

ARKANSAS REGISTER

Proposed Rule Cover Sheet



Secretary of State
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Little Rock, Arkansas 72201-1094
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Name of Department _____

Agency or Division Name _____

Other Subdivision or Department, If Applicable _____

Previous Agency Name, If Applicable _____

Contact Person _____

Contact E-mail _____

Contact Phone _____

Name of Rule _____

Newspaper Name _____

Date of Publishing _____

Final Date for Public Comment _____

Location and Time of Public Meeting _____

Rule 10 REGISTRATION

10.1 INITIAL APPLICATION, RECIPROCAL, OR REINSTATEMENT

Application for an initial license, reinstatement, or renewal shall be made on a form provided by the Board, and in the case of application for renewal, shall be filed by January 1 of each year.

10.2 CRIMINAL BACKGROUND CHECKS

(a) Each applicant for an initial license, including a reciprocal license, or for a new license under Ark. Code Ann. § 17-12-504(h), shall apply, using forms furnished by and pursuant to instructions provided by the Board, for state and national criminal background checks to be conducted by the Identification Bureau of the Department of Arkansas State Police and Federal Bureau of Investigation. The Board may, in its discretion and on reasonable cause, require an applicant seeking the reinstatement of a license under Ark. Code Ann. § 17-12-504(g) to apply for the criminal background checks as provided herein.

(b) The criminal background checks shall have been completed no earlier than six (6) months prior to the date of receipt of the application, unless the delay is beyond the control of the applicant.

(c) An applicant who seeks a waiver under Ark. Code Ann. § 17-3-102(b) of disqualification from licensure resulting from a criminal conviction shall deliver to the Board:

- (1) File-marked copies of court documents pertinent to conviction, i.e., information, indictment, or other charging documents, and judgments, orders, final rulings, or other documents specifying conviction and sanctions, and penalties; and
- (2) Documentation from the appropriate governmental official regarding the applicant's status and compliance with regard to terms of probation, parole, restitution, penalty, or any other sanctions.

(d) (1) If the executive director notifies an applicant for licensure that his or her application has been denied on the grounds that the applicant is ineligible for licensure due to a criminal conviction covered by Ark. Code Ann. § 17-3-102(a), then the applicant may request a waiver of the disqualifying condition and a hearing pursuant to Ark. Code Ann. § 17-3-102(b). The request for a waiver and hearing shall be made in writing and submitted to the executive director.

(2) The request for waiver shall not be considered until the application, fees, applicable documentation, both federal and state criminal background check reports, and written request for waiver are received by the Board.

(3) The Board shall conduct the waiver hearing in accordance with the provisions of Ark. Code Ann. § 17-3-102 and the hearing procedures set forth in Rule 11.

10.3 LICENSE RENEWAL

The Board will renew the license to the applicant who has complied with the registration in 10.1 provided:

- (1) the necessary information was furnished on the annual registration form;
- (2) the required fee for said registration was paid, and
- (3) there is no existing suspension of certificate, license or right to apply.

10.4 REPEALED

10.5 FIRM REGISTRATION

(a) A firm engaged in the practice of public accounting that has an office in this state must register with the Board. Application for an initial firm registration and subsequent renewal must be made on a form provided by the Board.

- (1) As defined in Rule 7, a firm includes a corporation, partnership, limited liability company, sole proprietorship, and other permissible forms of practice.

(b) A firm engaged in the practice of public accounting that does not have an office in this state must register with the Board in order to provide the services listed below for any client whose home office is in this state.

Applicants for an initial firm registration and subsequent renewals must be made on a form provided by the Board. Services requiring firm registration include:

- (1) A financial statement audit or other engagement to be performed in accordance with the Statements on Auditing Standards,
 - (2) An examination of prospective financial information to be performed in accordance with Statements on Standards for Attestation Engagements, and
 - (3) An engagement to be performed in accordance with PCAOB Standards.
- (c) In the case of firms with multiple offices, the licensee shall identify on its original and each renewal application each office to be registered, as prescribed on a form approved by the Board.

10.6 TEMPORARY LICENSURE

Notwithstanding the provisions of rules 10.1 through 10.5 above, the Board may issue temporary licenses to certain persons under the conditions set forth in Rule 19.3.

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(c) An applicant who seeks a waiver under Ark. Code Ann. § 17-3-102(b) of disqualification from licensure resulting from a criminal conviction shall deliver to the Board:

- (1) File-marked copies of court documents pertinent to conviction, i.e., information, indictment, or other charging documents, and judgments, orders, final rulings, or other documents specifying conviction and sanctions, and penalties; and
- (2) Documentation from the appropriate governmental official regarding the applicant's status and compliance with regard to terms of probation, parole, restitution, penalty, or any other sanctions.

(d) (1) If the executive director notifies an applicant for licensure that his or her application has been denied on the grounds that the applicant is ineligible for licensure due to a criminal conviction covered by Ark. Code Ann. § 17-3-102(a), then the applicant may request a waiver of the disqualifying condition and a hearing pursuant to Ark. Code Ann. § 17-3-102(b). The request for a waiver and hearing shall be made in writing and submitted to the executive director.

(2) The request for waiver shall not be considered until the application, fees, applicable documentation, both federal and state criminal background check reports, and written request for waiver are received by the Board.

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10.6 TEMPORARY LICENSURE

Notwithstanding the provisions of rules 10.1 through 10.5 above, the Board may issue temporary licenses to certain persons under the conditions set forth in Rule 19.~~32~~.

QUESTIONNAIRE FOR FILING PROPOSED RULES WITH THE
ARKANSAS LEGISLATIVE COUNCIL

DEPARTMENT/AGENCY Department of Labor and Licensing
DIVISION Arkansas State Board of Public Accountancy
DIVISION DIRECTOR Jimmy Corley, Director
CONTACT PERSON Jimmy Corley
ADDRESS 900 W. Capitol, Suite 400, 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? Board Rule 10 “Registration”
- 2. What is the subject of the proposed rule? Updating a reference within the rule to another rule
- 3. Is this rule required to comply with a federal statute, rule, or regulation? Yes _____ No X _____
If yes, please provide the federal rule, regulation, and/or statute citation.
- 4. Was this rule filed under the emergency provisions of the Administrative Procedure Act?
Yes _____ No X _____
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 X If yes, please provide a brief summary explaining the rule.

Does this repeal an existing rule? Yes _____ No X 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 X 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 17-12-203(a)
7. What is the purpose of this proposed rule? Why is it necessary? To update a reference to Board Rule 19, which is also being updated.
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://www.asbpa.arkansas.gov/laws-and-rules/proposed-rule-changes/>
9. Will a public hearing be held on this proposed rule? Yes _____ No X
We do not plan to hold a hearing unless requested, as provided in ACA 25-15-204(a)(2)(b).
- If yes, please complete the following:
- Date: _____
- Time: _____
- Place: _____
10. When does the public comment period expire for permanent promulgation? (Must provide a date.)
2-11-22
11. What is the proposed effective date of this proposed rule? (Must provide a date.)
4-1-22
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. Will provide after ADG publishing on January 7, 8, and 9
13. Please provide proof of filing the rule with the Secretary of State as required pursuant to Ark. Code Ann. § 25-15-204(e).

SOS was copied on the email filing with BLR

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

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, 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 Rule 10 "Registration"

1. Does this proposed, amended, or repealed rule have a financial impact?
Yes _____ No X
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 X 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 X 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 _____

Next Fiscal Year

General Revenue _____

Federal Funds _____

Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total _____

Cash Funds _____
 Special Revenue _____
 Other (Identify) _____
 Total _____

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

Current Fiscal Year

Next Fiscal Year

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

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

Next Fiscal Year

\$ 0

\$ 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

Next Fiscal Year

\$ 0

\$ 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.

<i>Rule number</i>	<i>Rule Title</i>	<i>Summary</i>
Rule 10.6	Registration	Rule 10.6 has a reference to Board rule 19, which must be updated because of changes we are making to Rule 19.