

LAWS AND RULES COMMITTEE

August 25, 2021

TO: Godson Sowah, CPA, Committee Chair
Charles Selcer, CPA
Gregory Steiner, CPA
Alan Wilensky

FROM: Godson Sowah, CPA, Committee Chair

SUBJECT: AUGUST 25, 2021, COMMITTEE MEETING MINUTES
Suite 295, Golden Rule Building
2:40 P.M.

- 1) CALL TO ORDER
Godson Sowah, CPA, Committee Chair - **Absent**
Gregory Steiner, CPA, Acting Committee Chair
Charles Selcer, CPA
Alan Wilensky

OTHERS IN ATTENDANCE:
Doreen Johnson, Executive Director
Kay Weiss, Assistant Executive Director
Dillon Lang, Board of AELSALGID Investigator

GUESTS:
Linda Wedul, Minnesota Society of Certified Public Accountants (MNCPA)
Geno Fragnito, Minnesota Society of Certified Public Accountants (MNCPA)

- 2) APPROVAL OF THE JULY 28, 2021, COMMITTEE MEETING MINUTES
MSP: To approve the July 28, 2021, Committee Meeting Minutes.

3) UNFINISHED BUSINESS

A) Review of education rules in light of UAA changes. – Deferred.

4) NEW BUSINESS

A) Statutes Review

(1) Fee Reductions

“Statute 326A.04 Subd. 5. Fee. (a) The board shall charge a fee for each application for initial issuance or renewal of a certificate or temporary military certificate under this section as provided in paragraph (b).

(b) The board shall charge the following fees:

(1) initial issuance of certificate, \$~~150~~125;

(2) renewal of certificate with an active status, \$100 per year;

(3) initial CPA firm permits, except for sole practitioners, \$100;

(4) renewal of CPA firm permits, except for sole practitioners and those firms specified in clause (~~16~~15), \$35 per year;

(5) initial issuance and renewal of CPA firm permits for sole practitioners, except for those firms specified in clause (~~16~~15), \$35 per year;

(6) annual late processing delinquency fee for permit, certificate, or registration renewal applications not received prior to expiration date, \$50;

~~(7) — copies of records, per page, 25 cents;~~

~~(8)~~(7) registration of noncertificate holders, nonlicensees, and nonregistrants in connection with renewal of firm permits, \$45 per year;

~~(9)~~(8) applications for reinstatement, \$20;

~~(10)~~(9) initial registration of a registered accounting practitioner, \$50;

~~(11)~~(10) initial registered accounting practitioner firm permits, \$~~100~~35;

~~(12)~~(11) renewal of registered accounting practitioner firm permits, except for sole practitioners, \$~~100~~35 per year;

~~(13)~~(12) renewal of registered accounting practitioner firm permits for sole practitioners, \$35 per year;

~~(14)~~(13) CPA examination, fee determined by third-party examination administrator;

~~(15)~~(14) renewal of certificates with an inactive status, \$25 per year;

~~(16)~~(15) renewal of CPA firm permits for firms that have one or more offices located in another state, \$~~6850~~ per year; and
~~(17)~~(16) temporary military certificate, \$~~1000~~.

MSP: To recommend the fee reductions represented above and the subsequent renumbering of items.

(2) Auto Revocations and Status Change

326A.04 Subd. 2(b)

~~“Certificate holders who do not provide professional services and do not use the certified public accountant designation in any manner are not required to renew their certificates provided they have notified the board as provided in board rule and comply with the requirements for nonrenewal as specified in board rule.”~~

326A.04 Subd. 11.

~~“Automatic revocation of certificates issued prior to January 1, 2003. The certificate of a person who ~~fails to renew a certificate for more than two years after expiration or the certificate of a person who~~ had not reported required experience to the board by January 1, 2003, and who fails to report the required experience under Minnesota Rules shall be automatically revoked by order of the board. ~~The orders may be issued by the board without following the procedures of chapter 14, provided the board notifies each affected person by mail at the person's last known address on file with the board at least three days prior to the issuance of any order. No notice is required if the last communication sent by the board to a licensee was returned to the board by the United States Postal Service as undeliverable and with no forwarding address. Certificates revoked by the board may be reinstated, if at all, under section 326A.09. This subdivision does not apply to certified public accountants who have notified the board, according to requirements prescribed by board rule, that they will not use the CPA designation in any manner and will not provide professional services.~~”~~

326A.09 REINSTATEMENT.

“(a) The board may reinstate a suspended, revoked, or surrendered certificate, registration, or permit or suspended, revoked, or surrendered practice privileges upon petition of the person or firm holding or formerly holding the registration, permit, or certificate, or practice privileges. The board may, in its sole discretion, require that the person or firm submit to the board evidence of having obtained up to 120 hours of continuing professional education credits that would have been required had the person or firm held a registration, certificate, permit, or practice privileges continuously. The board may, in its sole discretion, place any other conditions upon reinstatement of a suspended, revoked, or surrendered certificate, permit, registration, or of practice privileges that it finds appropriate and necessary to ensure that the purposes of this chapter are met. No suspended certificate, registration, permit, or practice privileges may be reinstated until the former holder, or person with practice privileges has completed one-half of the suspension.

(b) The license of a person who fails to renew by December 31 of any given year is expired as of January 1 of the following year. All practice and title privileges, except those granted under substantial equivalency, end. The license of a person who fails to renew for two or more years after expiration must apply for reinstatement as prescribed by the board in rule and pay the applicable annual late processing delinquency fees, reinstatement fee and licensee fee provided for in 326A.04, Subd. 5.”

326A. 045 Subd. 5. **Continuing education not required.**

“A person is not required to comply with the continuing education requirements in section 326A.04, subdivision 4, to ~~acquire or~~ maintain retired status.”

326A.045 Subd. 7.

“**Change to active ~~or inactive~~ status.** The board shall change a license status from retired to active ~~or inactive~~ if a person with retired status requests a status change and meets requirements for reactivation prescribed by rule.”

MSP: To recommend the additions and changes noted above, including the renumbering of subsequent sections as required by deletions.

- (3) Good Moral Character – Discussed. No changes recommended.
- (4) Education Items in Light of UAA – Discussed. Carryover discussion.
- (5) Provisional Licenses/Permits

326A.04 Subd. 2. Timing. (a) Certificates must be initially issued and renewed annually but in any event must expire on December 31 in the year prescribed by the board by rule. Applications for certificates must be made in the form specified by the board in rule. In the case of renewals, the applications must be submitted between the dates specified by the board in rule. ~~and in the case of applications for renewal between the dates, specified by the board in rule.~~ The board shall grant or deny an application no later than 90 days after the application is filed in proper form. ~~If the applicant seeks the opportunity to show that issuance or renewal of a certificate was mistakenly denied, or if the board is unable to determine whether it should be granted or denied, the board may issue to the applicant a provisional certificate that expires 90 days after its issuance, or when the board determines whether or not to issue or renew the certificate for which application was made, whichever occurs first.~~

326A.05 Subd. 2. Timing. (a) Permits must be initially issued and renewed for periods of not more than one year but in any event must expire on December 31 following issuance or renewal. Applications for permits shall be made in the form form specified by the board in rule. In the case of renewals, the applications must be submitted between the dates specified by the board in rule. ~~and in the case of applications for renewal between the dates, specified by the board in rule.~~ The board shall grant or deny an application no later than 90 days after the application is filed in proper form. ~~If the applicant seeks the opportunity to show that issuance or renewal of a permit was mistakenly denied or if the board is not able to determine whether it should be granted or denied, the board may~~

~~issue to the applicant a provisional permit, which expires 90 days after its issuance, or when the board determines whether or not to issue or renew the permit for which application was made, whichever occurs first.~~

~~(b) Applications for renewal of a permit that are complete and timely filed with the board and are not granted or denied by the board before January 1 are renewed on a provisional basis as of January 1 and for 90 days thereafter, or until the board grants or denies the permit, whichever occurs first, provided the licensee meets the renewal requirements in this chapter and rules adopted by the board.~~

MSP: To recommend removal of provisional license language for individuals and firms as represented above.

MSP: To recommend clarifying the intent of the second sentences in both 326A.04 Subd. 2. and 326A.05 Subd. 2 by rewriting as represented above.

(6) Former Partner Firm Names – Discussed. Carryover discussion.

(7) Misc. Items Needing Clarification/Review

a. American Samoa – Not listed in 326A Subd. 16.

Subd. 16. State. "State" means any state of the United States, the District of Columbia, Puerto Rico, the U.S. Virgin Islands, the Commonwealth of the Northern Mariana Islands, American Samoa, and Guam; except that "this state" means the state of Minnesota.

MSP: To recommend addition of American Samoa as represented above.

b. Second sentences in 326A.04 Subd. 2. and 326A.05 Subd. 2 – Discussed. See motion above.

c. Definitions of "Manager" and "Member" in 326A.01 – Discussed. Carryover discussion.

- d. Corrective action time in two statutes. – Discussed. No changes recommended.
- e. “Consultation” with institutions language. – Discussed. Carryover discussion.

5) ADJOURNED 4:15 P.M.

Next meeting September 15, 2021 9:15 A.M.