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FISCAL IMPACT REPORT

SPONSOR Jennings DATE TYPED 1/30/04 HB _____

SHORT TITLE Public Accountant Qualifications SB 219

ANALYST Aguilar

REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY04	FY05			
\$5.0	\$20.0	\$20.0 annually	Recurring	Public Accountancy Fund

(Parenthesis () Indicate Revenue Decreases)

SOURCES OF INFORMATION

LFC Files

Responses Received From

Regulation and Licensing Department (RLD)

SUMMARY

Synopsis of Bill

Senate Bill 219 amends the qualifications for earning a certificate as a certified public accountant. SB 19 effects changes in the administration procedures and scoring of the Uniform CPA Examination as a result of the new computer-based format, increases certain fees and declares an emergency.

Significant Issues

The legislation would allow applicants for the Uniform CPA Examination to continue to sit for the examination in New Mexico. This national standardized examination is currently offered solely via computer and present statute does not allow candidates to take the examination in this manner. Administration costs for the computerized examination are higher than they were for the paper-and-pencil examination. The current fee structure does allow for these higher administration costs.

The computer-based examination will be administered through a secure web browser at a designated testing center. Examinees will be monitored by closed circuit television and test center staff. The examination is designed in such a way that each candidate's registration information and scores will be housed in a National Candidate Database. All of these features are designed to enhance the security of the examination, and the board would utilize CPA Examination Services to ensure that all of this occurs.

SB219 would allow candidates for the Uniform CPA Examination to continue to register for and sit for the examination in New Mexico. Upon passage of the examination, most of these candidates will apply for and receive a New Mexico CPA certificate and license to practice.

FISCAL IMPLICATIONS

Each registration would generate an administrative fee of \$50, which would result in a positive fiscal impact of approximately \$20 thousand per year.

OTHER SUBSTANTIVE ISSUES

The last paper-and-pencil administration of the Uniform CPA Examination occurred in November 2003, and registration for the computerized version is currently underway. Candidates may begin taking the examination using the new technology in April 2004.

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