

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

Senate Bill 148

(Senator Ellis)

Education, Energy, and the Environment

Economic Matters

State Board of Public Accountancy - Emeritus Status

This bill authorizes the State Board of Public Accountancy to place a licensee on *emeritus* status if the applicant meets specified requirements. Additionally, the board is required to reinstate the license of an individual on *emeritus* status under certain circumstances. The bill also exempts *all* licensees (including licensees on *emeritus* status) from the requirement to comply with continuing education requirements when seeking a license reinstatement. **The bill takes effect July 1, 2025.**

Fiscal Summary

State Effect: Special fund revenues and expenditures for the board are likely not materially affected.

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Bill Summary: The board must place a licensee on *emeritus* status if the individual applies for *emeritus* status and:

- has an active or inactive license to practice certified public accountancy under State law;
- is not under investigation by the board for a violation of Title 2 of the Business Occupations and Professions Article (which governs the licensing of accountants in

- the State) or a comparable body of another state for a violation of a comparable provision;
- is not the subject of a pending disciplinary action related to the practice of certified public accountancy in Maryland (or another state);
 - has practiced public accountancy in the State for at least six years as an active certified public accountant and is at least 60 years old *or* has at least 40 years of experience as a certified public accountant; and
 - attests that (1) the individual is retired and is no longer actively practicing public accountancy in the State and (2) the individual will not provide or be compensated for certified public accountancy services unless reinstated in accordance with the bill.

The board must review an application for *emeritus* status within 90 days of receipt. If approved, the board must send the licensee written notice of the approval and a certificate of *emeritus* status. A licensee on *emeritus* status is exempt from (1) the continuing education requirements otherwise required under State law and (2) the reinstatement fee for expired licenses. Individuals who have failed to renew their licenses for any reason and apply for reinstatement also do not need to comply with continuing education requirements.

Prohibitions for Licensees on Emeritus Status

A licensee on *emeritus* status may not (1) practice, attempt to practice, or offer to practice certified public accountancy; (2) sign or certify financial statements, tax returns, or audit reports; or (3) provide attestation services.

Misrepresentation as Authorized Practitioner

An individual on *emeritus* status is not prohibited from describing their status to the public, provided that the individual does not represent that the licensee is authorized to practice certified public accountancy in the State. Further, a licensee on *emeritus* status may use the words “certified public accountant emeritus” or the abbreviation “CPA emeritus” to describe the occupation of the individual, provided that the licensee does not represent to the public that the licensee is authorized to practice certified public accountancy in the State.

Current Law: The State Board of Public Accountancy regulates and licenses individuals acting as certified public accountants and issues permits to business entities that provide public accountancy services. Practicing certified public accountancy means, among other things, to (1) conduct an audit; (2) conduct any examination, review, or agreed-upon procedures engagement to be performed in accordance with the Statements on Standards for Attestation Engagements issued by the American Institute of Certified Public Accountants; or (3) provide a written certificate or opinion offering positive or negative

assurance or full or limited assurance on the correctness of the information or on the fairness of the presentation of the information in certain documentation.

To qualify for a license, an applicant must meet certain educational and experience criteria and pass the Uniform Certified Public Accountant Examination. Additionally, a firm that has an office in the State and either uses the title of “CPA” or “CPA firm” or performs certain services must have a permit issued by the board. To qualify for a permit, a firm must meet certain requirements depending on the type of firm.

Reinstatement of Expired Licenses

In accordance with its regulations, the board may reinstate the license of an individual who has failed to renew the license for any reason if the individual (1) otherwise is entitled to be licensed; (2) complies with each continuing education requirement that the board sets for this purpose; and (3) pays to the board a reinstatement fee set by the board.

Practicing without a License

Generally, a person may not practice, attempt to practice, or offer to practice certified public accountancy in Maryland unless licensed by the board or qualified for a practice privilege under provisions of State law governing licensed out-of-state accountants.

Misrepresentation as Authorized Practitioner

Unless authorized by State law to practice certified public accountancy, a person may not represent to the public, by use of a title (*e.g.*, “licensed certified public accountant,” “certified public accountant,” etc.), by description of services, methods, or procedures, or otherwise, that the person is authorized to practice certified public accountancy in the State.

Additional Comments: Although the bill expressly exempts a licensee on *emeritus* status from paying a license reinstatement fee, the bill also specifies that a licensee on *emeritus* status may reinstate a license only if, among other requirements, a reinstatement fee is paid. Thus, it is unclear whether a licensee on *emeritus* status is subject to the reinstatement fee under the bill.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: HB 427 (Delegate Queen) - Economic Matters.

Information Source(s): Maryland Department of Labor; Department of Legislative Services

Fiscal Note History: First Reader - January 27, 2025
km/mcr Third Reader - March 25, 2025
Revised - Amendment(s) - March 25, 2025

Analysis by: Eric F. Pierce

Direct Inquiries to:
(410) 946-5510
(301) 970-5510