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Arkansas State Board of Public Accountancy
Rule Change – Board Rule 19
January 29, 2020

In 2015 the Legislature passed Act 848, entitled “An act to amend Arkansas Law concerning the licensure, certification, or permitting of active duty service members, returning military veterans, and spouses.” This Act required all state boards or commissions that issue licenses to:

- Expedite the process / procedure for full licensure for military service members, veterans, or their spouses;
- Provide for a temporary license while the full license application process is ongoing;
- Consider the applicant’s military training and experience and accept it in lieu of experience or education requirements required for licensure if deemed satisfactory by the Board;
- Grant partial or full exemptions of continuing education requirements in certain circumstances; and
- Extend the expiration date of the license of a military service member deployed outside the state of Arkansas or spouse to 180 days following the individual’s return from active deployment.

Act 848 also authorized Boards and commissions to promulgate rules necessary to carry out the required provisions. The Arkansas State Board of Public Accountancy did promulgate rules as required by Act 848. Board Rule 19 “Licensure for active duty service members, returning military veterans, and spouses” was created during this promulgation process. Also, Board Rule 13 “Continuing Education” was modified to allow for continuing education exemptions in certain circumstances.

In 2017 Act 248 was passed which amended the law to “require that all state boards and commissions promulgate rules to expedite the process and procedures for full licensure..... for active duty service members, returning military veterans, and their spouses.” Because our Board had already promulgated such rules that became effective in February 2016, the Board of Accountancy did not take any additional action based on Act 248.

In 2019 the Legislature passed Act 820 entitled “An Act to amend the Law concerning the occupational licensure of active duty service members, returning military veterans, and their spouses; to provide automatic licensure; to require review and approval of rules submitted by occupational entities; and for other purposes.”

This Act provided for automatic licensure for military service members, returning military veterans, or spouses unless rules were approved by the Administrative Rules and Regulations Subcommittee of the Legislative Council. The Act was silent on Boards and Commissions who had already promulgated (and obtained approval for) rules regarding licensure for military service members, returning military veterans, and spouses. Out of an abundance of caution our Board decided to make changes to Rule 19 and seek approval from the Administrative Rules and Regulations Subcommittee of the Legislative Council.

While the changes we are proposing to Rule 19 are not substantive from the practical point of view of a qualified applicant seeking the benefits Rule 19 provides, the changes might be considered substantive

from a legal point of view. The prior version of Rule 19 offered temporary licensure during the expedited application review process under Rule 19.1. This temporary licensure was based on the specific requirement of Act 848 of 2015 to offer such temporary licensure. The changes made to A.C.A. 17-1-106 by Act 820 of 2019 eliminated the statutory temporary licensure provisions. However, the board determined that temporary licensure could still be granted as part of the expedited review process mandated under 2019 revision to A.C.A 17-1-106. In amending Rule 19, the board decided to reverse the order of prior Rules 19.1 and 19.2 and make clear that temporary licensure is now considered part of the expedited review process and not an independent benefit, as it might have been considered under the 2015 statutory authorization.

QUESTIONNAIRE FOR FILING PROPOSED RULES WITH THE
ARKANSAS LEGISLATIVE COUNCIL

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DEPARTMENT/AGENCY Department of Labor and Licensing
DIVISION Arkansas State Board of Public Accountancy
DIVISION DIRECTOR Jimmy Corley, Executive Director
CONTACT PERSON Jimmy Corley
ADDRESS 101 E. Capitol, Suite 450 Little Rock, AR 72201
PHONE NO. 501.682.5533 **FAX NO.** 501.682.5538 **E-MAIL** james.corley@arkansas.gov
NAME OF PRESENTER AT COMMITTEE MEETING Jimmy Corley
PRESENTER E-MAIL james.corley@arkansas.gov

INSTRUCTIONS

- A. Please make copies of this form for future use.
- B. Please answer each question completely using layman terms. You may use additional sheets, if necessary.
- C. If you have a method of indexing your rules, please give the proposed citation after "Short Title of this Rule" below.
- D. Submit two (2) copies of this questionnaire and financial impact statement attached to the front of two (2) copies of the proposed rule and required documents. Mail or deliver to:

Jessica C. Sutton
Administrative Rules Review Section
Arkansas Legislative Council
Bureau of Legislative Research
One Capitol Mall, 5th Floor
Little Rock, AR 72201

- 1. What is the short title of this rule? Rule 19 Licensure for military members/veterans/spouses
- 2. What is the subject of the proposed rule? Expedited licensure and temporary licensure for military members/veterans/spouses
- 3. Is this rule required to comply with a federal statute, rule, or regulation? Yes No
If yes, please provide the federal rule, regulation, and/or statute citation. Act 820 of 2019
- 4. Was this rule filed under the emergency provisions of the Administrative Procedure Act?
Yes No
If yes, what is the effective date of the emergency rule? _____
When does the emergency rule expire? _____
Will this emergency rule be promulgated under the permanent provisions of the Administrative Procedure Act? Yes No

5. Is this a new rule? Yes _____ No If yes, please provide a brief summary explaining the rule.

Does this repeal an existing rule? Yes _____ No If yes, a copy of the repealed rule is to be included with your completed questionnaire. If it is being replaced with a new rule, please provide a summary of the rule giving an explanation of what the rule does.

Is this an amendment to an existing rule? Yes No _____ If yes, please attach a mark-up showing the changes in the existing rule and a summary of the substantive changes. **Note: The summary should explain what the amendment does, and the mark-up copy should be clearly labeled "mark-up."**

6. Cite the state law that grants the authority for this proposed rule? If codified, please give the Arkansas Code citation. ACA 17-1-106(c)

7. What is the purpose of this proposed rule? Why is it necessary? To comply with the requirements of Act 820 of 2019.

8. Please provide the address where this rule is publicly accessible in electronic form via the Internet as required by Arkansas Code § 25-19-108(b). <https://asbpa.arkansas.gov/proposed-rule-changes>

9. Will a public hearing be held on this proposed rule? Yes _____ No
If yes, please complete the following:

Date: _____

Time: _____

Place: _____

10. When does the public comment period expire for permanent promulgation? (Must provide a date.)

Comment period will be set upon approval from the Administrative Rules and Regulations Subcommittee of the Legislative Council

11. What is the proposed effective date of this proposed rule? (Must provide a date.)

July 1, 2020 (estimate)

12. Please provide a copy of the notice required under Ark. Code Ann. § 25-15-204(a), and proof of the publication of said notice.

Notice will be published upon approval from the Administrative Rules and Regulations Subcommittee of the Legislative Council

13. Please provide proof of filing the rule with the Secretary of State as required pursuant to Ark. Code Ann. § 25-15-204(e).

Filing will be made upon approval from the Administrative Rules and Regulations Subcommittee of the Legislative Council

14. Please give the names of persons, groups, or organizations that you expect to comment on these rules? Please provide their position (for or against) if known.

Unknown

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FINANCIAL IMPACT STATEMENT

PLEASE ANSWER ALL QUESTIONS COMPLETELY

DEPARTMENT Department of Labor and Licensing

DIVISION Arkansas State Board of Public Accountancy

PERSON COMPLETING THIS STATEMENT Jimmy Corley, Executive Director

TELEPHONE NO. 501.682.5533 **FAX NO.** 501.682.5538 **EMAIL:** james.corley@arkansas.gov

To comply with Ark. Code Ann. § 25-15-204(e), please complete the following Financial Impact Statement and file two copies with the questionnaire and proposed rules.

SHORT TITLE OF THIS RULE Licensure for military members/veterans/spouses

1. Does this proposed, amended, or repealed rule have a financial impact?
Yes _____ No _____
2. Is the rule based on the best reasonably obtainable scientific, technical, economic, or other evidence and information available concerning the need for, consequences of, and alternatives to the rule?
Yes _____ No _____
3. In consideration of the alternatives to this rule, was this rule determined by the agency to be the least costly rule considered? Yes _____ No _____

If an agency is proposing a more costly rule, please state the following:

- (a) How the additional benefits of the more costly rule justify its additional cost;
- (b) The reason for adoption of the more costly rule;
- (c) Whether the more costly rule is based on the interests of public health, safety, or welfare, and if so, please explain; and
- (d) Whether the reason is within the scope of the agency's statutory authority, and if so, please explain.
4. If the purpose of this rule is to implement a federal rule or regulation, please state the following:
- (a) What is the cost to implement the federal rule or regulation? NA

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

(b) What is the additional cost of the state rule?

Current Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

Next Fiscal Year

General Revenue _____
Federal Funds _____
Cash Funds _____
Special Revenue _____
Other (Identify) _____

Total _____

5. What is the total estimated cost by fiscal year to any private individual, entity and business subject to the proposed, amended, or repealed rule? Identify the entity(ies) subject to the proposed rule and explain how they are affected.

Current Fiscal Year

\$ _____ 0 _____

Next Fiscal Year

\$ _____ 0 _____

6. What is the total estimated cost by fiscal year to state, county, and municipal government to implement this rule? Is this the cost of the program or grant? Please explain how the government is affected.

Current Fiscal Year

\$ _____ 0 _____

Next Fiscal Year

\$ _____ 0 _____

7. With respect to the agency's answers to Questions #5 and #6 above, is there a new or increased cost or obligation of at least one hundred thousand dollars (\$100,000) per year to a private individual, private entity, private business, state government, county government, municipal government, or to two (2) or more of those entities combined?

Yes _____ No X _____

If YES, the agency is required by Ark. Code Ann. § 25-15-204(e)(4) to file written findings at the time of filing the financial impact statement. The written findings shall be filed simultaneously

with the financial impact statement and shall include, without limitation, the following:

- (1) a statement of the rule's basis and purpose;
- (2) the problem the agency seeks to address with the proposed rule, including a statement of whether a rule is required by statute;
- (3) a description of the factual evidence that:
 - (a) justifies the agency's need for the proposed rule; and
 - (b) describes how the benefits of the rule meet the relevant statutory objectives and justify the rule's costs;
- (4) a list of less costly alternatives to the proposed rule and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (5) a list of alternatives to the proposed rule that were suggested as a result of public comment and the reasons why the alternatives do not adequately address the problem to be solved by the proposed rule;
- (6) a statement of whether existing rules have created or contributed to the problem the agency seeks to address with the proposed rule and, if existing rules have created or contributed to the problem, an explanation of why amendment or repeal of the rule creating or contributing to the problem is not a sufficient response; and
- (7) an agency plan for review of the rule no less than every ten (10) years to determine whether, based upon the evidence, there remains a need for the rule including, without limitation, whether:
 - (a) the rule is achieving the statutory objectives;
 - (b) the benefits of the rule continue to justify its costs; and
 - (c) the rule can be amended or repealed to reduce costs while continuing to achieve the statutory objectives.

RULE 19 LICENSURE FOR ACTIVE DUTY SERVICE MEMBERS, RETURNING MILITARY VETERANS, AND SPOUSES

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The following rules are promulgated under the authority of ACA 17-1-106.

19.1 EXPEDITED PROCESSING FOR FULL LICENSURE TEMPORARY LICENSURE

The Board will give preference in the order of processing to applications for full licensure filed by the following individuals:

- (1) An active duty military service member stationed in the State of Arkansas;
- (2) A returning military veteran applying for licensure within one year of his or her discharge from active duty; or
- (3) The spouse of a person identified under Rule 19.1(1) or 19.1(2).

~~Upon the Board's receipt of an application for full licensure, the Board will grant to the following individuals a temporary license while completing the application process for full licensure, if the individual is the holder in good standing of a CPA license from another U.S. jurisdiction:~~

- ~~(1) An active duty military service member stationed in the State of Arkansas;~~
- ~~(2) A returning military veteran applying within one (1) year of his or her discharge from active duty; or~~
- ~~(3) The spouse of a person under (1) or (2) above.~~

~~Completing the application process for full licensure means either:~~

- ~~1) Approval of the application for full licensure by the Board; or~~
- ~~2) The expiration of any period of time permitted to seek judicial review of the denial of an application for full licensure or completion of any judicial review proceeding and any subsequent remand proceedings following judicial review, whichever is later.~~

19.2 EXPEDITED PROCESSING FOR FULL LICENSURE TEMPORARY LICENSURE DURING EXPEDITED LICENSURE PROCESS

As part of the expedited process for full licensure set forth in Rule 19.1, upon the Board's receipt of an application for full licensure together with evidence that the applicant is the holder of a CPA or PA license in good standing from another U.S. jurisdiction, the Board will grant to an eligible applicant a temporary license while completing the application process:

Completing the application process for full licensure means either:

- (1) Approval of the application for full licensure by the Board; or
- (2) The expiration of any period of time permitted to seek judicial review of the denial of an application for full licensure or completion of any judicial review proceeding and any subsequent remand proceedings following judicial review, whichever is later.

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- ~~(2) A returning military veteran applying within one (1) year of his or her discharge from active duty; or~~
- ~~(3) The spouse of a person under (1) or (2) above.~~

19.3 CONSIDERATION OF MILITARY TRAINING AND EXPERIENCE

When considering an application for full licensure from an active duty military service member stationed in the State of Arkansas or a returning military veteran applying within one (1) year of his or her discharge from active duty, the Board will:

- (1) Consider whether or not the applicant's military training and experience in the practice of accounting is substantially similar to the experience or education required for licensure.
- (2) Accept the applicant's military training and experience in the practice of accounting in lieu of experience or education required for licensure, if the Board determines that the military training and experience is a satisfactory substitute for the experience or education required for licensure.

19.4 EXTENSION OF EXPIRATION DATE OF LICENSE

- (a) The license of an active duty military service member or spouse of an active duty military service member will not expire until one hundred (180) days following the active duty service member's or spouse's return from active deployment.

RULE 19 LICENSURE FOR ACTIVE DUTY SERVICE MEMBERS, RETURNING MILITARY VETERANS, AND SPOUSES

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19.1 EXPEDITED PROCESSING FOR FULL LICENSURE

The Board will give preference in the order of processing to applications for full licensure filed by the following individuals:

- (1) An active duty military service member stationed in the State of Arkansas;
- (2) A returning military veteran applying for licensure within one year of his or her discharge from active duty; or
- (3) The spouse of a person identified under Rule 19.1(1) or 19.1(2).

19.2 TEMPORARY LICENSURE DURING EXPEDITED LICENSURE PROCESS

As part of the expedited process for full licensure set forth in Rule 19.1, upon the Board's receipt of an application for full licensure together with evidence that the applicant is the holder of a CPA or PA license in good standing from another U.S. jurisdiction, the Board will grant to an eligible applicant a temporary license while completing the application process:

Completing the application process for full licensure means either:

- (1) Approval of the application for full licensure by the Board; or
- (2) The expiration of any period of time permitted to seek judicial review of the denial of an application for full licensure or completion of any judicial review proceeding and any subsequent remand proceedings following judicial review, whichever is later.

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