy
3101 W. Main Street, Suite 201
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Boise, Idaho 83720-0002
Phone: (208) 334-2490
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E-Mail: kent.absec@isba.idaho.gov

THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 01-0101-1401
(Only those Sections being amended are shown.)

502. EXCEPTIONS, EXTENSIONS, AND EXEMPTIONS (RULE 502).

01. Exceptions and Extensions. The Board may make exceptions to the CPE requirements or grant extensions of time for completion of the CPE requirements, where reasons of health as certified by a medical doctor prevent compliance by the licensee, or other good cause exists. (4-2-03)

a. Licensees asking for exceptions or extensions under these conditions must apply annually on the reporting form for the year in which the extension or exemption is sought, and within the time period set for CPE reporting, stating the reasons for asking for such exception or extension. Any licensee failing to file a timely application shall be subject to the late fee prescribed in Rule 703, in addition to any additional proceeding that may be instituted for violation of these rules. (4-2-03)

b. A penalty of no more than fifty percent (50%) of the hours a licensee is short in meeting the calendar year CPE requirement may be assessed for extensions. In such cases, the licensee shall be required to complete the CPE hours and any assessed penalty no later than ~~May~~ April 3rd. The penalty for non-compliance with ethics CPE is to obtain the mandatory hours of ethics CPE plus fifty percent (50%) penalty hours in ethics CPE prior to ~~May~~ April 3rd. The penalty for non-compliance with state-specific ethics for Idaho is to complete the course plus fifty percent (50%) penalty hours in ethics CPE prior to ~~May~~ April 3rd. ~~(5-8-09)~~ ()

02. Exemptions for Inactive or Retired. Licensees who elect inactive or retired status shall be exempt from any CPE requirements provided that: (3-20-04)

a. The licensees do not perform or offer to perform for the public services involving: (4-2-03)

i. The use of accounting or auditing skills including the issuance of reports on financial statements, or of management advisory, financial advisory or consulting services; or (4-2-03)

ii. The preparation of tax returns, or the furnishing of advice on tax matters as a licensee. (4-2-03)

b. Licensees granted such exemption must place the word “inactive” adjacent to their CPA or LPA title on any business card, letterhead or any other document or device. The Board shall issue a wall certificate for public display that indicates the license is inactive; (4-2-03)

c. Those individuals who are inactive and have reached fifty-five (55) years of age may substitute the word “retired” for the word “inactive”; (3-29-10)

d. Licensees granted the exemption as either “inactive” or “retired” shall annually pay the license renewal fee as prescribed in Rule 701; and (4-2-03)

e. Licensees granted the exemption must comply with a return to active status competency requirement as set out in Rule 510 before they may discontinue use of the word “inactive” or “retired” in association with their CPA or LPA title. (4-2-03)

IDAPA 01 - BOARD OF ACCOUNTANCY

01.01.01 - IDAHO ACCOUNTANCY RULES

DOCKET NO. 01-0101-1402

NOTICE OF RULEMAKING - PROPOSED RULE

AUTHORITY: In compliance with Section 67-5221(1), Idaho Code, notice is hereby given that this agency has initiated proposed rulemaking procedures. The action is authorized pursuant to Section 54-204(1) Idaho Code.

PUBLIC HEARING SCHEDULE: Public hearing(s) concerning this rulemaking will be scheduled if requested in writing by twenty-five (25) persons, a political subdivision, or an agency, not later than October 15, 2014.

The hearing site(s) will be accessible to persons with disabilities. Requests for accommodation must be made not later than five (5) days prior to the hearing, to the agency address below.

DESCRIPTIVE SUMMARY: The following is a nontechnical explanation of the substance and purpose of the proposed rulemaking:

Modify Rule 606.01 to state that only firms performing any of the services set out in Rule 602 need to annually register with the Board.

FEE SUMMARY: The following is a specific description of the fee or charge imposed or increased: NA

FISCAL IMPACT: The following is a specific description, if applicable, of any negative fiscal impact on the state general fund greater than ten thousand dollars (\$10,000) during the fiscal year resulting from this rulemaking: NA

NEGOTIATED RULEMAKING: Pursuant to Section 67-5220(2), Idaho Code, negotiated rulemaking was not conducted because the changes are simple in nature and were discussed with the Idaho Society of Certified Public Accountants and licensees without objections.

INCORPORATION BY REFERENCE: Pursuant to Section 67-5229(2)(a), Idaho Code, the following is a brief synopsis of why the materials cited are being incorporated by reference into this rule: NA

ASSISTANCE ON TECHNICAL QUESTIONS, SUBMISSION OF WRITTEN COMMENTS: For assistance on technical questions concerning the proposed rule, contact Kent A. Absec, (208) 334-2490.

Anyone may submit written comments regarding this proposed rulemaking. All written comments must be directed to the undersigned and must be delivered on or before October 22, 2014.

DATED this 26th Day of June, 2014.

Kent A. Absec
Executive Director
Idaho State Board of Accountancy
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THE FOLLOWING IS THE PROPOSED TEXT OF DOCKET NO. 01-0101-1402
(Only those Sections being amended are shown.)

606. REPORTING TO THE BOARD (RULE 606).

01. Firm Registration Form. All firms, ~~whether or not they~~ **which** perform any of the services set out in Rule 602, shall annually file a firm registration report no later than September 30. The registration shall be on such form as prescribed by the Board. Firm registrations filed after September 30 are subject to penalty for non-compliance pursuant to Rule 703. ~~(4-2-03)~~ ()

02. Peer Review Documentation. A firm which has undergone peer review will file a copy of the peer review report, letter of comments if any, letter of response if any, and letter accepting the review report issued by the administering organization. The letter will be filed within thirty (30) days after receipt. The Board reserves the right to obtain all other information relating to the peer review. (4-6-05)