

BEFORE THE BOARD OF PUBLIC ACCOUNTANTS  
DEPARTMENT OF LABOR AND INDUSTRY  
STATE OF MONTANA

In the matter of the amendment of )  
ARM 24.201.501 education )  
requirements, 24.201.528 out-of-state )  
applicants, 24.201.537 retired status, )  
24.201.1108 profession monitoring, )  
24.201.2106, 24.201.2108, )  
24.201.2114, 24.201.2120, )  
24.201.2121, and 24.201.2124, )  
24.201.2136, 24.201.2137, )  
24.201.2138, and 24.201.2139, )  
24.201.2145, 24.201.2148, and )  
24.201.2154 renewal and continuing )  
education, and the repeal of ARM )  
24.201.2105 advisory committee, )  
24.201.2146 continuing education )  
reporting for permit to practice, and )  
24.201.2161 reinstatement )

NOTICE OF PUBLIC HEARING ON  
PROPOSED AMENDMENT AND  
REPEAL

TO: All Concerned Persons

1. On April 16, 2012, at 1:30 p.m., a public hearing will be held in room B-07, 301 South Park Avenue, Helena, Montana, to consider the proposed amendment and repeal of the above-stated rules.

2. The Department of Labor and Industry (department) will make reasonable accommodations for persons with disabilities who wish to participate in this public hearing or need an alternative accessible format of this notice. If you require an accommodation, contact the Board of Public Accountants (board) no later than 5:00 p.m., on April 11, 2012, to advise us of the nature of the accommodation that you need. Please contact Amy Maracle, Board of Public Accountants, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513; telephone (406) 841-2389; Montana Relay 1 (800) 253-4091; TDD (406) 444-2978; facsimile (406) 841-2309; e-mail [dlibsdpac@mt.gov](mailto:dlibsdpac@mt.gov).

3. GENERAL REASONABLE NECESSITY: As part of a periodic review, the board is proposing revisions throughout their administrative rules. Some of the proposed amendments are technical in nature, such as renumbering or amending punctuation within certain rules following amendment and to comply with ARM formatting requirements. Other changes replace out-of-date terminology for current language and processes, delete past implementation dates and unnecessary or redundant sections, correct internal citations to statutes and rules, and amend rules and catchphrases for accuracy, consistency, simplicity, better organization, and ease of use. Authority and implementation cites are being amended throughout to

accurately reflect all statutes implemented through the rules and provide the complete sources of the board's rulemaking authority.

The board is amending several rules in subchapter 21 regarding continuing professional education (CPE) requirements and reporting to simplify processes and address years of confusion over these processes. Licensees have repeatedly asked that the board change the rolling three-year CPE period to align with the calendar year. Because most states have CPE on the calendar year, this change will simplify the process for individuals licensed in multiple states. Additionally, CPE tracking software used by many firms is also based on the calendar year. The board is also amending the rules to no longer require CPE reporting for licensees. Following amendment, licensees will be required to obtain the mandatory CPE during their three-year period, and attest to the completion at renewal. The board will only require the reporting of CPE courses or credits when licensees are required under professional monitoring, are selected during the random audit, or to prove compliance for license renewal, reactivation, or transferral.

Accordingly, the board has determined it is reasonably necessary to generally amend certain rules at this time. Where additional specific bases for a proposed action exist, the board will identify those reasons immediately following that rule.

4. The rules proposed to be amended provide as follows, stricken matter interlined, new matter underlined:

24.201.501 EDUCATION REQUIREMENTS (1) and (2) remain the same.

(3) An applicant ~~submitting~~ who has examination scores for an examination administered in November 1997 or thereafter, or an applicant whose approved application for examination has expired and is making reapplication for an examination after November 1997, or an applicant who applies by transfer of grades ~~after the~~ who has examination scores for an examination administered in November 1997 ~~examination or thereafter~~, must have completed at the time of applying, to sit for the exam:

~~(a) at least 24 semester hours (36 quarter hours) of upper division (an upper division course is normally defined as a course taken at the junior or senior level and would exclude introductory courses in accounting and economics) or graduate level accounting courses including at least~~ above the introductory level, to include one course in each of the following subject areas ~~to be approved to sit for the examination:~~

(a) through (c) remain the same, but are renumbered (i) through (iii).

~~(d) (iv)~~ management accounting; and

~~(e) (b)~~ at least 24 semester hours (36 quarter hours) in nonaccounting, general business related courses. Examples of business related courses include information systems, business law, finance, economics, marketing, ethics, organizational behavior, quantitative applications in business, and communication skills;

~~(f) (4)~~ Subsequent to successful passage of the examination, the candidate applicant, to be certified or licensed as a public accountant, must have:

(a) graduated from a an accredited college or university accredited to offer with a baccalaureate degree; and

~~(i) with an accounting concentration or its equivalent as determined by the board; and~~

~~(ii) (b) with successfully completed at least 150 semester hours (225 quarter hours) of credit, including those earned toward the baccalaureate degree or its equivalent.~~

~~(4) (5) An accredited school is one that is accredited by the American assembly Assembly of collegiate schools Collegiate Schools of business Business, or one of the following regional accrediting agencies:~~

~~(a) through (f) remain the same.~~

~~(5) (6) Graduates of Any foreign-obtained schools shall have their education must be evaluated by an advisory evaluation service specified by the board or the Foreign Academic Credentials Service, Inc. (FACS) in reference to Montana's education requirements.~~

~~(7) Applicants who did not sit for the exam as a Montana candidate must submit official transcripts for all education to NASBA's CPA Examination Services (CPAES) for evaluation in reference to Montana's education requirements.~~

~~(8) Montana exam candidates should be aware that the requirements outlined in (3) do not meet the requirements to obtain initial licensure in several U.S. jurisdictions and may inhibit the individual from seeking initial licensure in other U.S. jurisdictions if not licensed in Montana first.~~

~~(6) (9) One quarter unit of hour of credit is equivalent to two-thirds of a semester unit of hour.~~

AUTH: 37-1-131, 37-50-203, MCA

IMP: 37-1-131, 37-50-203, 37-50-302, 37-50-303, 37-50-305, MCA

REASON: The board is amending this rule to address questions from licensees and clarify the education requirements necessary to sit for the exam and to become licensed. The board is specifying the quarter-hour equivalents to semester hours as some schools still award credit on quarter-hours and the board staff continues to receive questions on these equivalents.

The board is removing from (6) the board's discretion to require a foreign education review by any service other than the Foreign Academic Credentials Service (FACS). The board has never used another service and is confident in reviews performed by FACS.

The board is adding (7) to specify that applicants who did not sit for the exam as Montana candidates must have their transcripts evaluated by the same organization that evaluates Montana exam candidates during the exam application process. The board concluded that this review is necessary to assure consistency and to remove liability from board staff for transcript evaluations.

The board determined it is reasonably necessary to add (8) and provide information to Montana exam candidates who may seek initial licensure in a state other than Montana. Some candidates have been unaware of the differences in exam requirements between states and the board is attempting to raise awareness.

24.201.528 LICENSURE OF OUT-OF-STATE APPLICANTS SEEKING A MONTANA CERTIFICATE, LICENSE, OR PERMIT (1) through (3)(a) remain the same.

(b) the applicant has had five years' experience in the practice of public accountancy after passing the examination upon which the applicant's certificate or license was based, within the ten years immediately preceding the application; and

(c) remains the same.

(d) the applicant has fulfilled the requirements of continuing professional education established under ~~37-1-306 and 37-50-314~~, MCA ARM 24.201.2106.

(4) Incomplete applications for licensure or certification ~~or transfer of grades~~ that are older than 12 months, will be considered invalid and void. The applicant will be required to reapply and pay another fee.

AUTH: 37-50-203, 37-50-309, MCA

IMP: 37-1-304, 37-1-306, 37-50-309, 37-50-311, 37-50-312, 37-50-313, 37-50-314, 37-50-325, MCA

REASON: The board is striking "transfer of grades" from (4) since the transfer is included as part of the application process, and the board intends for license applications to remain "live" for a total of 12 months.

24.201.537 RETIRED STATUS (1) The holder of a certificate or license who is fully retired from active employment ~~will be exempt from paying annual renewal fees upon submitting in the practice of public accounting as defined in 37-50-101, MCA, may submit a retired status request form to the board. Upon and receiving approval of the request, the individual will be exempt from paying annual renewal fees. Holders of a permit to practice in retired status will also be exempt from CPE requirements and may use the designation "CPA (Retired)."~~

(2) An individual on retired status may apply for their certificate, license, or permit to practice ~~renewal to be reactivated~~ within two years of the ~~renewal date their license was placed on retired status~~ by complying with the all renewal requirements. A retired license that is not ~~renewed~~ reactivated within two years ~~from of the renewal date the license was placed on retired status~~ automatically terminates. ~~An individual whose license has terminated may apply for reinstatement of a certificate, license, or permit to practice by complying with the requirements pursuant to ARM 24.201.536~~ In accordance with 37-1-141, MCA, once a license has terminated, it may not be reactivated and a new original license must be obtained through application, and all current licensing requirements must be met.

(3) ~~Montana holders~~ Holders of Montana certificates, licenses, or permits who avail themselves of practice privileges in other jurisdictions, ~~or who are practicing public accounting as defined in 37-50-101, MCA, in other jurisdictions in which they are licensed,~~ may not place ~~the~~ their Montana certificate, license, or permit on retired status ~~while using the practice privilege.~~

AUTH: 37-1-131, 37-50-203, MCA

IMP: 37-1-131, 37-1-141, 37-50-101, 37-50-325, MCA

REASON: The board is amending this rule to correct terminology and align the processes for retired status with the requirements in 37-1-141, MCA, regarding termination and reactivation of licenses. It is reasonably necessary to amend (1) to clarify that individuals on retired status are exempt from CPE requirements. Although not a new exemption, it was not previously set forth in rule.

The board is also amending (3) to clarify that anyone practicing in other jurisdictions may not be placed in retired status.

24.201.1108 ALTERNATIVES AND EXEMPTIONS (1) A practice unit ~~which has undergone an~~ enrolled in the AICPA or board-sanctioned peer review program is exempt from the board's profession monitoring program (PMP), provided a peer review has been completed within the three preceding calendar years must file a copy of its peer review report, including letter of comments (if any), letter of responses (if any), and acceptance of the review report by the administering entity. Firms may meet this requirement by participating, the report did not receive a peer review rating of "fail," and the practice unit fully participated in the Facilitated State Board Access (FSBA) program. Fully participating in the FSBA means board staff must be able to retrieve the peer review report, letter of response (if any), and acceptance letter from the administering entity.

(2) Alternative peer reviews (such as legislative audits of government entities) may be sanctioned by the board, which may also exempt a practice unit from the board's PMP.

(2) and (3) remain the same, but are renumbered (3) and (4).

AUTH: 37-50-203, MCA

IMP: 37-50-203, MCA

REASON: Following numerous requests by licensees and firms for clarification, the board is amending this rule regarding the process to exempt practice units from participating in the PMP. The amendments will streamline the process and result in less paperwork submitted by these practice units.

24.201.2106 BASIC REQUIREMENT (1) ~~Continuing education is accrued in a rolling three-year period that requires annual reporting. The annual reporting year begins July 1 and ends June 30 of every year. Any rolling three-year accrual period ends on June 30, immediately preceding the annual permit renewal deadline of December 31. Applicants for a permit to practice must complete 120 hours of acceptable continuing education credit in every three-year period, except as otherwise provided under 37-50-314, MCA, and ARM 24.201.2154 and 24.201.2155.~~

~~(2) At least two hours of the 120 hours of acceptable continuing education credit must consist of knowledge and the application of ethics or the codes of professional conduct of certified public accountants and licensed public accountants.~~

~~(3) Applicants who have already met the basic requirement by the end of any June 30th reporting period may elect to have excess continuing education hours, taken during the immediately preceding months of May and June, apply to the subsequent reporting period.~~

~~(4) Applicants who have not completed their basic requirements by the end of any June 30th reporting period may elect to have qualified continuing education hours, taken during the immediately following months of July and August, apply to the previous reporting period.~~

~~(5) Course credit hours may be split in order to carry over or carry back eligible credit.~~

~~(6) The implementation date of the continuing education requirement is three years from June 30, following an individual's initial issuance of a permit to practice.~~

(1) Holders of a permit to practice are required to have 120 hours of continuing professional education (CPE) with a subset of two hours in ethics in any rolling three-year period, except as otherwise provided under ARM 24.201.2108 and/or 24.201.2154.

(a) Beginning with the 2012 period, the rolling three-year period will be based on the calendar year. To make the change from fiscal year to calendar year, licensees will be able to count CPE obtained between July 1, 2011 and December 31, 2012, toward the 2012 year.

(2) Holders of a permit to practice will be required to affirm their compliance with the basic requirement upon annual renewal. This affirmation will be for the three calendar years immediately preceding the renewal year.

(3) Applicants for a permit to practice who have never been licensed in any jurisdiction must meet the basic requirement of CPE by December 31 of the third year following the year of the initial issuance of the Montana permit (example: If an individual received their permit to practice in 2010, they must meet the basic CPE requirement by December 31, 2013).

(a) Applicants for a permit to practice who are transferring into Montana via licensure in another jurisdiction, who have been licensed for less than three years, are granted the same time period in which to meet Montana's basic CPE requirement, based on their original licensure date in the other jurisdiction.

(b) Applicants for a permit to practice who are transferring into Montana via licensure in another jurisdiction, who have been licensed for more than three years, must submit proof of having met Montana's basic CPE requirement at the time of application.

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA

IMP: 37-1-306, 37-50-203, MCA

24.201.2108 WHO MUST COMPLY - GENERAL ~~(1) All persons who are issued~~ Holders of a Montana permit to practice must comply with the continuing education requirements, unless they have been excepted as provided by granted an exception as outlined in ARM 24.201.2112 or 24.201.2154.

~~(2) remains the same.~~

AUTH: 37-50-201, 37-50-203, MCA

IMP: 37-1-306, 37-50-203, 37-50-314, 37-50-325, MCA

24.201.2114 OUT-OF-STATE APPLICANTS SEEKING A MONTANA PERMIT TO PRACTICE - CONTINUING EDUCATION REQUIREMENT (1) An

individual, who holds a valid and unrevoked certified public accountant certificate or public accountant license issued by any jurisdiction, and who makes application under the appropriate provisions of the statutes for a certificate or license in this state, and who receives a certificate or license from this state, shall be required to comply with the basic requirement before being issued a permit to practice in this state. ~~Compliance will be reported on a form provided by the board.~~

~~(2) If the individual holds a valid and unrevoked permit to practice public accounting, if one is issued by such other jurisdiction, or was otherwise allowed to practice public accounting in such other jurisdiction, and cannot meet the basic requirement at the time of application for a permit to practice, the individual must request that the public accounting regulatory entity of such other jurisdiction submit in writing, directly to the board, verification that the individual was allowed to practice public accounting in that other jurisdiction. Upon acceptance of the verification by the board, the individual will be issued a permit to practice until the permit year following the June 30 following the individual's application. The individual must complete the basic requirement by the June 30 following their application.~~

~~(3) Except that such individual's basic continuing education requirements for purposes of this rule shall be no greater than if the individual's initial registration in such other jurisdiction was made in this state as explained in ARM 24.201.2106.~~

AUTH: 37-50-201, 37-50-203, MCA

IMP: 37-1-306, 37-50-203, MCA

24.201.2120 STANDARDS FOR FORMAL CONTINUING EDUCATION PROGRAMS, PROGRAMS WHICH QUALIFY, AND ACCEPTABLE SUBJECT MATTER AND PROGRAMS

~~(1) To protect the public and to ensure that practitioners participate in learning activities that maintain or increase their professional competence, the board has adopted standards for continuing education that establish a framework for the development, presentation, measurement, and reporting of continuing education programs to ensure that accounting professionals receive the quality continuing education necessary to satisfy their professional obligation to serve the public interest, the board has adopted standards for continuing professional education.~~

~~(2) A program qualifies as acceptable continuing education if it is a formal group or self-study program of learning, which contributes directly to the professional competence of an individual permitted to practice public accounting, and such program meets the minimum standards of quality of development, presentation, measurement, and reporting of credits set forth in the most recently issued version of the Statement of Standards for Continuing Professional Education (CPE) programs issued jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) on January 19, 2001 as adopted by reference in ARM 24.201.2121, or such other educational standards as may be established from time to time by the board.~~

~~(3) The following general are examples of generally acceptable subject matters matter are acceptable provided they contribute to the basic professional knowledge and competence of the individual and meet the minimum standards of quality or development and presentation and of measurement and reporting of~~

credits set forth in the Statement of Standards for Continuing Professional Education (CPE) programs issued jointly by the AICPA and NASBA - this list is not all-inclusive:

(a) through (4) remain the same.

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA

IMP: 37-1-306, 37-50-203, 37-50-314, MCA

24.201.2121 STANDARDS FOR CPE PROGRAM DEVELOPMENT - PRESENTATION AND MEASUREMENT (1) The board adopts and incorporates by reference the most recently issued version of the Statement on Standards for Continuing Professional Education (CPE) program, as issued jointly by the American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA), January 12, 2012 ~~on January 19, 2004~~, or such other education standards as may be established from time to time by the board.

(2) The standards incorporated by reference are available at the professional resources or publication offices at the respective ~~web site~~ web sites:

(a) and (b) remain the same.

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA

IMP: 37-1-306, 37-50-203, 37-50-314, MCA

24.201.2124 STANDARDS FOR CPE REPORTING (1) Participants in group or self-study programs must ~~document~~ obtain documentation of their participation ~~including~~ (i.e. a certificate of completion or other correspondence from the sponsor). Documentation must include the following information:

(a) through (d) remain the same.

(e) location; ~~and~~

(f) number of continuing education credit hours granted; ~~and~~

(g) NASBA Registry ID or NASBA QAS Sponsor ID (if applicable).

(2) Documentation must be retained for not less than five years.

~~(2) (3)~~ (3) The sponsor of group or self-study programs shall retain evidence of an individual's participation in a group or self-study program for not less than five years. Pertinent information includes:

(a) through (f) remain the same.

(g) number of contact hours/continuing education credit hours granted.

~~(3) (4)~~ (4) For courses taken for academic credit in universities and colleges, evidence of satisfactory completion of the course and receipt of academic credit will be sufficient (i.e. transcripts); for noncredit courses, a statement of the hours of attendance, signed by the instructor, must be obtained by the individual.

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA

IMP: 37-1-306, 37-50-203, 37-50-314, MCA

REASON: The board is amending this rule to require participants in self-study programs obtain and retain their NASBA registry or QAS provider ID numbers, if

applicable. If they cannot provide these numbers when audited, they will only receive credit for half the course hours.

24.201.2136 CREDIT HOURS GRANTED - GROUP STUDY PROGRAMS

(1) Continuing education credit will be given with a minimum of 50 minutes constituting one hour. One-half continuing education credit increments (equal to a minimum of 25 minutes) are permitted after the first credit has been earned in a given learning activity.

(2) For university or college courses, each semester unit of credit shall equal 15 hours toward the requirement. A quarter unit of credit shall equal ten hours.

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA

IMP: 37-1-306, 37-50-203, MCA

24.201.2137 CREDIT FOR FORMAL SELF-STUDY PROGRAMS

(1) ~~Interactive Formal~~ self-study programs shall receive continuing education credit equal to the average completion time amount granted by the sponsor, if the sponsor is ~~recognized and approved by NASBA's CPE quality assurance service (referred to as a NASBA Registry or NASBA QAS sponsor) or NASBA's national registry of CPE sponsors (referred to as a NASBA registry sponsor)~~. An interactive self-study program is designed to use interactive learning methodologies that simulate a classroom learning process that provides significant ongoing, interactive feedback to the participant regarding the participant's learning progress. These programs are calculated on a 50-minute hour.

(a) All other ~~interactive and noninteractive~~ formal self-study programs receive continuing education credit equal to one-half of the average completion time credit amount granted by the sponsor. These programs are calculated on a 100-minute hour.

(2) Individuals claiming credit for such formal self-study courses are required to obtain evidence of satisfactory completion of the course from the program sponsor as outlined in ARM 24.201.2124.

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA

IMP: 37-1-306, 37-50-203, MCA

24.201.2138 CREDIT FOR SERVICE AS LECTURER, DISCUSSION LEADER INSTRUCTOR, SPEAKER, OR REPORT REVIEWERS REVIEWER

(1) ~~Instructors, discussion leaders~~ Lecturers, instructors, and speakers may claim continuing education credit for both preparation and presentation time to the extent the activities maintain or increase their professional competence and qualify for continuing education credit for participants. Credit may be claimed for actual preparation time up to two times the class credit hours for the first time the class is presented. The maximum credit for such preparation and teaching shall not exceed 50 percent (or 60 hours) of the basic period requirement in any rolling three-year period.

(2) Continuing education credit may be claimed for serving as a report reviewer under the board's profession monitoring program established in ARM

24.201.1101, or under other structured report review programs to be approved on a case-by-case basis by the board. ~~One~~ Once approved, one hour of credit shall be granted for every hour spent reviewing reports. The maximum credit for such reviews shall be no more than 16 hours in any given fiscal calendar year reporting period. ~~Such credits shall qualify towards the requirement related to reporting on financial statements in ARM 24.201.2106(2).~~

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA  
IMP: 37-1-306, 37-50-203, 37-50-314, MCA

24.201.2139 CREDIT FOR PUBLISHED ARTICLES, BOOKS, ETC.

(1) Credit may be claimed for published articles and books provided they contribute to the professional competence of the individual. Credit for preparation of such publications may be claimed on a self-declaration basis, not to exceed 25 percent (or 30 hours) of the basic requirement, unless exceptional circumstances justify greater credit. The final amount of credit ~~so~~ awarded will be determined by the board on a case-by-case basis. ~~Credit for preparation of such publications may be claimed on a self-declaration basis not to exceed 25 percent of the basic requirement, unless exceptional circumstances justify greater credit.~~

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA  
IMP: 37-1-306, 37-50-203, 37-50-314, MCA

24.201.2145 REPORTING REQUIREMENTS (1) ~~On or before the July 31 after the end of the three-year reporting period, permit holders shall have reported credit hours to the board indicating that they have met the requirements for that reporting period~~ Holders of a permit to practice are required to affirm their compliance with the basic CPE requirement as outlined in ARM 24.201.2106, upon annual renewal. This affirmation will be for the three calendar years immediately preceding the renewal year.

(2) ~~Persons who use the two-month carry-back provision of ARM 24.201.2106(4) shall file their reporting forms by July 31, listing the course(s) they are planning to attend or complete. If the course(s) listed are not completed, they must notify the board office in writing immediately no later than August 31. Such notification(s) shall explain why the course(s) were not completed and provide a plan to meet the continuing education requirements~~ Reporting of actual courses/credits is not required, unless the CPE is dictated by the board as a result of the profession monitoring program, the individual is selected for a random CPE audit as outlined in ARM 24.201.2148, or the individual must otherwise prove compliance for licensure purposes (i.e. renewing an expired license, reactivating a license, transfer of license).

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA  
IMP: 37-1-306, 37-50-203, 37-50-314, MCA

24.201.2148 VERIFICATION (1) The board will verify ~~continuing education information submitted by individuals~~ compliance with the basic CPE requirement by annual random audit of up to 50 percent of licensees.

(a) Licensees notified that they have been randomly selected for an audit must comply with the deadline for submitting documentation.

(b) Only documentation as outlined in ARM 24.201.2124, in support of the basic CPE requirement, shall be submitted. Individuals may submit documentation of up to 150 hours if they so choose, to make sure the basic requirement is substantiated in the audit.

~~(2) If an application is not approved, the individual will be so notified in writing and may be granted a period of time by the board, in which to correct the deficiencies noted. The board will audit the CPE reporting form and supporting documentation to verify completion of the basic requirement~~ The board will review all cases in which compliance with the basic CPE requirement could not be verified by staff.

~~(3) If specific CPE is recommended as a result of the profession monitoring program reviews, the board will audit the CPE supporting documentation to verify completion of the appropriate subject matter and number of credit hours.~~

~~(4) Out of state applicants licensed in another jurisdiction applying for a permit to practice in this state must submit a CPE reporting form documenting compliance with CPE requirements with their application. The board may verify or audit CPE submitted by out of state applicants on a case-by-case basis.~~

~~(5) Applicants seeking reactivation or reinstatement of a permit to practice must submit a CPE reporting form and supporting documentation to be verified by the board. The CPE requirements of ARM 24.201.2106, may be met in the three years immediately preceding the application for reactivation or reinstatement.~~

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA

IMP: 37-1-131, 37-1-306, 37-50-203, 37-50-314, MCA

REASON: The board is amending this rule to align with proposed changes to ARM 24.201.2124 and 24.201.2145. The board is also specifying that the board may randomly audit up to 50% of renewed licensees, in accordance with 37-1-131, MCA.

24.201.2154 EXTENSION OR HARDSHIP EXCEPTION (1) The board has authority to grant an extension of time in order to complete the basic CPE requirement or to grant a written hardship exception for a specific period of time, for reasons of individual hardship including health, military service, or inaccessibility to programs (i.e. health or military service).

(a) To request an extension or exception, an individual must submit the appropriate form and fees. The board will review requests on a case-by-case basis.

AUTH: 37-1-319, 37-50-201, 37-50-203, MCA

IMP: 37-1-306, 37-50-203, 37-50-314, MCA

5. The rules proposed to be repealed are as follows:

24.201.2105 ADVISORY COMMITTEE

AUTH: 37-50-201, 37-50-203, MCA  
IMP: 37-50-203, 37-50-314, MCA

REASON: The board determined it is reasonably necessary to repeal this rule as such an advisory committee has not been necessary for many years and is not anticipated to be utilized in the future.

24.201.2146 CONTINUING EDUCATION REPORTING FOR PERMIT TO PRACTICE

AUTH: 37-50-201, 37-50-203, MCA  
IMP: 37-50-203, 37-50-314, MCA

REASON: The board is repealing this rule to conform with the proposed changes to ARM 24.201.2145, and because all other information is already included in ARM 24.201.2124.

24.201.2161 REINSTATEMENT

AUTH: 37-50-201, 37-50-203, MCA  
IMP: 37-50-203, 37-50-314, MCA

REASON: The board determined it is reasonably necessary to repeal this rule because the reinstatement provisions are adequately set forth in 37-1-314, MCA.

6. Concerned persons may present their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to the Board of Public Accountants, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513, by facsimile to (406) 841-2309, or by e-mail to [dlibsdpac@mt.gov](mailto:dlibsdpac@mt.gov), and must be received no later than 5:00 p.m., April 24, 2012.

7. An electronic copy of this Notice of Public Hearing is available through the department and board's web site on the World Wide Web at [www.publicaccountant.mt.gov](http://www.publicaccountant.mt.gov). The department strives to make the electronic copy of this notice conform to the official version of the notice, as printed in the Montana Administrative Register, but advises all concerned persons that in the event of a discrepancy between the official printed text of the notice and the electronic version of the notice, only the official printed text will be considered. In addition, although the department strives to keep its web site accessible at all times, concerned persons should be aware that the web site may be unavailable during some periods, due to system maintenance or technical problems, and that technical difficulties in accessing or posting to the e-mail address do not excuse late submission of comments.

8. The board maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this board. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies the person wishes to receive notices regarding all board administrative rulemaking proceedings or other administrative proceedings. The request must indicate whether e-mail or standard mail is preferred. Such written request may be sent or delivered to the Board of Public Accountants, 301 South Park Avenue, P.O. Box 200513, Helena, Montana 59620-0513; faxed to the office at (406) 841-2309; e-mailed to [dlibsdpac@mt.gov](mailto:dlibsdpac@mt.gov); or made by completing a request form at any rules hearing held by the agency.

9. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

10. Anne O'Leary, attorney, has been designated to preside over and conduct this hearing.

BOARD OF PUBLIC ACCOUNTANTS  
JACK MEYER, CPA, CHAIRPERSON

/s/ DARCEE L. MOE  
Darcee L. Moe  
Alternate Rule Reviewer

/s/ KEITH KELLY  
Keith Kelly, Commissioner  
DEPARTMENT OF LABOR AND INDUSTRY

Certified to the Secretary of State March 12, 2012