

Fiscal Note & Local Impact Statement

122nd General Assembly of Ohio

BILL:	Am. H.B. 52	DATE:	May 28, 1997
STATUS:	As Reported by House Civil and Commercial Law	SPONSOR:	Rep. Batchelder
LOCAL IMPACT STATEMENT REQUIRED:	No	No local cost	
CONTENTS:	To create accountant-client testimonial privilege		

State Fiscal Highlights

- No apparent direct fiscal effect on the state.

Local Fiscal Highlights

- No apparent direct fiscal effect on political subdivisions.
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Detailed Fiscal Analysis

The bill creates an accountant-client testimonial privilege. Under current law, such privileges exist for clients in their relationships with other professionals such as attorneys, physicians, dentists, etc. The bill extends this privilege to the clients of accountants, concerning any communications between the client and accountant. The accountant may, however, testify by express consent of the client or if the client's estate expressly consents to the accountant giving testimony. The accountant may be compelled to testify if the client waives his or her testimonial privilege. Accountants currently try to maintain such an accountant-client relationship as a matter of professional ethics. This bill would codify this practice.

As a result of the bill, if accountants are called upon to testify in any civil or criminal case involving a client (e.g. a case involving the Internal Revenue Service on an issue concerning the client's taxes or assets) and the client asserts the privilege extended by the bill, the accountant would not testify.

Existing law requires all accounting firms to undergo a quality review for initial or renewal registration. The proceedings, records, and work papers of any reviewer in the quality review process are privileged and the reviewer is not permitted to and cannot be required to testify as to any matters produced, presented, disclosed, or discussed during or in connection with the quality review process.

☐ *LBO Staff: Jeffrey M. Rosa, Budget/Policy Analyst*

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