

**STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD**

IN THE MATTER OF RULEMAKING : REPORT TO THE LEGISLATURE
PROCEEDINGS BEFORE THE : CR 19-160
ACCOUNTING EXAMINING BOARD :

I. THE PROPOSED RULE:

The proposed rule, including the analysis and text, is attached.

II. REFERENCE TO APPLICABLE FORMS:

N/A

III. FISCAL ESTIMATE AND EIA:

The Fiscal Estimate and EIA is attached.

IV. DETAILED STATEMENT EXPLAINING THE BASIS AND PURPOSE OF THE PROPOSED RULE, INCLUDING HOW THE PROPOSED RULE ADVANCES RELEVANT STATUTORY GOALS OR PURPOSES:

Current rules provide a candidate for the Uniform CPA Examination may not retake a failed test section within the same calendar quarter. In April of 2019, the National Association of State Boards of Accountancy approved a revision to its Accountancy Act Model Rules to allow continuous testing on the Uniform CPA Examination. Under continuous testing, a candidate may retake a test section once their grade for any previous attempt of the same test section has been released. The proposed rules will revise ch. Accy 2 to reflect continuous testing on the Uniform CPA Examination.

V. SUMMARY OF PUBLIC COMMENTS AND THE BOARD'S RESPONSES, EXPLANATION OF MODIFICATIONS TO PROPOSED RULES PROMPTED BY PUBLIC COMMENTS:

The Accounting Examining Board held a public hearing on January 31, 2020. The Board did not receive any written comments or testimony concerning the proposed rules.

VI. RESPONSE TO LEGISLATIVE COUNCIL STAFF RECOMMENDATIONS:

The Legislative Council had no recommendations concerning the proposed rules.

VII. REPORT FROM THE SBRRB AND FINAL REGULATORY FLEXIBILITY ANALYSIS:

N/A

STATE OF WISCONSIN
ACCOUNTING EXAMINING BOARD

IN THE MATTER OF RULEMAKING : PROPOSED ORDER OF THE
PROCEEDINGS BEFORE THE : ACCOUNTING EXAMINING BOARD
ACCOUNTING EXAMINING BOARD : ADOPTING RULES
: (CLEARINGHOUSE RULE 19-160)

PROPOSED ORDER

An order of the Accounting Examining Board to amend Accy 2.304 (2), relating to examinations.

Analysis prepared by the Department of Safety and Professional Services.

ANALYSIS

Statutes interpreted:

Section 442.04 (5) (d), Stats.

Statutory authority:

Sections 15.08 (5) (b) and 227.11 (2) (a), Stats.

Explanation of agency authority:

Section 15.08 (5) (b), Stats., provides an examining board “shall promulgate rules for its own guidance and for the guidance of the trade or profession to which it pertains. . .”

Section 227.11 (2) (a), Stats., provides “[e]ach agency may promulgate rules interpreting the provisions of any statute enforced or administered by the agency, if the agency considers it necessary to effectuate the purpose of the statute”

Related statute or rule:

Subchapter IV of ch. Accy 2 provides the requirements and procedures for the examinations required for licensure as a Certified Public Accountant (CPA).

Plain language analysis:

Current rules provide a candidate for the Uniform CPA Examination may not retake a failed test section within the same calendar quarter. In April of 2019, the National Association of State Boards of Accountancy approved a revision to its Accountancy Act Model Rules to allow continuous testing on the Uniform CPA Examination. Under continuous testing, a candidate may retake a test section once their grade for any previous attempt of the same test section has been released. The proposed rules will revise ch. Accy 2 to reflect continuous testing on the Uniform CPA Examination.

Summary of, and comparison with, existing or proposed federal regulation:

None.

Summary of public comments and feedback on the statement of scope and the Board's responses:

The Board held a public comment period and conducted a public hearing on November 21, 2019. The Board did not receive written comments or testimony concerning the statement of scope.

Comparison with rules in adjacent states:

Illinois:

Rules of the Illinois Board of Examiners address procedures for the examinations required for licensure as a CPA. The rules do not explicitly allow continuous testing, however through its rules the Board has adopted and makes use of the Uniform CPA Examination and scoring system of the American Institute of Certified Public Accountants [23 Ill. Adm. Code 1400.150].

Iowa:

Rules of the Iowa Accountancy Examining Board address procedures for the examinations required for licensure as a CPA. The rules allow continuous testing on the Uniform CPA Examination [193A IAC 3.6 (1) c.].

Michigan:

Rules of the Michigan Department of Licensing and Regulatory Affairs address procedures for the Uniform CPA Examination. The rules do not allow continuous testing, as they provide that applicants may not retake any sections of the exam within the same examination window (calendar quarter) [Mich Admin Code, R 338.5110a (d)].

Minnesota:

Rules of the Minnesota Board of Accountancy address the ability to retake a failed section of the Uniform CPA Examination. The rules do not allow continuous testing, as they provide an applicant may not retake a failed section or sections of the examination in the same Board-determined examination window [Minnesota Rules, part 1105.2000 2. B.].

Summary of factual data and analytical methodologies:

The proposed rules were developed by obtaining input and feedback from the Accounting Examining Board.

Analysis and supporting documents used to determine effect on small business or in preparation of economic impact analysis:

The proposed rules were posted for a period of 14 days to solicit public comment on economic impact, including how the proposed rules may affect businesses, local government units, and individuals. No comments were received.

Fiscal Estimate and Economic Impact Analysis:

The Fiscal Estimate and Economic Impact Analysis document is attached.

Effect on small business:

These rules do not have an economic impact on small businesses, as defined in s. 227.114 (1), Stats. The Department’s Regulatory Review Coordinator, Dan Hereth, may be contacted by calling (608) 267-2435.

Agency contact person:

Dale Kleven, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, Wisconsin 53708-8366; telephone 608-261-4472; email at DSPSAdminRules@wisconsin.gov.

Place where comments are to be submitted and deadline for submission:

Comments may be submitted to Dale Kleven, Administrative Rules Coordinator, Department of Safety and Professional Services, Division of Policy Development, P.O. Box 8366, Madison, WI 53708-8366, or by email to DSPSAdminRules@wisconsin.gov. Comments must be received at or before the public hearing to be held on the proposed rules. Information concerning the date, time, and location of the public hearing will be published in the Wisconsin Administrative Register and posted on the Legislature’s website at <https://docs.legis.wisconsin.gov/code/chr/hearings>.

TEXT OF RULE

SECTION 1. Accy 2.304 (2) is amended to read:

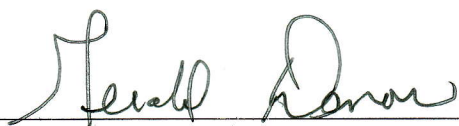
Accy 2.304 (2) A candidate shall retain credit for any section passed for 18 months. A candidate may ~~not~~ retake a ~~failed~~ section ~~within once~~ the ~~same~~ calendar ~~quarter~~ grade for the previous attempt of the same section has been released.

SECTION 2. EFFECTIVE DATE. The rules adopted in this order shall take effect on the first day of the month following publication in the Wisconsin Administrative Register, pursuant to s. 227.22 (2) (intro.), Stats.

(END OF TEXT OF RULE)

This Proposed Order of the Accounting Examining Board is approved for submission to the Governor and Legislature.

Dated 2-1-2020

Agency 
Chairperson
Accounting Examining Board

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

<p>1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected</p>	<p>2. Date 12/05/2019</p>
<p>3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) Accy 2</p>	
<p>4. Subject Examinations</p>	
<p>5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEG-S</p>	<p>6. Chapter 20, Stats. Appropriations Affected 20.165(1)(g)</p>
<p>7. Fiscal Effect of Implementing the Rule <input type="checkbox"/> No Fiscal Effect <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs <input type="checkbox"/> Decrease Costs <input type="checkbox"/> Indeterminate <input type="checkbox"/> Decrease Existing Revenues <input checked="" type="checkbox"/> Could Absorb Within Agency's Budget</p>	
<p>8. The Rule Will Impact the Following (Check All That Apply) <input type="checkbox"/> State's Economy <input type="checkbox"/> Specific Businesses/Sectors <input type="checkbox"/> Local Government Units <input type="checkbox"/> Public Utility Rate Payers <input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</p>	
<p>9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0</p>	
<p>10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>	
<p>11. Policy Problem Addressed by the Rule Current rules provide a candidate for the Uniform CPA Examination may not retake a failed test section within the same calendar quarter. In April of 2019, the National Association of State Boards of Accountancy approved a revision to its Accountancy Act Model Rules to allow continuous testing on the Uniform CPA Examination. Under continuous testing, a candidate may retake a test section once their grade for any previous attempt of the same test section has been released. The proposed rules will revise ch. Accy 2 to reflect continuous testing on the Uniform CPA Examination.</p>	
<p>12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. The proposed rule was posted on the Department of Safety and Professional Services' website for 14 days in order to solicit comments from businesses, representative associations, local governmental units, and individuals that may be affected by the rule. No comments were received.</p>	
<p>13. Identify the Local Governmental Units that Participated in the Development of this EIA. No local governmental units participated in the development of this EIA.</p>	
<p>14. Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred) The proposed rule will not have a significant impact on specific businesses, business sectors, public utility rate payers, local governmental units, or the state's economy as a whole. The Department estimates one-time administrative costs of \$26.99. These costs may be absorbed in the agency budget.</p>	
<p>15. Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule The benefit to implementing the rule is reflecting current requirements for retaking a section of retaking a section of the Uniform CPA Examination. If the rule is not implemented, it will not reflect current examination requirements.</p>	
<p>16. Long Range Implications of Implementing the Rule The long range implication of implementing the rule is reflecting current requirements for retaking a section of the Uniform CPA Examination.</p>	

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

17. Compare With Approaches Being Used by Federal Government
None

18. Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

Illinois:

Rules of the Illinois Board of Examiners address procedures for the examinations required for licensure as a CPA. The rules do not explicitly allow continuous testing, however through its rules the Board has adopted and makes use of the Uniform CPA Examination and scoring system of the American Institute of Certified Public Accountants [23 Ill. Adm. Code 1400.150].

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19. Contact Name

Dale Kleven

20. Contact Phone Number

(608) 261-4472

This document can be made available in alternate formats to individuals with disabilities upon request.

ADMINISTRATIVE RULES
Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

2. Summary of the data sources used to measure the Rule's impact on Small Businesses

3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- Less Stringent Compliance or Reporting Requirements
 - Less Stringent Schedules or Deadlines for Compliance or Reporting
 - Consolidation or Simplification of Reporting Requirements
 - Establishment of performance standards in lieu of Design or Operational Standards
 - Exemption of Small Businesses from some or all requirements
 - Other, describe:
-

4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

5. Describe the Rule's Enforcement Provisions

6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)
 Yes No
