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NASBA Commends Federal Legislation Filed to Protect State Licensing Boards From Antitrust Damages

NASHVILLE, Tenn., July 30, 2018 – Congressman Mike Conaway (R-Texas) has introduced the "Occupational Licensing Board Antitrust Damages Relief and Reform Act" (H.R. 6515). The purpose of this important legislation is to address the practical antitrust law implications for state professional and occupational licensing boards affected by the Supreme Court's 2015 decision in North Carolina State Board of Dental Examiners v. Federal Trade Commission.

"State licensing boards provide an invaluable service to the state," Rep. Conaway explained. "Individuals who serve on these boards should enjoy the same legal protections for working on behalf of the state as all other state officials do. Having served on the Texas State Board of Accountancy myself, I understand that serving on a licensing board is performing an important public service. This legislation ensures that members of state licensing boards will continue to serve the state without fear of personal liability."

The bill would shield state boards, board members and their staff members from damage awards stemming from private antitrust litigation. It would also allow both government enforcers and private plaintiffs to continue to sue for injunctive relief (and potentially recover attorneys' fees if successful). However, in order to obtain the liability relief, the bill states certain criteria must be met:

- For new occupational licenses, the state must have a sunrise review mechanism in place,
- For existing boards, a periodic sunset review is required unless the occupation is licensed in at least 40 states,
- Boards must also meet two compositional criteria; specifically, all board members must be selected by an officer of the state and the boards must have public representation.

"Public protection can only be attained in its truest form with the passing of this most important legislation," said NASBA President and CEO Ken L. Bishop. "Over the last several years, the actions of State Boards of Accountancy, appointed board members and staff have been placed under a cloud of uncertainty, including the prospect of antitrust treble damages as they carry out their duties under state law. This narrowly-targeted bill will ensure state boards can continue their statutory mandate to regulate the practice of public accountancy without threat. I commend Congressman Conaway for leading this effort. As a former Texas State Board member and chair, he understands the vital role state board members play to protect the public."

The legislation also calls for a Government Accountability Office (GAO) study that will look at licensing reform, how states can conduct cost-benefit analyses through sunrise and sunset reviews; how states can implement greater portability, including for military veterans and spouses; and how licensing impacts low-income workers and those with criminal records.

This issue hits close to home for <u>Congressman Conaway</u> as he served for seven years as a member of the Texas State Board of Public Accountancy, with five of those years as the Board's presiding officer. In addition, he served as chair of the National Association of State Boards of Accountancy (NASBA), from 2002-2003. Similarly, as a licensed Texas CPA of more than 40 years, Congressman Conaway understands the significance of having licensed professionals serve on state boards.

The National Association of State Boards of Accountancy (NASBA) strongly supports this legislation, and believes a federal solution is necessary to ensure current and prospective state board members are not deterred from serving their states.

About NASBA

Since 1908, the National Association of State Boards of Accountancy (NASBA) has served as a forum for the nation's Boards of Accountancy, which administer the Uniform CPA Examination, license more than 650,000 certified public accountants and regulate the practice of public accountancy in the United States.

NASBA's mission is to enhance the effectiveness and advance the common interests of the Boards of Accountancy in meeting their regulatory responsibilities. The Association promotes the exchange of information among accountancy boards, serving the needs of the 55 U.S. jurisdictions.

NASBA is headquartered in Nashville, TN, with a satellite office in New York, NY, an International Computer Testing and Call Center in Guam and operations in San Juan, PR. To learn more about NASBA, visit *nnnv.nasha.org*.

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