



ACCOUNTING EXAMINING BOARD
Room N207, 4822 Madison Yards Way, Madison
Contact: Erin Karow (608) 266-2112
August 9, 2018

The following agenda describes the issues that the Board plans to consider at the meeting. At the time of the meeting, items may be removed from the agenda. Please consult the meeting minutes for a record of the actions of the Board.

AGENDA

9:30 A.M.

OPEN SESSION – CALL TO ORDER – ROLL CALL

A. Adoption of Agenda (1-3)

B. Approval of the Minutes of June 15, 2018 (4-7)

C. Administrative Matters – Discussion and Consideration

1. Staff Updates
2. Department Updates
3. Board Members – Term Expiration Dates
 - a. Gerald E. Denor – 7/1/2017
 - b. Glenn Michaelsen – 7/1/2017
 - c. John Reinemann – 7/1/2021
 - d. John Scheid – 7/1/2019
 - e. David Schlichting – 7/1/2022
 - f. Vacant – Accountant Member
 - g. Vacant – Accountant Member

D. 9:30 A.M. APPEARANCE: Sheldon Holzman, C.P.A., National Association of State Boards of Accountancy (NASBA) Great Lakes Regional Director – Presentation Regarding NASBA Member Board Services and Updates (8-20)

1. Board Discussion and Consideration

E. Credentialing Matters – Discussion and Consideration (28-30)

1. Certified Public Accountants Certified and Licensed Since the Last Board Meeting
2. Firms Licensed Since the Last Board Meeting

F. Legislative and Administrative Rule Matters – Discussion and Consideration (21-27)

1. Proposals for Accy 2 and 7, Relating to Continuing Education
2. Administrative Rules Reporting Requirement Under 2017 Wisconsin Act 108
3. Update on Legislation and Pending or Possible Rulemaking Projects

G. Speaking Engagement(s), Travel, or Public Relation Request(s)

1. Report on NASBA Eastern Regional Meeting on June 5-7, 2018 in Orlando, Florida

H. Deliberation on Items Added After Preparation of Agenda:

1. Introductions, Announcements and Recognition
2. Election of Officers
3. Appointment of Liaison(s) and Alternates
4. Delegation of Authorities
5. Administrative Matters
6. Education and Examination Matters
7. Credentialing Matters
8. Practice Matters
9. Legislative/Administrative Rule Matters
10. Liaison Reports
11. Board Liaison Training and Appointment of Mentors
12. Informational Items
13. Division of Legal Services and Compliance (DLSC) Matters
14. Presentations of Petitions for Summary Suspension
15. Petitions for Designation of Hearing Examiner
16. Presentation of Stipulations, Final Decisions and Orders
17. Presentation of Stipulations and Interim Orders
18. Presentation of Proposed Final Decision and Orders
19. Presentation of Interim Orders
20. Petitions for Re-Hearing
21. Petitions for Assessments
22. Petitions to Vacate Orders
23. Requests for Disciplinary Proceeding Presentations
24. Motions
25. Petitions
26. Appearances from Requests Received or Renewed
27. Speaking Engagement(s), Travel, or Public Relation Request(s)

I. Public Comments

CONVENE TO CLOSED SESSION to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.).

J. Consulting with Legal Counsel

K. Deliberation of Items Added After Preparation of the Agenda

1. Education and Examination Matters
2. Credentialing Matters
3. DLSC Matters
4. Monitoring Matters
5. Professional Assistance Procedure (PAP) Matters
6. Petitions for Summary Suspensions
7. Petitions for Designation of Hearing Examiner
8. Stipulations, Final Decisions and Order
9. Proposed Interim Orders
10. Administrative Warnings
11. Review of Administrative Warnings
12. Proposed Final Decision and Orders
13. Matters Relating to Costs/Orders Fixing Costs
14. Case Closings

15. Board Liaison Training
16. Petitions for Assessments and Evaluations
17. Petitions to Vacate Orders
18. Remedial Education Cases
19. Motions
20. Petitions for Re-Hearing
21. Appearances from Requests Received or Renewed

RECONVENE TO OPEN SESSION IMMEDIATELY FOLLOWING CLOSED SESSION

L. Vote on Items Considered or Deliberated Upon in Closed Session, if Voting is Appropriate

M. Open Session Items Noticed Above Not Completed in the Initial Open Session

ADJOURNMENT

NEXT MEETING DATE: NOVEMBER 8, 2018

MEETINGS AND HEARINGS ARE OPEN TO THE PUBLIC, AND MAY BE CANCELLED WITHOUT NOTICE.

Times listed for meeting items are approximate and depend on the length of discussion and voting. All meetings are held at 4822 Madison Yards Way, Madison, Wisconsin, unless otherwise noted. In order to confirm a meeting or to request a complete copy of the board's agenda, please call the listed contact person. The board may also consider materials or items filed after the transmission of this notice. Times listed for the commencement of disciplinary hearings may be changed by the examiner for the convenience of the parties. Interpreters for the hearing impaired provided upon request by contacting the Affirmative Action Officer, 608-266-2112.

**TELECONFERENCE/VIRTUAL
ACCOUNTING EXAMINING BOARD
MEETING MINUTES
JUNE 15, 2018**

PRESENT: Todd C. Craft (*via GoToMeeting*), Gerald Denor (*via GoToMeeting*), Kathleen LaBrake (*via GoToMeeting*), Glenn Michaelsen (*via GoToMeeting*), and John Scheid (*via GoToMeeting*)

EXCUSED: Joseph Braunger

STAFF: Erin Karow, Executive Director; Kate Stolarzyk, Bureau Assistant; and other DSPS Staff

CALL TO ORDER

John Scheid, Board Chair, called the meeting to order at 9:31 a.m. A quorum of five (5) members was confirmed.

ADOPTION OF AGENDA

Amendments to the Agenda

- Under Item K. “Deliberation of Items Added After Preparation of the Agenda, 2. Credentialing Matters” ADD:
 - “a. Application Reviews; 1. Sehee Fritzel – Endorsement Education Review”

MOTION: Glenn Michaelsen moved, seconded by Gerald Denor, to adopt the agenda as amended. Motion carried unanimously.

APPROVAL OF MINUTES OF MAY 10, 2018

MOTION: Gerald Denor moved, seconded by Kathleen LaBrake, to approve the minutes of May 10, 2018 as published. Motion carried unanimously.

LEGISLATIVE AND ADMINISTRATIVE RULE MATTERS

Scope Statement for Accy 2 and 7, Relating to Continuing Education

MOTION: Gerald Denor moved, seconded by Glenn Michaelsen, to approve the Scope Statement revising Accy 2 and 7, relating to continuing education, for submission to the Department of Administration and Governor’s Office and for publication. Additionally, the Board authorizes the Chair to approve the Scope Statement for implementation no less than 10 days after publication. Motion carried unanimously.

CLOSED SESSION

MOTION: Gerald Denor moved, seconded by John Scheid, to convene to closed session to deliberate on cases following hearing (s. 19.85(1)(a), Stats.); to consider licensure or certification of individuals (s. 19.85(1)(b), Stats.); to consider closing disciplinary investigations with administrative warnings (ss. 19.85 (1)(b), and 440.205, Stats.); to consider individual histories or disciplinary data (s. 19.85 (1)(f), Stats.); and to confer with legal counsel (s. 19.85(1)(g), Stats.). The Chair read the language of the motion. The vote of each member was ascertained by voice vote. Roll Call Vote: Todd Craft-yes; Gerald Denor-yes; Kathleen LaBrake-yes; Glenn Michaelsen-yes and John Scheid-yes. Motion carried unanimously.

The meeting convened to Closed Session at 9:52 a.m.

RECONVENE TO OPEN SESSION

MOTION: John Scheid moved, seconded by Gerald Denor, to reconvene into open session. Motion carried unanimously.

The meeting reconvened into Open Session at 10:42 a.m.

VOTE ON ITEMS CONSIDERED OR DELIBERATED UPON IN CLOSED SESSION

MOTION: Gerald Denor moved, seconded by John Scheid, to affirm all votes made in closed session. Motion carried unanimously.

(Be advised that any recusals or abstentions reflected in the closed session motions stand for the purposes of the affirmation vote.)

CREDENTIALING MATTERS

Application Reviews

Sehee Fritzel– Endorsement Education Review

MOTION: Gerald Denor moved, seconded by Kathleen LaBrake, to approve the endorsement application of Sehee Fritzel. The Board finds that the applicant's qualifications are substantially equivalent to the qualifications under Wis. Stat. § 442.04. Motion carried unanimously.

**DELIBERATION ON DIVISION OF LEGAL SERVICES AND COMPLIANCE (DLSC)
MATTERS**

Proposed Stipulations, Final Decisions, and Orders

15 ACC 032 – G.T., LLP

MOTION: Glenn Michaelsen moved, seconded by Gerald Denor, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against G.T., LLP, DLSC Case Number 15 ACC 032. Motion carried unanimously.

15 ACC 032 – M.K.K.

MOTION: Gerald Denor moved, seconded by Todd Craft, to adopt the Findings of Fact, Conclusions of Law and Order in the matter of disciplinary proceedings against M.K.K., DLSC Case Number 15 ACC 032. Motion carried unanimously.

Case Closures

15 ACC 032 – J.R.

MOTION: Todd Craft moved, seconded by Gerald Denor, to close DLSC Case Number 15 ACC 032, against J.R., for Prosecutorial Discretion (P5-Flag). Motion carried unanimously.

17 ACC 002 – G.M., D.K., M CPAs, LLP.

MOTION: Gerald Denor moved, seconded by Kathleen LaBrake, to close DLSC Case Number 17 ACC 002, against G.M., D.K., M CPAs, LLP., for No Violation. Motion carried unanimously.

PROPOSED FINAL DECISIONS AND ORDERS

Kevin A. Pettit, Respondent (DHA Case Number SPS-18-000116/DLSC Case Number 16 ACC 006)

MOTION: John Scheid moved, seconded by Glenn Michaelsen, to delegate to Department Chief Legal Counsel the Board's authority to preside over and resolve the matter of disciplinary proceedings against Kevin A. Pettit, DHA Case Number SPS-18-000116/DLSC Case Number 16 ACC 006. Motion carried unanimously.

MOTION: Gerald Denor moved, seconded by John Scheid, to honor Kathleen LaBrake's service to the Accounting Examining Board. Motion carried unanimously.

ADJOURNMENT

MOTION: Todd Craft moved, seconded by Glenn Michaelsen, to adjourn the meeting. Motion carried unanimously.

The meeting adjourned at 10:47 a.m.

DRAFT

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Erin Karow, Executive Director		2) Date When Request Submitted: 7/30/2018 <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting</small>	
3) Name of Board, Committee, Council, Sections: Accounting Examining Board			
4) Meeting Date: 8/9/2018	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? A. 9:00 A.M. APPEARANCE: Sheldon Holzman, CPA National Association of State Boards of Accountancy (NASBA) Great Lakes Regional Director - Presentation Regarding NASBA Member Board Services and Updates 1. Board Discussion and Consideration	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	8) Is an appearance before the Board being scheduled? <input checked="" type="checkbox"/> Yes (Fill out Board Appearance Request) <input type="checkbox"/> No	9) Name of Case Advisor(s), if required: None	
10) Describe the issue and action that should be addressed: Great Lakes Regional Director, Sheldon Holzman will be giving a presentation to the Board regarding the services offered through NASBA to their member boards, as well as an update regarding examinations and the AICPA. Mr. Holzman will present, and then respond to questions or comments from the Board.			
11) Authorization			
<i>Erin Karow</i>		7/30/2018	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

**State of Wisconsin
Department of Safety & Professional Services**

BOARD APPEARANCE REQUEST FORM

Appearance Information

Board Name: Accounting Examining Board

Board Meeting Date: 8/9/2018

Person Submitting Agenda Request: Erin Karow, Executive Director

Person(s) requesting an appearance: Sheldon Holzman, CPA, NASBA Regional Director

(NOTE: Contact information is not required for Department staff.)

Reason for Appearance: NASBA Presentation for Member Boards

Appearance Contact Information

(NOTE: If the appearing party is represented by an attorney skip the "Appearance Contact Information" section and complete the "Attorney Contact Information" section.)

Mailing address:

Email address: sheldon@holzmancpa.com

Telephone #: Cell: 312.399.4378

Fax: 844-470-8033

Attorney Contact Information

Attorney Name:

Attorney's mailing address:

Attorney's e-mail address:

Attorney's telephone #:

NASBA Update

Wisconsin State Board of Accountancy

August 9, 2018

Sheldon Holzman, CPA, CFF/CFE
Great Lakes Regional Director

NASBA OVERVIEW

- **NASBA Meetings 2018**

- Annual Meeting
- Executive Directors/
Legal Counsel
- Western Regional
- Eastern Regional
- Scottsdale, AZ Oct 28 – Oct 31, 2018
- San Antonio, TX March 26-28, 2019
- June 2019 To Be Determined
 - (Anchorage, AL)
- June 2019 To Be Determined
 - (Washington DC)
- New Board Member Orientation

NASBA Tools & Services

- Accountancy Licensee Database (ALD)/ CPAVerify
- Accountancy Licensing Library (ALL)
- **CPE Audit Tool – Expected 1st Qtr 2019**
- Legislative Tracking
- NASBA International Evaluation Services (NIES)
- Communications
 - Newsletters
 - Renewal Reminders
 - Social Media
 - Customized Videos
- Strategic Planning

Uniform CPA Exam

- Higher Order Skills (memorization → critical thinking)
- Exam Design (more TBSs, less MCQs)
- In 2018: Excel; User Experience Enhancement (modern design, 23" HD monitors; enhanced ADA support)
 - Change has been well received and without any issues
- Exploring continuous testing without any dark periods – might require a some states to revise their rules
- **International Expansion in Europe and other Countries**
 - UK
 - Ireland
 - Germany
 - Others

Horizon Issue

- Data Analytics and Big Data
 - 100% testing via software
 - Impact on audit practice & professional standards
 - Impact on peer review
 - Impact on Board oversight
- Defining how NASBA will assist Boards
- Experience requirements for CPA's to sign audits
- Alternatives as to how to get more candidates to sit for exam
- RITF – Reorganization Impact Task Force

AICPA-NASBA Joint Projects

- Code of Conduct
- CPE Reciprocity
- NOCLAR

Code of Conduct

- Desire to achieve consistency between AICPA Code of Conduct and jurisdictional Codes of Conduct
- Major Differences
 - Withholding client work product for payment of fees
 - Required written disclosure regarding commissions and referral fee arrangements (Code of Conduct revision effective 10/31/16)
 - Firm names
- NOCLAR

CPT Ethics Training: An Enforcement Option

Training Module 1 - Culture Matters The Value of an Ethical Culture

Developing and maintaining strong ethical cultures benefits leading organizations.



Training Module 2 - Leadership Matters The Need for Ethical Leaders Everywhere

How employees handle various ethical dilemmas can positively or negatively impact organizations.



Training Module 3 - Strategy Matters The Key Components of Ethical Business

Leaders at all levels play a key role in implementing an effective ethics program.



Optional State-based Module 4 – States Laws & Rules

Diversity

- NASBA's Strategic Plan 2016-2019
- Increasing women and minority representation
- Engaging professional societies and associations – meeting attendance and participation
- Encourage State Board communication with State Societies

Contact Information

- Email: sheldon.holzman@cpa.com
- Phone: (c) 312-399-4378

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Dale Kleven Administrative Rules Coordinator		2) Date When Request Submitted: 7/30/18 Items will be considered late if submitted after 12:00 p.m. on the deadline date: ▪ 8 business days before the meeting	
3) Name of Board, Committee, Council, Sections: Accounting Examining Board			
4) Meeting Date: 8/9/18	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Legislation and Rule Matters – Discussion and Consideration 1. Proposals for Accy 2 and 7 Relating to Continuing Education 2. Administrative Rules Reporting Requirement Under 2017 Wisconsin Act 108 3. Update on Pending Legislation and Pending and Possible Rulemaking Projects	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session <input type="checkbox"/> Both	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes (Fill out Board Appearance Request) <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required:	
10) Describe the issue and action that should be addressed:			
11) Authorization			
<i>Dale Kleven</i>		<i>July 30, 2018</i>	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda)		Date	
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, Provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

ACCOUNTING EXAMINING BOARD Accy 2.202

Chapter Accy 2

INDIVIDUAL CERTIFICATION AND LICENSURE

1

Subchapter VI — Licensure

Accy 2.501 Requirements for renewal and re-statement of individual licenses. (1) RENEWAL BEFORE 5 YEARS. An individual certified public accountant who files an application for renewal of a license within 5 years after the renewal date may renew his or her license by filing with the board all of the following:

- (a) An application for renewal on a form prescribed by the department that includes the applicant's representation, under penalties of perjury, that the applicant has satisfied the continuing professional development requirements specified in Accy 2.501(2).
- (b) The fee determined by the department under s. 440.03 (9) (a), Stats., and the applicable late renewal fee specified in s.

440.08 (3) (a), Stats.

(2) CONTINUING PROFESSIONAL DEVELOPMENT (CPD) REQUIREMENTS. Individuals renewing CPA licenses that expire during or after December, 2021 must complete at least 80 continuing professional development credits that contribute to the growth in the professional knowledge and professional competence of a licensee within the 24-month period ending on the date on which the individual's CPA license expires (the "compliance period").

- (a) For learning activities under Accy 2.501(2) with respect to which credits are measured by time participating in a learning activity, one (1) credit may be claimed for every fifty (50) minutes of participation, and credits may be recorded in increments of one-tenth (1/10) of a credit.
- (b) At least ½ of an applicant's CPD credits during a license renewal period shall consist of formal learning activities that meet all of the following requirements:
 - 1. An individual's participation can be objectively confirmed by a CPD program sponsor.
 - 2. Materials describing formal learning activities specify the subject matter of the learning activity, any prerequisites to enrollment, any necessary advance preparation, description of the learning activity (e.g., lecture, self-study, research, reading, etc.) and the number of CPD credits that will be awarded by the program sponsor for participating in the learning activity.
 - 3. The CPD program sponsor and any individual presenting or supervising the learning activity has education and experience qualifications appropriate for the learning activity to enhance the competency of learning activity participants.
 - (c) Up to ½ of an applicant's CPD credits during a license renewal period may consist of informal learning activities with respect to which the participant's participation cannot be objectively confirmed by a CPD program sponsor, provided the participant in the informal learning activity retains for five (5) years from the date on which the learning activity was completed copies of documentation that:
 - 1. Describes the type of learning activity (e.g., lecture, meeting, reading, listening, researching, watching a video, self-study, on-demand webinar, live-streamed webinar, detailed description of other experiential learning activity, and location of any live lecture or other similar learning activity),
 - 2. Specifies the dates on which the learning activities were performed and completed,
 - 3. Describes the subject matter of the learning activity,
 - 4. Shows a reasonable computation of the number of credits claimed by the participant for participating in the learning activity, and
 - 5. Includes copies of any materials prepared or used by the

participant in connection with the learning activity (e.g., title and author of book, publication and article title, copy of article, and reviewed, meeting minutes, program outlines, handouts, links to reading, video, audio or other online learning materials or activities used in the learning activity that could be accessed to share with other learners or to verify such resources).

(d) At least three (3) credits of the 80 credits required by Accy 2.501(2) shall consist of learning activities that cover ethics subject matter and that meet the requirements of a formal learning activity described in Accy 2.501(2)(a)(e) Creditable learning activities for purposes of Accy 2.501(2) must enhance a participant's professional growth and competence and include but are not limited to attending lectures, participating in online webinars and webcasts, completing self-study courses developed by vendors, teaching a course, performing independent research, listening to podcasts, watching videos, reading books and articles, attending meetings, and engaging in similar learning activities that enhance a participant's professional growth and competence.

(f) An individual is not required to complete CPD learning activities during the compliance period that includes the date on which the individual first obtained his or her CPA license.

(g) An individual may carry forward from one compliance period to the next consecutive compliance period a maximum of forty (40) CPD credits that exceed the minimum number of credits required to satisfy requirements in the earlier compliance period, which credits may represent any combination of formal and informal learning activities and shall retain their character as formal or informal learning activity credits.

(h) An individual may carry back CPD credits earned during the first 12 months of a compliance period to the immediately preceding compliance period to the extent necessary to allow the individual to satisfy the CPD requirements for such preceding period, provided the individual does not count such carry back credits to satisfy CPD requirements for more than one compliance period.

(i) An individual must complete at least 20 CPD credits during each 12 month period in each compliance period.

(j) CPD credits allowed for teaching are limited to the course preparation time and the time to present the course only once.

(k) CPD credit may not be claimed for participating in a specific learning activity more than once.

(l) An individual holding a current unrevoked CPA license issued by any U.S. CPA licensing jurisdiction shall be treated as complying with the CPD requirements of Accy 2.501(2) if the CPA holding such license is in compliance with the continuing professional education or continuing professional development CPA licensing requirements of any jurisdiction in which he or she holds such a license.

(m) Inactive licensees who do not practice accounting (public or private), or hold themselves out to the public as practicing accountants in any professional capacity, or use the title or designation of certified public accountant, public accountant, accountant without the word "inactive", shall be exempt from continuing professional education requirements.

(n) The board has the authority to determine whether the CPD learning activities claimed by a CPA satisfy the requirements of Accy 2.501(2).

(3) RENEWAL AFTER 5 YEARS. An individual certified public accountant who files an application for renewal of a license 5 years or more after the renewal date may renew his or her license by filing with the board all of the following:

- (a) An application for renewal on a form prescribed by the

department.

(b) The fee determined by the department under s. 440.03 (9) (a), Stats., and the applicable late renewal fee specified in s.

440.08 (3) (a), Stats.

(c) Verification of successful completion of examinations specified in s. Accy 2.301 or education specified in s. Accy 2.202 or both as may be prescribed by the board.

(4) REINSTATEMENT. (a) Notwithstanding the board's authority under s. 442.12 (1) (g), Stats., to grant a hearing pursuant to an application in writing and notice, an individual certified public accountant who has a license with unmet disciplinary requirements and who has failed to renew the license within 5 years after the renewal date, or an individual whose license has been surrendered or revoked, may apply for reinstatement of his or her license. The request shall be in writing and be accompanied by all of the following:

1. The materials and fee specified in sub. (2) (a) to (c).
Evidence of completion of disciplinary requirements, if applicable.
1. Evidence of rehabilitation or change in circumstances warranting reinstatement of the credential.

(b) The board shall grant reinstatement of a license following an application for reinstatement under par. (a) if the board determines the individual has satisfied the requirements under par. (a)

1. to 3. and the board determines reinstatement is warranted.

History: 2015 Wis. Act 217; cr. Register May 2016 No. 725, eff. 6-1-16.

State of Wisconsin



2017 Assembly Bill 317

Date of enactment: **November 30, 2017**

Date of publication*: **December 1, 2017**

2017 WISCONSIN ACT 108

AN ACT to amend 227.135 (2); and to create 13.92 (2) (jg), 35.93 (2) (b) 3. fm., 35.93 (2) (b) 3. gm., 227.138, 227.26 (4) and 227.29 of the statutes; relating to: review by state agencies of administrative rules and enactments; an expedited process for repealing rules an agency no longer has the authority to promulgate; retrospective economic impact analyses for rules; and reporting by the Legislative Reference Bureau on rules in need of revision.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. 13.92 (2) (jg) of the statutes is created to read:

13.92 (2) (jg) Prior to the end of each even-numbered year, report to the joint committee for review of administrative rules regarding rules in the Wisconsin administrative code that the chief has identified as possibly being in need of revision.

SECTION 2. 35.93 (2) (b) 3. fm. of the statutes is created to read:

35.93 (2) (b) 3. fm. Retrospective economic impact analyses for rules under s. 227.138.

SECTION 3. 35.93 (2) (b) 3. gm. of the statutes is created to read:

35.93 (2) (b) 3. gm. Petitions and proposed rules submitted under s. 227.26 (4) (b) 1.

SECTION 4. 227.135 (2) of the statutes, as affected by 2017 Wisconsin Act 57, is amended to read:

227.135 (2) An agency that has prepared a statement of the scope of the proposed rule shall present the statement to the department of administration, which shall make a determination as to whether the agency has the explicit authority to promulgate the rule as proposed in

the statement of scope and shall report the statement of scope and its determination to the governor who, in his or her discretion, may approve or reject the statement of scope. The agency may not send the statement to the legislative reference bureau for publication under sub. (3) until the governor issues a written notice of approval of the statement. The agency shall also present the statement to the individual or body with policy-making powers over the subject matter of the proposed rule for approval. The individual or body with policy-making powers may not approve the statement until at least 10 days after publication of the statement under sub. (3) and, if a preliminary public hearing and comment period are held by the agency under s. 227.136, until the individual or body has received and reviewed any public comments and feedback received from the agency under s. 227.136 (5). No state employee or official may perform any activity in connection with the drafting of a proposed rule, except for an activity necessary to prepare the statement of the scope of the proposed rule until the governor and the individual or body with policy-making powers over the subject matter of the proposed rule approve the statement. This subsection does not prohibit an agency from

* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

performing an activity necessary to prepare a petition and proposed rule for submission under s. 227.26 (4).

SECTION 5. 227.138 of the statutes is created to read:

227.138 Retrospective economic impact analyses for rules. (1) The joint committee for review of administrative rules may direct an agency to prepare a retrospective economic impact analysis for any of an agency's rules that are published in the code. The committee may identify one or more specific chapters, sections, or other subunits in the code that are administered by the agency as the rules that are to be the subject of the analysis and may specify a deadline for the preparation of the analysis. A retrospective economic impact analysis shall contain information on the economic effect of the rules on specific businesses, business sectors, public utility ratepayers, local governmental units, and the state's economy as a whole. When preparing the analysis, the agency shall solicit information and advice from businesses, associations representing businesses, local governmental units, and individuals that have been affected by the rules. The agency shall prepare the retrospective economic impact analysis in coordination with local governmental units that have been affected by the rules. The agency may request information that is reasonably necessary for the preparation of a retrospective economic impact analysis from other businesses, associations, local governmental units, and individuals and from other agencies. The retrospective economic impact analysis shall include all of the following:

(a) An analysis and quantification of the policy problem that the rules were intended to address, including comparisons with the approaches used by the federal government and by Illinois, Iowa, Michigan, and Minnesota to address that policy problem.

(b) An analysis and detailed quantification of the economic impact of the rules, including the implementation and compliance costs that have been incurred by or passed along to the businesses, local governmental units, and individuals that have been affected by the rules.

(c) An analysis of the actual and quantifiable benefits of the rules, including an assessment of how effective the rules have been in addressing the policy problem that the rules were intended to address.

(d) An analysis of alternatives to the rules, including the alternative of repealing the rules.

(e) A determination made in consultation with the businesses, local governmental units, and individuals that have been affected by the rules as to whether the rules have adversely affected in a material way the economy, a sector of the economy, productivity, jobs, or the overall economic competitiveness of this state.

(f) An analysis of the ways in which and the extent to which the rules have placed limitations on the free use of private property, including a discussion of alternatives to the rules that would minimize any such limitations.

(g) A comparison of the actual economic effect of the rules being analyzed to any economic impact analysis that analyzed the expected economic effect of those rules when they were proposed.

(h) Any other information requested by the committee related to the economic impact of the rules.

(2) An agency that prepares a retrospective economic impact analysis under sub. (1) shall submit that analysis to the department of administration, to the governor, and to the chief clerks of each house of the legislature, who shall distribute the analysis to the presiding officers of their respective houses, to the chairpersons of the appropriate standing committees of their respective houses, as designated by those presiding officers, and to the cochairpersons of the joint committee for review of administrative rules. The agency shall also send an electronic copy of the analysis to the legislative reference bureau, in a format approved by the legislative reference bureau, for publication in the register.

SECTION 6. 227.26 (4) of the statutes is created to read:

227.26 (4) REPEAL OF UNAUTHORIZED RULES. (a) In this subsection, "unauthorized rule" means a rule that an agency lacks the authority to promulgate due to the repeal or amendment of the law that previously authorized its promulgation.

(b) Notwithstanding ss. 227.114 to 227.117 and 227.135 to 227.19, an agency that promulgated or that otherwise administers a rule that the agency determines is an unauthorized rule shall petition the joint committee for review of administrative rules for authorization to repeal that rule by using the following process:

1. The agency shall submit a petition with a proposed rule that repeals the rule the agency has determined is an unauthorized rule to the legislative council staff for review. The proposed rule shall be in the form required under s. 227.14 (1) and shall include the material required under s. 227.14 (2) (a) 1., 2., and 7. and a statement that the agency is petitioning the joint committee for review of administrative rules to use the process under this subsection to repeal a rule the agency has determined to be an unauthorized rule. The agency shall also send an electronic copy of the petition and the proposed rule to the legislative reference bureau, in a format approved by the legislative reference bureau, for publication in the register.

2. The legislative council staff shall review the petition and proposed rule in accordance with s. 227.15 (2) and submit to the joint committee for review of administrative rules the petition and proposed rule with a written report including a statement of its determination as to whether the proposed rule proposes to repeal an unauthorized rule. The legislative council staff shall send the agency a copy of its report with an indication of the date

on which the petition and proposed rule were submitted to the committee.

3. Following receipt of the petition and proposed rule submitted by the legislative council staff under subd. 2., the joint committee for review of administrative rules shall review the petition and proposed rule and may do any of the following:

a. Approve the agency's petition if the committee determines that the proposed rule would repeal an unauthorized rule.

b. Deny the agency's petition.

c. Request that the agency make changes to the proposed rule and resubmit the petition and proposed rule under subd. 1.

4. The committee shall inform the agency in writing of its decision as to the petition.

(c) If the joint committee for review of administrative rules approves a petition to repeal an unauthorized rule as provided in par. (b) 3. a., the agency shall promulgate the proposed rule by filing a certified copy of the rule with the legislative reference bureau under s. 227.20, together with a copy of the committee's decision.

SECTION 7. 227.29 of the statutes is created to read:

227.29 Agency review of rules and enactments. (1)

By March 31 of each odd-numbered year, each agency with any rules published in the code shall submit a report to the joint committee for review of administrative rules listing all of the following rules promulgated or otherwise administered by that agency:

(a) Unauthorized rules, as defined in s. 227.26 (4) (a), together with a description of the legislation that eliminated the agency's authority to promulgate any such rule.

(b) Rules for which the authority to promulgate has been restricted, together with a description of the legislation that restricted that authority.

(c) Rules that are obsolete or that have been rendered unnecessary, together with a description of why those rules are obsolete or have been rendered unnecessary.

(d) Rules that are duplicative of, superseded by, or in conflict with another rule, a state statute, a federal statute or regulation, or a ruling of a court of competent jurisdiction, together with a citation to or the text of any such statute, regulation, or ruling.

(e) Rules that the agency determines are economically burdensome.

(2) The report under sub. (1) shall also include all of the following:

(a) A description of the agency's actions, if any, to address each rule listed in the report. If the agency has not taken any action to address a rule listed in the report, the agency shall include an explanation for not taking action.

(b) A description of the status of each rule listed in the previous year's report not otherwise listed.

(c) If the agency determines that there is no rule as described under sub. (1) (a), (b), (c), (d), or (e), a statement of that determination.

(3) If an agency identifies an unauthorized rule under sub. (1) (a) and is not otherwise in the process of promulgating a rule that repeals the unauthorized rule, the agency shall, within 30 days after the agency submits the report, submit a petition to the legislative council staff under s. 227.26 (4) (b) 1. to repeal the unauthorized rule if the agency has not previously done so.

(4) (a) In this subsection, "enactment" means an act or a portion of an act that is required to be published under s. 35.095 (3) (a).

(b) Each agency shall review enactments to determine whether any part of an enactment does any of the following:

1. Eliminates or restricts the agency's authority to promulgate any rules promulgated or otherwise administered by that agency.

2. Renders any rules promulgated or otherwise administered by that agency obsolete or unnecessary.

3. Renders, for any reason, any rules promulgated or otherwise administered by that agency not in conformity with or superseded by a state statute, including due to statutory numbering or terminology changes in the enactment.

4. Requires or otherwise necessitates rule making by the agency.

(c) If an agency determines that any consequence specified in par. (b) 1. to 4. results from an enactment or part of an enactment, within 6 months after the applicable effective date for the enactment or part of the enactment, the agency shall do one or more of the following, as applicable, to address the consequence identified by the agency and notify the joint committee for review of administrative rules of its action:

1. Submit a statement of the scope of a proposed rule under s. 227.135 (2), unless the enactment requires otherwise or unless the agency submits a notice to the committee explaining why it is unable to submit the statement of scope within that time period and an estimate of when the agency plans to submit the statement of scope.

2. In the case of an affected rule that the agency determines is an unauthorized rule, as defined in s. 227.26 (4) (a), submit a petition to the legislative council staff under s. 227.26 (4) (b) 1.

3. In the case of a consequence specified under par. (b) 3. that can be addressed by the legislative reference bureau using its authority under s. 13.92 (4) (b), submit a request to the legislative reference bureau to use that authority.

SECTION 8. Initial applicability.

(1) The treatment of section 227.29 (4) of the statutes first applies to enactments published by the legislative

reference bureau under section 35.095 (3) (a) of the statutes on the effective date of this subsection.

**State of Wisconsin
Department of Safety & Professional Services**

AGENDA REQUEST FORM

1) Name and Title of Person Submitting the Request: Darcy Cullins, LPPA		2) Date When Request Submitted: 07/31/18 <small>Items will be considered late if submitted after 12:00 p.m. on the deadline date which is 8 business days before the meeting</small>	
3) Name of Board, Committee, Council, Sections: Accounting Examining Board			
4) Meeting Date: 8/9/18	5) Attachments: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	6) How should the item be titled on the agenda page? Credentialing Matters 1. Certified Public Accountants Certified and Licensed Since Last Review Meeting 2. Firms Licensed Since Last Review Meeting	
7) Place Item in: <input checked="" type="checkbox"/> Open Session <input type="checkbox"/> Closed Session	8) Is an appearance before the Board being scheduled? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	9) Name of Case Advisor(s), if required: N/A	
10) Describe the issue and action that should be addressed: Informational – No Action: List of Certified Public Accountants certified and licensed, and firms licensed since last review meeting on May 10, 2018 .			
11) Authorization			
Darcy Cullins		Date: 07/31/18	
Signature of person making this request		Date	
Supervisor (if required)		Date	
Executive Director signature (indicates approval to add post agenda deadline item to agenda) Date			
Directions for including supporting documents: 1. This form should be attached to any documents submitted to the agenda. 2. Post Agenda Deadline items must be authorized by a Supervisor and the Policy Development Executive Director. 3. If necessary, provide original documents needing Board Chairperson signature to the Bureau Assistant prior to the start of a meeting.			

A. Certified Public Accountants Certified and Licensed Since Last Review Meeting:

1. 26742-1; Beyersdorf, Benjamin
2. 26743-1; Bieszk, Jay
3. 26744-1; Popp, Hannah
4. 26745-1; Ratto, Michael
5. 26746-1; Berken, Gregory
6. 26747-1; Hlavacka, Casey
7. 26748-1; Rieger, Katherine
8. 26749-1; Wipperfurth, Leah
9. 26750-1; Drewieske, Amber
10. 26751-1; Morga, Carly
11. 26752-1; Belongia, Katie
12. 26753-1; Mulrooney, Amber
13. 26754-1; Schey, Garrett
14. 26755-1; Denu, Jared
15. 26756-1; Peterson, Jacob
16. 26757-1; Brigman, Elizabeth
17. 26758-1; Turzenski, John
18. 26759-1; Sennes, Julia
19. 26760-1; Lewiel, Julius
20. 26761-1; Peters, Andrew
21. 26762-1; Paulson, Jennifer
22. 26763-1; Salutz, Collin
23. 26764-1; Partlow, Emily
24. 26765-1; Cull, Bridget
25. 26766-1; Palm, Brian
26. 26767-1; D'Amato, Gino
27. 26768-1; Nelson, Lucas
28. 26769-1; Gross, Kristin
29. 26770-1; McKenzie, Holly
30. 26771-1; McBride, Brandon
31. 26772-1; Mayefske, Jared
32. 26773-1; Sinha, Tania
33. 26774-1; Chrinian, Brandon
34. 26775-1; Curtis, Jason
35. 26776-1; Foust, Michael
36. 26777-1; Gehring, Emily
37. 26778-1; Parajuli, Astha
38. 26779-1; Uttech, Jacob
39. 26780-1; Arend, Chad
40. 26781-1; Decléene, Nicholas
41. 26782-1; Karow, Ryan
42. 26783-1; Dreikosen, Elizabeth
43. 26784-1; Ko, Rhoda
44. 26785-1; Ruff, K'trina
45. 26786-1; Fritzel, Sehee
46. 26787-1; Federer, Amanda
47. 26788-1; Mannesto, Cale
48. 26789-1; Switon, Courtney
49. 26790-1; Zarter, Tieranny
50. 26791-1; Kolter, Caroline
51. 26792-1; Kelash, Michael
52. 26793-1; Guffey, Catherine
53. 26794-1; Schwartz, Melissa
54. 26795-1; Naidl, Chad
55. 26796-1; King, Angela
56. 26797-1; Stecklein, Jordan
57. 26798-1; Kriewaldt, Laura
58. 26799-1; Michalkiewicz, Elizabeth
59. 26800-1; Widder, Mackenzie
60. 26801-1; Bai, Yun
61. 26802-1; Carter, Bruce
62. 26803-1; McGowan, Garrett
63. 26804-1; Zhang, Ying
64. 26805-1; Cherrix, Everette
65. 26806-1; Fisher, Rebecca
66. 26807-1; Herrmann, Daniel
67. 26808-1; Ticali, William
68. 26809-1; Winter, Brooke
69. 26810-1; Haas, Nathan
70. 26811-1; Voight, James
71. 26812-1; Scherbert, Erin
72. 26813-1; Sedall, Jennyfer
73. 26814-1; Bockhop, Molly
74. 26815-1; Burkwald, Angela
75. 26816-1; Gruber, Matthew
76. 26817-1; Veleusic, Tatjana
77. 26818-1; Watkinson, Michael
78. 26819-1; Anderson, Brian
79. 26820-1; Wang, LingYin
80. 26821-1; Kolln, Ryan
81. 26822-1; Zirzow, Zachary
82. 26823-1; Clapham, Jack
83. 26824-1; Bruss, Hayley
84. 26825-1; Huang, Yali
85. 26826-1; Hofacker, Robert
86. 26827-1; Schommer, Craig
87. 26728-1; Finnegan, Trae
88. 26829-1; Greco, Robert
89. 26830-1; Czubkowski, Michael
90. 26831-1; Plaster, Alex
91. 23832-1; Gerharz, Christina
92. 23833-1; Ahmed, Ban
93. 23834-1; Mckay, Benjamin
94. 26835-1; Borzecki, Donna
95. 26836-1; Kieper, Ellen

**Denotes applicants who were certified and licensed pursuant to Board delegated conviction review authority. (Motion on 2/8/2018).*

B. Firms Licensed Since Last Review Meeting

1. 1535-3; Reis & Reis LLC
2. 1536-3; Gassner & Associates, LLC
3. 1537-3; Jason Gorgen CPA, LLC
4. 1538-3; Arnow & Associates
5. 1539-3; Thomas M. Keuler, CPA