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For Department of State Use Only

Sequence Number: 02-09-15
 Rule ID(s): 5877-5879
 File Date: 2/11/15
 Effective Date: 5/12/15

Rulemaking Hearing Rule(s) Filing Form

Rulemaking Hearing Rules are rules filed after and as a result of a rulemaking hearing (Tenn. Code Ann. § 4-5-205).

Pursuant to Tenn. Code Ann. § 4-5-229, any new fee or fee increase promulgated by state agency rule shall take effect on July 1, following the expiration of the ninety (90) day period as provided in § 4-5-207. This section shall not apply to rules that implement new fees or fee increases that are promulgated as emergency rules pursuant to § 4-5-208(a) and to subsequent rules that make permanent such emergency rules, as amended during the rulemaking process. In addition, this section shall not apply to state agencies that did not, during the preceding two (2) fiscal years, collect fees in an amount sufficient to pay the cost of operating the board, commission or entity in accordance with § 4-29-121(b).

Agency/Board/Commission: Tennessee State Board of Accountancy
Division: Division of Regulatory Boards, Department of Commerce and Insurance
Contact Person: Chris Whittaker
Address: 500 James Robertson Parkway; Nashville, TN
Zip: 37243
Phone: (615) 741-3072
Email: Chris.Whittaker@tn.gov

Revision Type (check all that apply):

- Amendment
 New
 Repeal

Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only ONE Rule Number/Rule Title per row)

Chapter Number	Chapter Title
0020-01	Licensing and Registration Requirements
Rule Number	Rule Title
0020-01-.08	Renewal of Licenses

Chapter Number	Chapter Title
0020-04	Disciplinary Action and Civil Penalties
Rule Number	Rule Title
0020-04-.03	Grounds for Discipline Against Licensees

Chapter Number	Chapter Title
0020-05	Continuing Education
Rule Number	Rule Title
0020-05-.08	Failure to Meet CPE Requirements

Chapter 0020-01
Board of Accountancy, Licensing and Registration Requirements
Amendments

Rule 0020-01-.08 Renewal of Licenses is amended by adding a new paragraph (8) as follows:

- (8) An applicant for licensure meeting the requirements of T.C.A. § 4-3-1304(d)(1) may:
- (a) Be issued a license under this chapter upon application and payment of all fees required for issuance of a regular license of the same type if, in the opinion of the Board, the requirements for certification or licensure in the state where the applicant is licensed are substantially equivalent to that required in Tennessee; or
 - (b) Be issued a temporary permit as described herein if the Board determines that the applicant's license does not meet the requirements for substantial equivalency, but that the applicant could perform additional acts, including - but not limited to - education, training, or experience, in order to meet the requirements for the license to be substantially equivalent. The Board may issue a temporary permit upon application and payment of all fees required for issuance of a regular license of the same type, which shall allow such person to perform services as if fully licensed for a set period of time that is determined to be sufficient for the applicant to complete such requirements.
 - 1. After completing those additional requirements and providing the Board with sufficient proof thereof as may be required, a full license shall be issued to the applicant with an issuance date of the date of the original issuance of the temporary permit and an expiration date as if the full license had been issued at that time.
 - 2. A temporary permit shall be issued for a period of less than the length of a renewal cycle for a full license.
 - 3. A temporary permit shall expire upon the date set by the Board and shall not be subject to renewal except through the completion of the requirements for substantial equivalency as required by the Board or by an extension of time granted for good cause by the Board.
 - 4. Should an extension to a temporary permit cause the permit to be in effect longer than the renewal cycle of a full license, the holder of the temporary permit shall file a renewal application with such documentation and fees, including completion of continuing education, as are required by the Board for all other renewals of a full license of the same type.
- (9) Military education, training, or experience completed by a person described at T.C.A. § 4-3-1304(d)(1)(B)(ii)(a)-(c) shall be accepted toward the qualifications, in whole or in part, to receive any license issued by the Board if such military education, training, or experience is determined by the Board to be substantially equivalent to the education, training, or experience required for the issuance of such license.
- (10) Any licensee who is a member of the National Guard or a reserve component of the armed forces of the United States called to active duty whose license expires during the

period of activation shall be eligible for renewal for a period of six (6) months after the licensee is released from active duty without:

- (a) Payment of late fees or other penalties;
 - (b) Obtaining continuing education credits when:
 - 1. Circumstances associated with the person's military duty prevented the obtaining of continuing education credits and a waiver request has been submitted to the Board; or
 - 2. The person performs the licensed or certified occupation as part of such person's military duties and provides documentation sufficient to demonstrate such to the Board, or;
 - (c) Performing any other similar act typically required for the renewal of a license or certification.
- (11) Any person renewing under paragraph (10) shall provide the Board such supporting documentation evidencing activation as may be required by the Board prior to renewal of any license pursuant to that paragraph.

Authority: T.C.A. §§ 62-1-105, 62-1-107, and 4-3-1304.

Chapter 0020-04
Board of Accountancy, Disciplinary Action and Civil Penalties

Amendments

Rule 0020-04-.03 Grounds for Disciplinary Action Against Licensees is amended by adding a new paragraph (1)(c)9. to read as follows:

- 9. Failure to timely pay professional privilege tax as required by law.

Authority: T.C.A. §§ 62-1-105, 62-1-111, 62-1-113, 62-1-117, 67-4-1702, and 67-4-1704.

Chapter 0020-05
Board of Accountancy, Continuing Education

Amendments

Rule 0020-05-.08 Failure to Meet CPE Requirements is amended by deleting the paragraphs (1)-(3) in their entirety and amending the rule to read as follows:

- (1) A penalty of (8) additional CPE hours will be assessed against those license holders who fail to timely complete the eighty (80) hour two (2) year minimum required by Rule 0020-5-.03 unless an extension of time under Rule 0020-5-.07 is granted by the Board.
- (2) A penalty of eight (8) additional CPE hours will be assessed against those license holders who fail to timely complete the forty (40) hour requirement in the subject areas of accounting, accounting ethics, attest, taxation, or management advisory services required by Rule 0020-5-.03 unless an extension of time under Rule 0020-5-.07 is granted by the Board.
- (3) A penalty of (8) additional CPE hours will be assessed against those license holders who fail to timely complete at least twenty (20) hours in each year of the biennial renewal period as required by Rule 0020-5-.03 unless an extension of time under Rule 0020-5-.07 is granted by the Board.

- (4) A penalty of (8) additional CPE hours will be assessed against those license holders who perform the attest function who fail to timely complete the twenty (20) hour requirement in the subject areas of attest and accounting theory and practice required by Rule 0020-5-.03 unless an extension of time under Rule 0020-5-.07 is granted by the Board.
- (5) A penalty of eight (8) additional CPE hours will be assessed against those license holders who fail to timely complete the two (2) hour state specific continuing professional education ethics course required by Rule 0020-5-.03 unless an extension of time under Rule 0020-5-.07 is granted by the Board.
- (6) A licensee who is assessed a penalty under this rule shall complete such penalty and shall submit proof of completion of such penalty to the Board no later than one hundred and eighty (180) days from the date the Board notifies the licensee of the deficiency.

Authority: T.C.A. §§ 62-1-105, 62-1-107, and 62-1-111.

* If a roll-call vote was necessary, the vote by the Agency on these rulemaking hearing rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Trey Watkins				X	
Casey Stuart	X				
Bill Blaufuss	X				
Vic Alexander	X				
Gay Moon	X				
Jennifer Brundige	X				
Stephen Eldridge	X				
Henry Hoss	X				
Gabe Roberts	X				
Don Royston	X				
Charlene Spiceland	X				

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the Tennessee State Board of Accountancy on 10/17/2014, and is in compliance with the provisions of T.C.A. § 4-5-222.

I further certify the following:

Notice of Rulemaking Hearing filed with the Department of State on: 08/13/14

Rulemaking Hearing(s) Conducted on: (add more dates). 10/17/14

Date: 12/22/2014

Signature: *[Handwritten Signature]*

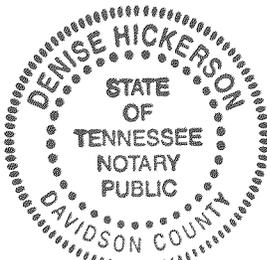
Name of Officer: Christopher R. Whittaker, Esq.

Title of Officer: Asst. General Counsel, Tennessee Dept. of Commerce + Insurance

Subscribed and sworn to before me on: December 22, 2014

Notary Public Signature: *[Handwritten Signature]*

My commission expires on: September 11, 2017



My Commission Expires SEPT. 11, 2017

All rulemaking hearing rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

[Handwritten Signature]
 Herbert H. Slatery III
 Attorney General and Reporter
January 6, 2015
 Date

Department of State Use Only

Filed with the Department of State on: 2/11/15

Effective on: 5/12/15

Tre Hargett
Tre Hargett
Secretary of State

SECRETARY OF STATE
RECEIVED

2015 FEB 11 PM 2:08

Public Hearing Comments

One copy of a document containing responses to comments made at the public hearing must accompany the filing pursuant to T.C.A. § 4-5-222. Agencies shall include only their responses to public hearing comments, which can be summarized. No letters of inquiry from parties questioning the rule will be accepted. When no comments are received at the public hearing, the agency need only draft a memorandum stating such and include it with the Rulemaking Hearing Rule filing. Minutes of the meeting will not be accepted. Transcripts are not acceptable.

There were no public comments submitted in writing or presented orally at the rulemaking hearing.

Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process as described in T.C.A. § 4-5-202(a)(3) and T.C.A. § 4-5-202(a), all agencies shall conduct a review of whether a proposed rule or rule affects small businesses.

1. Overlap, duplicate, or conflict with other federal, state, and local governmental rules:

There will be no overlap, duplication, or conflict with other federal, state or local governmental rules.

2. Clarity, conciseness, and lack of ambiguity in the rule or rules:

The rules are clear in purpose and intended execution. The implementation of the proposed rule change will increase clarity and conciseness and decrease ambiguity in the rules as a whole.

3. Flexible compliance and/or reporting requirements for small businesses:

These rules do not create any new compliance or reporting requirements.

4. Friendly schedules or deadlines for compliance and/or reporting requirements:

The proposed "military applicant" rule will expedite the licensure process for certain military personnel, and in some cases, for the spouses of military personnel. Otherwise, these rules do not set out compliance or reporting requirements.

5. Consolidation or simplification of compliance or reporting requirements:

There are no new compliance and reporting requirements as a result of this amendment.

6. Performances standards for small businesses:

These rules do not set out operational or design standards. As such, there are no performance standards for small businesses as a result of this amendment.

7. Barriers or other effects that stifle entrepreneurial activity, curb innovation, or increase costs:

It does not appear that these amendments will erect barriers or have other effects which would stifle entrepreneurial activity, curb innovation, or increase costs.

Impact on Local Governments

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 "any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments." (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The proposed rule changes are not projected to have any impact on local governments.

Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A)** A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

The proposed amendment to Rule 0020-01-.08 would add "military applicant" rule language to the Board's rules.

The proposed amendment to Rule 0020-04-.03 would provide specific, unambiguous authority for the Board to impose discipline against a CPA for failure to timely pay professional privilege tax as required by law.

The proposed amendment to Rule 0020-05-.08 would remove ambiguity from the current rules by clarifying the exact circumstances under which the Board could seek to assess penalty CPE hours against a licensee.

- (B)** A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

PC0122 (2013) requires each program attached to the division of regulatory boards (which includes the Tennessee State Board of Accountancy) to promulgate rules and regulations to effectuate the purposes of this act. The proposed amendment to Rule 0020-01-.08 is promulgated in response to PC0122 (2013)

- (C)** Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

The proposed amendments to the Tennessee State Board of Accountancy rules will affect applicants seeking a CPA license from the Board and individual licensees currently practicing as CPAs. Because there were no public comments received as part of this rulemaking hearing process, it may be reasonably inferred that no substantial opposition to these proposed rule changes exists.

- (D)** Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

I am unaware of any opinion of the attorney general or any judicial ruling which directly relates to these rules.

- (E)** An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

The anticipated fiscal impact to state and local government revenues and expenditures of these proposed rule changes is anticipated to be minimal.

- (F)** Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Mark Crocker, Executive Director for the Tennessee State Board of Accountancy; Chris Whittaker, Assistant General Counsel for the Tennessee State Board of Accountancy.

- (G)** Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Chris Whittaker, Assistant General Counsel for the Tennessee State Board of Accountancy

(H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

500 James Robertson Pkwy., Nashville, TN 37243;
Mark Crocker: Phone: (615) 741-2550; E-Mail: Mark.H.Crocker@tn.gov
Chris Whittaker: Phone: (615) 741-3072; E-Mail: chris.whittaker@tn.gov

(I) Any additional information relevant to the rule proposed for continuation that the committee requests.

N/A

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Agency/Board/Commission:	Tennessee State Board of Accountancy
Division:	Division of Regulatory Boards, Department of Commerce and Insurance
Contact Person:	Chris Whittaker
Address:	500 James Robertson Parkway; Nashville, TN
Zip:	37243
Phone:	(615) 741-3072
Email:	Chris.Whittaker@tn.gov

Revision Type (check all that apply):

- Amendment
 New
 Repeal

Rule(s) Revised (ALL chapters and rules contained in filing must be listed here. If needed, copy and paste additional tables to accommodate multiple chapters. Please enter only ONE Rule Number/Rule Title per row)

Chapter Number	Chapter Title
0020-01	Licensing and Registration Requirements
Rule Number	Rule Title
0020-01-.08	Renewal of Licenses

Chapter Number	Chapter Title
0020-04	Disciplinary Action and Civil Penalties
Rule Number	Rule Title
0020-04-.03	Grounds for Discipline Against Licensees

Chapter Number	Chapter Title
0020-05	Continuing Education
Rule Number	Rule Title
0020-05-.08	Failure to Meet CPE Requirements

Chapter 0020-01
Board of Accountancy, Licensing and Registration Requirements

Amendments

Rule 0020-01-.08 Renewal of Licenses is amended by adding a new paragraph (8) as follows:

- (8) An applicant for licensure meeting the requirements of T.C.A. § 4-3-1304(d)(1) may:
- (a) Be issued a license under this chapter upon application and payment of all fees required for issuance of a regular license of the same type if, in the opinion of the Board, the requirements for certification or licensure in the state where the applicant is licensed are substantially equivalent to that required in Tennessee; or
 - (b) Be issued a temporary permit as described herein if the Board determines that the applicant's license does not meet the requirements for substantial equivalency, but that the applicant could perform additional acts, including - but not limited to - education, training, or experience, in order to meet the requirements for the license to be substantially equivalent. The Board may issue a temporary permit upon application and payment of all fees required for issuance of a regular license of the same type, which shall allow such person to perform services as if fully licensed for a set period of time that is determined to be sufficient for the applicant to complete such requirements.
 1. After completing those additional requirements and providing the Board with sufficient proof thereof as may be required, a full license shall be issued to the applicant with an issuance date of the date of the original issuance of the temporary permit and an expiration date as if the full license had been issued at that time.
 2. A temporary permit shall be issued for a period of less than the length of a renewal cycle for a full license.
 3. A temporary permit shall expire upon the date set by the Board and shall not be subject to renewal except through the completion of the requirements for substantial equivalency as required by the Board or by an extension of time granted for good cause by the Board.
 4. Should an extension to a temporary permit cause the permit to be in effect longer than the renewal cycle of a full license, the holder of the temporary permit shall file a renewal application with such documentation and fees, including completion of continuing education, as are required by the Board for all other renewals of a full license of the same type.
- (9) Military education, training, or experience completed by a person described at T.C.A. § 4-3-1304(d)(1)(B)(ii)(a)-(c) shall be accepted toward the qualifications, in whole or in part, to receive any license issued by the Board if such military education, training, or experience is determined by the Board to be substantially equivalent to the education, training, or experience required for the issuance of such license.
- (10) Any licensee who is a member of the National Guard or a reserve component of the armed forces of the United States called to active duty whose license expires during the

period of activation shall be eligible for renewal for a period of six (6) months after the licensee is released from active duty without:

- (a) Payment of late fees or other penalties;
 - (b) Obtaining continuing education credits when:
 - 1. Circumstances associated with the person's military duty prevented the obtaining of continuing education credits and a waiver request has been submitted to the Board; or
 - 2. The person performs the licensed or certified occupation as part of such person's military duties and provides documentation sufficient to demonstrate such to the Board, or;
 - (c) Performing any other similar act typically required for the renewal of a license or certification.
- (11) Any person renewing under paragraph (10) shall provide the Board such supporting documentation evidencing activation as may be required by the Board prior to renewal of any license pursuant to that paragraph.

Authority: T.C.A. §§ 62-1-105, 62-1-107, and 4-3-1304.

Chapter 0020-04
Board of Accountancy, Disciplinary Action and Civil Penalties

Amendments

Rule 0020-04-.03 Grounds for Disciplinary Action Against Licensees is amended by adding a new paragraph (1)(c)9. to read as follows:

- 9. Failure to timely pay professional privilege tax as required by law.

Authority: T.C.A. §§ 62-1-105, 62-1-111, 62-1-113, 62-1-117, 67-4-1702, and 67-4-1704.

Chapter 0020-05
Board of Accountancy, Continuing Education

Amendments

Rule 0020-05-.08 Failure to Meet CPE Requirements is amended by deleting the paragraphs (1)-(3) in their entirety and amending the rule to read as follows:

- ~~(1) — A penalty of eight (8) additional CPE hours will be assessed against license holders for each year they fail to meet the twenty (20) hour one (1) year minimum required by Rule 0020-05-.03 unless an extension of time under 0020-05-.07 is granted by the Board.~~
- ~~(2) — A penalty of eight (8) additional CPE hours will be assessed against those license holders who fail to meet the eighty (80) hour two (2) year minimum required by Rule 0020-05-.03 unless an extension of time under 0020-05-.07 is granted by the Board.~~
- ~~(3) — Any penalty assessed under this rule shall be completed within one hundred eighty (180) days of the end of notification of the deficiency.~~
- (1) A penalty of (8) additional CPE hours will be assessed against those license holders who fail to timely complete the eighty (80) hour two (2) year minimum required by Rule 0020-5-.03 unless

an extension of time under Rule 0020-5-.07 is granted by the Board.

- (2) A penalty of eight (8) additional CPE hours will be assessed against those license holders who fail to timely complete the forty (40) hour requirement in the subject areas of accounting, accounting ethics, attest, taxation, or management advisory services required by Rule 0020-5-.03 unless an extension of time under Rule 0020-5-.07 is granted by the Board.
- (3) A penalty of (8) additional CPE hours will be assessed against those license holders who fail to timely complete at least twenty (20) hours in each year of the biennial renewal period as required by Rule 0020-5-.03 unless an extension of time under Rule 0020-5-.07 is granted by the Board.
- (4) A penalty of (8) additional CPE hours will be assessed against those license holders who perform the attest function who fail to timely complete the twenty (20) hour requirement in the subject areas of attest and accounting theory and practice required by Rule 0020-5-.03 unless an extension of time under Rule 0020-5-.07 is granted by the Board.
- (5) A penalty of eight (8) additional CPE hours will be assessed against those license holders who fail to timely complete the two (2) hour state specific continuing professional education ethics course required by Rule 0020-5-.03 unless an extension of time under Rule 0020-5-.07 is granted by the Board.
- (6) A licensee who is assessed a penalty under this rule shall complete such penalty and shall submit proof of completion of such penalty to the Board no later than one hundred and eighty (180) days from the date the Board notifies the licensee of the deficiency.

Authority: T.C.A. §§ 62-1-105, 62-1-107, and 62-1-111.

* If a roll-call vote was necessary, the vote by the Agency on these rulemaking hearing rules was as follows:

Board Member	Aye	No	Abstain	Absent	Signature (if required)
Trey Watkins				X	
Casey Stuart	X				
Bill Blaufuss	X				
Vic Alexander	X				
Gay Moon	X				
Jennifer Brundige	X				
Stephen Eldridge	X				
Henry Hoss	X				
Gabe Roberts	X				
Don Royston	X				
Charlene Spiceland	X				

I certify that this is an accurate and complete copy of rulemaking hearing rules, lawfully promulgated and adopted by the Tennessee State Board of Accountancy on 10/17/2014, and is in compliance with the provisions of T.C.A. § 4-5-222.

I further certify the following:

Notice of Rulemaking Hearing filed with the Department of State on: 08/13/14

Rulemaking Hearing(s) Conducted on: (add more dates). 10/17/14

Date: _____

Signature: _____

Name of Officer: _____

Title of Officer: _____

Subscribed and sworn to before me on: _____

Notary Public Signature: _____

My commission expires on: _____

All rulemaking hearing rules provided for herein have been examined by the Attorney General and Reporter of the State of Tennessee and are approved as to legality pursuant to the provisions of the Administrative Procedures Act, Tennessee Code Annotated, Title 4, Chapter 5.

Herbert H. Slatery III
Attorney General and Reporter

Date

Department of State Use Only

Filed with the Department of State on: _____

Effective on: _____

Tre Hargett
Secretary of State

Public Hearing Comments

One copy of a document containing responses to comments made at the public hearing must accompany the filing pursuant to T.C.A. § 4-5-222. Agencies shall include only their responses to public hearing comments, which can be summarized. No letters of inquiry from parties questioning the rule will be accepted. When no comments are received at the public hearing, the agency need only draft a memorandum stating such and include it with the Rulemaking Hearing Rule filing. Minutes of the meeting will not be accepted. Transcripts are not acceptable.

There were no public comments submitted in writing or presented orally at the rulemaking hearing.

Regulatory Flexibility Addendum

Pursuant to T.C.A. §§ 4-5-401 through 4-5-404, prior to initiating the rule making process as described in T.C.A. § 4-5-202(a)(3) and T.C.A. § 4-5-202(a), all agencies shall conduct a review of whether a proposed rule or rule affects small businesses.

1. Overlap, duplicate, or conflict with other federal, state, and local governmental rules:

There will be no overlap, duplication, or conflict with other federal, state or local governmental rules.

2. Clarity, conciseness, and lack of ambiguity in the rule or rules:

The rules are clear in purpose and intended execution. The implementation of the proposed rule change will increase clarity and conciseness and decrease ambiguity in the rules as a whole.

3. Flexible compliance and/or reporting requirements for small businesses:

These rules do not create any new compliance or reporting requirements.

4. Friendly schedules or deadlines for compliance and/or reporting requirements:

The proposed "military applicant" rule will expedite the licensure process for certain military personnel, and in some cases, for the spouses of military personnel. Otherwise, these rules do not set out compliance or reporting requirements.

5. Consolidation or simplification of compliance or reporting requirements:

There are no new compliance and reporting requirements as a result of this amendment.

6. Performances standards for small businesses:

These rules do not set out operational or design standards. As such, there are no performance standards for small businesses as a result of this amendment.

7. Barriers or other effects that stifle entrepreneurial activity, curb innovation, or increase costs:

It does not appear that these amendments will erect barriers or have other effects which would stifle entrepreneurial activity, curb innovation, or increase costs.

Impact on Local Governments

Pursuant to T.C.A. §§ 4-5-220 and 4-5-228 “any rule proposed to be promulgated shall state in a simple declarative sentence, without additional comments on the merits of the policy of the rules or regulation, whether the rule or regulation may have a projected impact on local governments.” (See Public Chapter Number 1070 (<http://state.tn.us/sos/acts/106/pub/pc1070.pdf>) of the 2010 Session of the General Assembly)

The proposed rule changes are not projected to have any impact on local governments.

Additional Information Required by Joint Government Operations Committee

All agencies, upon filing a rule, must also submit the following pursuant to T.C.A. § 4-5-226(i)(1).

- (A) A brief summary of the rule and a description of all relevant changes in previous regulations effectuated by such rule;

The proposed amendment to Rule 0020-01-.08 would add "military applicant" rule language to the Board's rules.

The proposed amendment to Rule 0020-04-.03 would provide specific, unambiguous authority for the Board to impose discipline against a CPA for failure to timely pay professional privilege tax as required by law.

The proposed amendment to Rule 0020-05-.08 would remove ambiguity from the current rules by clarifying the exact circumstances under which the Board could seek to assess penalty CPE hours against a licensee.

- (B) A citation to and brief description of any federal law or regulation or any state law or regulation mandating promulgation of such rule or establishing guidelines relevant thereto;

PC0122 (2013) requires each program attached to the division of regulatory boards (which includes the Tennessee State Board of Accountancy) to promulgate rules and regulations to effectuate the purposes of this act. The proposed amendment to Rule 0020-01-.08 is promulgated in response to PC0122 (2013)

- (C) Identification of persons, organizations, corporations or governmental entities most directly affected by this rule, and whether those persons, organizations, corporations or governmental entities urge adoption or rejection of this rule;

The proposed amendments to the Tennessee State Board of Accountancy rules will affect applicants seeking a CPA license from the Board and individual licensees currently practicing as CPAs. Because there were no public comments received as part of this rulemaking hearing process, it may be reasonably inferred that no substantial opposition to these proposed rule changes exists.

- (D) Identification of any opinions of the attorney general and reporter or any judicial ruling that directly relates to the rule;

I am unaware of any opinion of the attorney general or any judicial ruling which directly relates to these rules.

- (E) An estimate of the probable increase or decrease in state and local government revenues and expenditures, if any, resulting from the promulgation of this rule, and assumptions and reasoning upon which the estimate is based. An agency shall not state that the fiscal impact is minimal if the fiscal impact is more than two percent (2%) of the agency's annual budget or five hundred thousand dollars (\$500,000), whichever is less;

The anticipated fiscal impact to state and local government revenues and expenditures of these proposed rule changes is anticipated to be minimal.

- (F) Identification of the appropriate agency representative or representatives, possessing substantial knowledge and understanding of the rule;

Mark Crocker, Executive Director for the Tennessee State Board of Accountancy; Chris Whittaker, Assistant General Counsel for the Tennessee State Board of Accountancy.

- (G) Identification of the appropriate agency representative or representatives who will explain the rule at a scheduled meeting of the committees;

Chris Whittaker, Assistant General Counsel for the Tennessee State Board of Accountancy

(H) Office address, telephone number, and email address of the agency representative or representatives who will explain the rule at a scheduled meeting of the committees; and

500 James Robertson Pkwy., Nashville, TN 37243;
Mark Crocker: Phone: (615) 741-2550; E-Mail: Mark.H.Crocker@tn.gov
Chris Whittaker: Phone: (615) 741-3072; E-Mail: chris.whittaker@tn.gov

(I) Any additional information relevant to the rule proposed for continuation that the committee requests.

N/A

