

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

PROPOSED AMENDMENT TO A RULE OF THE
STATE BOARD OF ACCOUNTANCY GOVERNING
LICENSURE FEES FOR CERTIFIED PUBLIC
ACCOUNTANTS AND LICENSED PUBLIC
ACCOUNTANTS.

STATEMENT OF NEED
AND REASONABLENESS

The above-captioned rule is an amendment to an existing rule of the Board of Accountancy ("Board"). The Board's rules were last amended on August 31, 1981.

The need for and reasonableness of this rule is as follows:

I.

STATUTORY AUTHORITY

Minn. Stat. § 326.18 (1982), as amended, empowers the Board to promulgate and adopt rules, including all rules proper to carry into effect the purposes of Minn. Stat. §§ 326.165 to 326.23. Minn. Stat. §§ 326.17 and 214.06 (1982 and Supp. 1983) further authorize the Board, with the approval of the Commissioner of Finance, to adjust any fee which the Board is empowered to assess a sufficient amount so that the total fees collected by the Board will as closely as possible equal anticipated expenditures during the fiscal biennium. In addition, Minn. Stat. § 16A.128 provides that fee adjustments shall be made with the approval of the Commissioner of Finance and may be made without a public hearing when the total fees estimated to be received during the fiscal biennium will not exceed the sum of all direct appropriations, indirect costs, transfers in, and salary supplements for that purpose for

the biennium.

II.

FACTS ESTABLISHING NEED AND REASONABLENESS

The fact that Board fee-generated revenues for the fiscal year 1984-1985 biennium are projected to fall short of disbursement requirements by approximately \$23,200 requires that a fee increase be made in accordance with Minn. Stat. § 16A.128,214.06 (1982 and Supp. 1983). Board fee-generated income is deposited in the State General Fund with Board expenses paid from an appropriation made by the Legislature on a biennial basis. The proposed fee change to be accomplished by implementation of this rule was approved by the Commissioner of Finance on April 18, 1984.

The Board was appropriated \$231,300 for fiscal year 1985. Statewide Indirect Costs for 1985 are \$2,400. Commerce Indirect Costs for 1985 are \$16,900. Anticipated receipts for fiscal year 1985 are \$227,400. Total Costs to be recovered by fees are \$250,600. Minn. Stat. § 16A.128 (1982) requires that the total amount of fees received shall approximate the amount appropriated for the several accounts, plus the portion of the general support costs and statewide indirect costs of the agency that is attributable to the function for which the fee is charged.

The proposed change will increase the annual individual license fee for CPA's and LPA's from the current \$15.00 to \$20.00. This increase is expected to generate \$23,475 in additional funds which are needed to offset operating expenses not to include examination costs. It is reasonable to increase the individual license fees because of the additional revenue they will generate and

and because an increase in corporate and partnership fees cannot be fully accomplished unless the Legislature amends Minn. Stat. § 319A.21 (1982) and would not raise sufficient additional revenue.

The agency has considered the impact that the proposed increase in fees will have on small business and finds that such impact will be minimal and that any impact is mandated by law. The proposed increase will cost each individual licensee an additional \$5.00 a year and will not impose additional compliance or reporting requirements.

Dated: June 18, 1984.

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

By: 

ROBERT C. SHOUP
Chairman