

Approved: February 17, 2011
Date

MINUTES OF THE HOUSE FINANCIAL INSTITUTIONS COMMITTEE

The meeting was called to order by Chairman Forrest Knox at 3:33 p.m. on February 15, 2011, in Room 152-S of the Capitol.

All members were present except Representative Shultz, who was excused.

Committee staff present:

David Wiese, Office of the Revisor of Statutes
Sean Ostrow, Office of the Revisor of Statutes
Melissa Calderwood, Kansas Legislative Research Department
Cindy Lash, Kansas Legislative Research Department
Gary Deeter, Committee Secretary

Conferees appearing before the Committee:

None

Others attending:

See attached list.

The minutes for the February 8 and the February 10 meetings were approved. (Motion by Representative O'Hara and seconded by Representative Montgomery)

The Chair invited disposition of **HB 2124** - Certified public accountants; allowing professional corporations to practice in partnership with other corporations or individuals and register with the board of accountancy as a partnership.

The Vice-Chair noted that a technical amendment had been negotiated by the interested parties, an amendment inserting the word "professional" before the word "corporation" in the title and on page 2, line 30 (Attachment 1). Staff David Wiese provided the amendment, and a motion was made, seconded, and passed to accept the amendment. (Motion, Representative Proehl; second, Representative Montgomery)

Members discussed the possible ramifications of the bill. Representative Burroughs recalled a former representative, John Edmonds, whom he contacted to discuss the bill. Mr. Edmonds expressed concern that the bill will take away some measure of personal liability and will diminish the profession of Certified Public Accountants (CPAs). Staff Melissa Calderwood reviewed the 2007 action of the legislature regarding the issue. The Chair noted that the 2007 legislative act allowed the two firms in question to continue under their previous corporate partnership. A member commented that the continuing education stipulations of the bill uphold the professional level of CPAs.

A motion was made by Representative O'Hara and seconded by Representative Scapa to recommend the bill as amended to be favorable for passage. The motion passed, 11-2.

The meeting was adjourned at 3:50 p.m. The next meeting is scheduled for February 17, 2011.