



THE MINNESOTA BOARD OF ACCOUNTANCY

November 16, 2017

Governor Mark Dayton
Office of the Governor

Paul Marinac
Revisor of Statutes

Mr. Greg Hubinger, Director
Legislative Coordinating Commission

Representative Tim O'Driscoll, Chair
Government Operations and Elections Policy Committee

Representative Sarah Anderson, Chair
State Government Finance Committee

Senator Mary Kiffmeyer, Chair
State Government Finance and Policy and Elections Committee

Subject: Annual Report on Obsolete, Unnecessary or Duplicative Rules as Required by
Minnesota Statutes, Section 14.05, Subdivision 5

Dear Governor Dayton, Senators, Representatives, and Revisor Marinac:

Minnesota Statutes, section 14.05, subdivision 5, directs the Board of Accountancy ("Board") to report to you by December 1 of each year whether any of its rules are obsolete, unnecessary, or duplicative of other state or federal statutes or rules.

In its last report, the Board declared its intention to repeal eight obsolete, duplicative or unnecessary rules. The rule modifications were adopted as part of rule package R-04392 and will be effective five days after final publication in the State Register. The Board expects this publication by the end of December 2017.

The Board has completed its annual review of its rules and has identified the following obsolete, unnecessary or duplicative rules:

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1. M.R. 1105.01100: The requirement for each licensee or registrant to supply the board with facsimile numbers in connection with renewal of the certificate, permit, or registration is obsolete. There is no need for the Board to collect facsimile numbers as it does not communicate with licensees or registrants by facsimile.
2. M.R. 1105.3700, item B: The requirement for persons granted exempt status to inform the board of any address change is unnecessary. An individual who is granted exempt status is someone who does not engage in the practice of public accounting in any manner and who does not hold out as a CPA in any manner. These individuals no longer hold CPA certificates and the Board has no need to contact them.
3. M.R. 1105.4000, item F: The requirement for nonlicensees, noncertificate holders, and nonregistrants who are registering with the Board in connection with the renewal of a firm permit to indicate the percentage of voting and financial interest held in the firm by the individual is unnecessary. Minnesota Statutes, section 326A.05, subdivision 3, paragraph (b) states that a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers, must belong to holders of certificates who are licensed in some state. The firm must disclose the *total* percentage of voting and financial interest held by unlicensed individuals and that percentage must not be more than the percentage held by licensed individuals, however, it is unnecessary to collect the percentage of voting and financial interest from *each* individual.

These rule modifications will be included in the Board's next rule package.

We look forward to working with you during this legislative session. We appreciate your dedication to service of the State of Minnesota. If you have any questions regarding this report, please contact me at 651-757-1517.

Sincerely,



Doreen Frost
Executive Director

cc: Greg Steiner, CPA, Board Chair