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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
LANSING

MARLON I. BROWN, DPA
DIRECTOR

Memorandum

VIA E-MAIL

DATE: Thursday, July 3, 2025

TO: Representative Douglas Wozniak, Chair, JCAR
Senator Paul Wojno, Alternate Chair, JCAR
Catherine Edwards, Michigan House Republican Policy Office
Desmond Miller, Michigan Senate Democratic Policy Office
Tim Reeves, Counsel, JCAR
Rachel Hugart, Counsel, JCAR

FROM: Mack Jones, Department Specialist, Office of Policy, and Legislative Affairs

SUBJECT: Joint Committee on Administrative Rules (JCAR) Briefing Memo for Rule Set 2024-054 LR Accountancy – General Rules

Rules Primer

The current rules address the following topics for accountants in this state:

- Definitions.
- The adoption by reference of various standards of professional practice and of accreditation standards for approved educational institutions.
- Record retention requirements for licensed CPAs.
- Educational requirements for the uniform CPA exam, Uniform CPA exam procedures, minimum exam scores.
- Educational requirements for certificate of CPA and qualifying experience requirements for a certificate of certified public accountant.
- Privilege to practice in state requirements and permit for temporary practice.
- Continuing education requirements and content requirements, including continuing education waiver requirements, allowable circumstance of renewal with insufficient hours, continuing education as it relates to relicensure,
- Responsibility for conduct of supervised persons.
- Independence rule.
- Licensee competency requirements and acts constituting discreditable conduct.
- Contingent fees.
- Payment or acceptance of commissions and disclosure requirements.

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- Peer review standards, change in sponsoring organization requirements, and documentation requirements related to peer review.

Summary of the Final Proposed Rule

The proposed rules update the adoption by reference for the most current standards of professional practice for CPAs and include the cost of the publications available on the various organization's websites.

Stakeholder Engagement

Development of the proposed rules occurred in consultation with members of the Board of Accountancy via rules committee work groups. The open public comment period and public hearing included the opportunity for the public and associations to attend and supply input. The web address for the work group minutes is

<https://www.michigan.gov/lara/bureau-list/bpl/occ/prof/accountancy/boards-and-rules-committees/accountancy-rules-committee-work-group>.

Public Engagement and Public Hearing/Comment/Information

The Department held a public hearing on April 18, 2025, at 9:00 a.m. Paul Balas was the only member of the public who spoke on the rules at the public hearing.

The public comment period ran from March 13, 2025, to April 18, 2025. The following individuals sent in written comments:

- | | |
|-------------------------|----------------------|
| • Paul Balas | • Kyonghee Kim |
| • Daniel Brickner | • Ryan King |
| • Jeanine Campau-Grifka | • Kevin Kobelsky |
| • Scott Dell | • Michael Page |
| • Bob Doyle | • Michelle Randall |
| • Jacalyn Goforth | • Michael Romanowski |
| • Randy Gross | • Michelle Spunar |
| • Mary Lou Gura | • Isabel Wang |
| • Kevin Heckman | • Marta Zaniewsk |

Modifications Made Due to Public Comment

On January 30, 2025, the board voted, by a vote count of 6 – 3, to remove the 24-hours of general business course credit requirement from the rules. The board meeting was held prior to the public hearing on the proposed rule set.

During the public comment period of the rules, fourteen individuals opposed the removal of the 24-hour general business course credit requirement, and three individuals made a comment supporting the removal of the 24-hours of general business course credit

Thursday, July 3, 2025

requirement. One commenter had a comment that was outside the scope of the proposed rules.

After the public hearing, on May 22, 2025, the board voted, by a vote count of 4 – 3, to keep the 24-hours of general business course credit requirement in the current rules due to public comments opposing the original proposal. The department is following the board's decision to keep in the proposed rule set the 24-semester hours of general business courses requirement for a concentration in accounting in the current rules.

Significant Issues Not Incorporated in the Final Proposed Rules

One commenter said that he “would like to see the Michigan Ethics requirement reverted back to just a regular ethics requirement. . .” and “there are many more cost-effective Ethics CPE alternatives available.” The Department did not include this suggestion in the final proposed rules since the issue would require a statutory change to [MCL 339.729\(1\)\(d\)](#).

cc/att: Marlon I. Brown, Director, LARA
Courtney Pendleton, Chief Operating Officer, LARA
Adam Sandoval, Chief Legal Officer and Deputy Director, LARA
Amy Gumbrecht, Director, Bureau of Professional Licensing, LARA
Elizabeth Arasim, Regulatory Affairs Officer, LARA