



THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Commerce, Community, and Economic Development

DIVISION OF CORPORATIONS, BUSINESS AND
PROFESSIONAL LICENSING
Juneau Office

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Notice of Proposed Changes to Occupational Licensing Fees for Professions Regulated by the Board of Public Accountancy in the Regulations of the Department of Commerce, Community, and Economic Development

Proposed Fee Regulations - FAQ

July 2021

1. Why are new fees being proposed?

By law, fees must be analyzed annually and set to approximately recover the cost of program operation. Alaska's professional licensing statutes (AS 08.01.065) require the Division of Corporations, Business and Professional Licensing (CBPL) to "annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to fee collections related to that occupation." Alaska's licensing fee statutes go on to say, "If the review indicates that an occupation's fee collections and regulatory costs are not approximately equal, the department shall calculate fee adjustments and adopt regulations...to implement the adjustments."

The division has conducted a thorough fee analysis and has determined that fee changes are necessary. In February of 2021 the division met with the Board of Public Accountancy and proposed a reduction in fees.

2. What are the proposed fees?

Fees proposed for the 2021-2023 licensing period are below. Fees in **bold and underlined** are proposed, [bracketed] amounts being changed.

12 AAC 02.340. Board of Public Accountancy. The following fees are established for accountants, partnerships, corporations, limited liability companies, and other legal entities:

- (1) nonrefundable application fee for
 - (A) initial license, permit, or practice privilege, **\$200** [\$300];

...

- (3) certified public accountant license fee for all or part of the initial biennial license period, **\$300** [\$390];
- (4) certified public accountant biennial active license renewal fee, **\$300** [\$390];
- (5) certified public accountant biennial inactive license renewal fee, **\$200** [\$245];

...

(10) out-of-state practice privilege permit fee for all or part of the initial biennial registration period, **\$800** [\$900];

(11) **biennial** [biennial] out-of-state practice privilege permit renewal fee, **\$800;** [\$900]

...

3. How are the estimated costs determined?

AS 08.01.065 requires *all costs* of regulating the profession to be borne by its licensees. The proposed fees are based on known and anticipated costs.

4. What do licensing fees pay for?

The agency must create, publish, and manage licensing application forms and fees, which entail adherence to the state's recordkeeping, security, payment, and refund policies and procedures.

- Requirement of licensees to meet professional fitness standards, which are evaluated by the license examiner and referred to the agency's investigative unit if necessary for further review.
- Enforcement of disciplinary sanctions available to the agency if a licensee violates the state licensing statutes or regulations or an individual practices the profession without a license. Because state law requires all costs of a licensing program to be borne by the licensees of that program (AS 08.01.065), any investigative, attorney, or appeal expenses of the state will be recovered in the licensing fee.

5. What was the fee analysis?

See attached.

6. When was the last increase?

10/18/2015, see attached fee schedule.

7. When will the new fees be effective?

After public comment deadline, comments received are compiled and given to the Division Director for consideration. The Division Director for the Department, may adopt the regulation as written/publicly noticed, may amend and adopt them, choose to take no action, or may withdraw the proposed regulations in part or in its whole. After Department action, the adopted regulations goes to Department of Law (DOL) for final review/approval. DOL either approves or disapproves regulations. Once approved by DOL, it goes to the Lt. Governor for filing. Regulation takes effect on the 30th day after they have been filed by the Lt. Governor.

Do you have a question that is not answered here? Please email RegulationsAndPublicComment@alaska.gov so it can be added.

Department of Commerce Community, and Economic Development
Corporations, Business and Professional Licensing

Summary of All Professional Licensing
Schedule of Revenues and Expenditures

Board of Public Accountancy	FY 14	FY 15	Biennium	FY 16	FY 17	Biennium	FY 18	FY 19	Biennium	FY 20	FY 21 1st - 3rd QTR	
Revenue												
Revenue from License Fees	\$ 437,375	\$ 92,330	\$ 529,705	\$ 695,325	\$ 179,830	\$ 875,155	\$ 730,935	\$ 155,871	\$ 886,806	\$ 763,235	\$ 120,265	
Allowable Third Party Reimbursements	1,081	1,133	2,214	1,766	6,974	8,740	6,580	2,241	8,821	1,465	-	
TOTAL REVENUE	\$ 438,456	\$ 93,463	\$ 531,919	\$ 697,091	\$ 186,804	\$ 883,895	\$ 737,515	\$ 158,112	\$ 895,627	\$ 764,700	\$ 120,265	\$ 120,265.00
Expenditures												
Non Investigation Expenditures												
1000 - Personal Services	144,170	139,310	283,480	151,525	143,022	294,547	148,255	150,914	299,169	124,487	99,507	
2000 - Travel	29,203	28,079	57,282	20,273	18,355	38,628	24,125	12,902	37,027	6,800	278	
3000 - Services	17,691	11,705	29,396	19,717	12,846	32,563	15,356	8,138	23,494	8,448	3,674	
4000 - Commodities	211	476	687	1,154	554	1,708	313	285	598	-	-	
5000 - Capital Outlay	-	-	-	-	-	-	-	-	-	-	-	
Total Non-Investigation Expenditures	191,275	179,570	370,845	192,669	174,777	367,446	188,049	172,239	360,288	139,735	103,459	Prof Total Est \$ 112,619.70
Investigation Expenditures												
1000-Personal Services	30,831	30,666	61,497	45,474	42,667	88,141	52,645	75,518	128,163	55,363	40,571	INV total Est \$ 56,643.00
2000 - Travel	-	900	900	-	-	-	-	-	-	-	-	
3023 - Expert Witness	-	-	-	-	-	-	-	-	-	-	-	
3088 - Inter-Agency Legal	22,287	18,396	40,683	8,654	3,427	12,081	16,670	33	16,703	-	4,628	
3094 - Inter-Agency Hearing/Mediation	3,065	3,729	6,794	3,903	-	3,903	8,260	-	8,260	-	5,772	
3000 - Services other	-	-	-	-	-	-	-	501	501	273	46	
4000 - Commodities	-	-	-	-	-	-	-	-	-	-	-	
Total Investigation Expenditures	56,183	53,691	109,874	58,031	46,094	104,125	77,575	76,052	153,627	55,636	51,017	Total Direct Est \$ 169,262.91
Total Direct Expenditures	247,458	233,261	480,719	250,700	220,871	471,571	265,624	248,291	513,915	195,371	154,476	
Indirect Expenditures												
Internal Administrative Costs	44,803	27,989	72,792	48,439	50,288	98,727	60,154	58,864	119,018	58,556	43,917	
Departmental Costs	25,254	26,747	52,001	28,192	40,788	68,980	43,238	46,280	89,518	29,179	21,884	
Statewide Costs	17,231	16,411	33,642	10,088	20,650	30,738	22,452	22,975	45,427	23,694	17,771	Indirect Est \$ 125,000.00
Total Indirect Expenditures	87,288	71,147	158,435	86,719	111,726	198,445	125,844	128,119	253,963	111,429	83,572	
TOTAL EXPENDITURES	\$ 334,746	\$ 304,408	\$ 639,154	\$ 337,419	\$ 332,597	\$ 670,016	\$ 391,468	\$ 376,410	\$ 767,878	\$ 306,800	\$ 238,048	
Cumulative Surplus (Deficit)												
Beginning Cumulative Surplus (Deficit)	\$ (150,172)	\$ (46,462)		\$ (257,407)	\$ 102,265		\$ (43,528)	\$ 302,519		\$ 84,221	\$ 542,121	Cumulative Surplus \$ 542,121.00
Annual Increase/(Decrease)	103,710	(210,945)		359,672	(145,793)		346,047	(218,298)		457,900	(117,783)	Ending Surplus \$ 368,123.30
Ending Cumulative Surplus (Deficit)	\$ (46,462)	\$ (257,407)		\$ 102,265	\$ (43,528)		\$ 302,519	84,221		542,121	424,338	
Statistical Information												
Number of Licenses for Indirect calculation	1,643	1,573		1,652	1,738		1,816	1,709		1,793		
Additional information: • Fee analysis required if the cumulative is less than zero; fee analysis recommended when the cumulative is less than current year expenditures; no fee increases needed if cumulative is over the current year expenses * • Most recent fee change: Fee increase FY16 • Annual license fee analysis will include consideration of other factors such as board and licensee input, potential investigation load, court cases, multiple license and fee types under one program, and program changes per AS 08.01.065.												

Public Accountancy Fee Analysis

Analysis last updated: 7/9/2021

Renewal Deadline: 12/31/2021

Presented to board:

The board met in February 2021 to review proposed fee changes. With active legislation to eliminate the out of state permit the board is reluctant to reduce fees. This is a modest decrease to reduce carry forward balance of the program while leaving them intact in the event of elimination of the OOS permit. If legislation does not pass another fee reduction may be possible prior to the 2023 renewal.

	Proposed by board				Proposed by division				Adjustments			In System 01.01.2019 to 12.31.2020				
Fee Type	Current Fee	Projected Units	Projected Revenue	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change	Fee Adjustment	Fee with Recommended Adjustment	Projected Revenue after Adjustment	% Change			Fee Adjustment for Estimated Prorated Renewals	Projected Units	Projected Revenue Loss
Initial Application for License	\$ 300	177	\$ 53,100		\$ 300	\$ 53,100	0%	-100	\$ 200	\$ 35,400	-33%	(150)	50	\$ (7,500.00)	Initial Application for License	177
New Certified Public Accountant	\$ 390	148	\$ 57,720		\$ 390	\$ 57,720	0%	-90	\$ 300	\$ 44,400	-23%				New Certified Public Accountant	148
Renewed Certified Public Accountant	\$ 390	1220	\$ 475,800		\$ 390	\$ 475,800	0%	-90	\$ 300	\$ 366,000	-23%				Renewed Certified Public Accountant	1220
Inactive Certified Public Accountant*	\$ 245	225	\$ 55,125		\$ 245	\$ 55,125	0%	-45	\$ 200	\$ 45,000	-18%				Inactive Certified Public Accountant*	225
Inactive Public Accountant	\$ 200	1	\$ 200		\$ 200	\$ 200	0%		\$ 200	\$ 200	0%				Inactive Public Accountant	1
New LLC, Corporate Permit, and Partnership Permit	\$ 530	9	\$ 4,770		\$ 530	\$ 4,770	0%		\$ 530	\$ 4,770	0%	(265)	2	\$ (530.00)	New LLC, Corporate Permit, and Partnership Permit	9
Renew LLC, Corporate Permit, and Partnership Permit	\$ 530	126	\$ 66,780		\$ 530	\$ 66,780	0%		\$ 530	\$ 66,780	0%				Renew LLC, Corporate Permit, and Partnership Permit	117
New Out-of-State Permit	\$ 900	20	\$ 18,000		\$ 900	\$ 18,000	0%	-100	\$ 800	\$ 16,000	-11%	(400)	7	\$ (2,800.00)	New Out-of-State Permit	20
Renewed Out-of-State Permit	\$ 900	94	\$ 84,600		\$ 900	\$ 84,600	0%	-100	\$ 800	\$ 75,200	-11%				Renewed Out-of-State Permit	74
License Reactivation Fee	\$ 150	5	\$ 750		\$ 150	\$ 750	0%		\$ 150	\$ 750	0%				License Reactivation Fee	5
Delayed Renewal Penalty	\$ 100	30	\$ 3,000		\$ 100	\$ 3,000	0%		\$ 100	\$ 3,000	0%				Delayed Renewal Penalty	30
Exam Fee from NASBA**	\$ 5,500	24	\$ 132,000			\$ 132,000				\$ 132,000					Exam Fee from NASBA**	
Centralized Fees	\$ 5,000	1	\$ 5,000			\$ 5,000				\$ 5,000						
			\$ 956,845			\$ 956,845				\$ 794,500				\$ (10,830)	Calculating Projected Units	

* Based on current actuals
** Per NASBA exam contract, monthly estimate

Calculating Projected Units
Initial: PY new applications
New: PY new applications
Renewal: PY renewed + PY new
Temporary: PY temporary
Courtesy: PY courtesy
Centralized: PY revenue x .01
Inactive: Equals PY inactive

	CALCULATIONS BASED ON CURRENT FEES					CALCULATIONS BASED ON BOARD'S PROPOSAL				CALCULATIONS BASED ON DIVISION'S PROPOSAL			
	FY2017/2018 Actuals	FY2019/2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026	FY2019/2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026	FY2019/2020 Actuals	Projected FY2021/2022	Projected FY2023/2024	Projected FY2025/2026
Revenues and Expenditures													
Revenue	924,319	922,812	956,845	956,845	956,845	922,812	956,845	956,845	956,845	922,812	794,500	794,500	794,500
Expenses	(724,065)	(683,210)				(683,210)				(683,210)			
Adjustments													
Expenses adjusted for 2% biennial increase			(724,065)	(738,546)	(753,317)		(724,065)	(738,546)	(753,317)		(724,065)	(738,546)	(753,317)
Fee adjustment for pro-rated renewal			(10,830)	(10,830)	(10,830)		(10,830)	(10,830)	(10,830)		(10,830)	(10,830)	(10,830)
Projected Net		239,602	221,950	207,469	192,698	239,602	221,950	207,469	192,698	239,602	59,605	45,124	30,353
Beginning Cumulative Surplus (Deficit)		302,519	542,121	764,071	971,540	302,519	542,121	764,071	971,540	302,519	542,121	601,726	646,850
Ending Cumulative Surplus (Deficit)		542,121	764,071	971,540	1,164,237	542,121	764,071	971,540	1,164,237	542,121	601,726	646,850	677,202

31st Legislature (2019–2020)

Alaska Admin Code

12 AAC 02.340

12 AAC 02.340. Board of Public Accountancy

The following fees are established for accountants, partnerships, corporations, limited liability companies, and other legal entities:

(1) nonrefundable application fee for

(A) initial license, permit, or practice privilege, \$300;

(B) repealed 10/18/2015;

(2) repealed 11/18/2006;

(3) certified public accountant license fee for all or part of the initial biennial license period, \$390;

(4) certified public accountant biennial active license renewal fee, \$390;

(5) certified public accountant biennial inactive license renewal fee, \$245;

(6) uncertified public accountant biennial license renewal fee, under [AS 08.04.661](#), \$200;

(7) uncertified public accountant biennial inactive license renewal fee, under [AS 08.04.661](#), \$200;

(8) partnership, corporation, limited liability company, or other legal entity registration and permit fee for all or part of the initial biennial registration period, \$530;

(9) biennial partnership, corporation, limited liability company, or other legal entity permit renewal fee, \$530;

(10) out-of-state practice privilege permit fee for all or part of the initial biennial registration period, \$900;

(11) biennal out-of-state practice privilege permit renewal fee, \$900

(12) license reactivation fee, \$150;

(13) delayed renewal penalty fee, \$100.

NASBA Exam Reimbursement

Month & Year	Amount	Comment(s)
January-19	\$5,500.00	
February-19	\$4,845.00	
March-19	\$6,520.00	
April-19	\$5,500.00	
May-19	\$6,285.00	
June-19	\$6,470.00	
July-19	\$5,570.00	
August-19	\$5,805.00	
September-19	\$6,445.00	
October-19	\$5,080.00	
November-19	\$4,755.00	
December-19	\$5,865.00	
January-20	\$5,445.00	
February-20	\$4,785.00	
March-20	\$4,740.00	
April-20	\$3,420.00	
May-20	\$4,255.00	
June-20	\$5,450.00	
July-20	\$5,535.00	
August-20	\$6,050.00	
September-20	\$5,910.00	
October-20	\$6,000.00	
November-20	\$5,920.00	
December-20	\$5,920.00	Estimated amount for December 2020.
Total	\$132,070.00	

\$5,502.92

