

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

## An Act To Modernize Maine's Accountancy Laws

Be it enacted by the People of the State of Maine as follows:

**Sec. 1. 32 MRSA §12201, sub-§12,** as enacted by PL 1999, c. 245, §2, is amended to read:

**12. Substantial equivalency.** "Substantial equivalency" is a determination by the board means that the education, examination and experience requirements for certified public accountants contained in the statutes and administrative rules of another jurisdiction are comparable to or exceed the education, examination and experience requirements of the board or that an individual certified public accountant's education, examination and experience qualifications are comparable to or exceed the education, examination and experience requirements of the board.

**Sec. 2. 32 MRSA §12214, sub-§1,** as amended by PL 1989, c. 483, Pt. A, §53, is further amended to read:

**1. Organization.** The board shall elect annually from among its members a chair and a secretary who shall be a certified public accountant. The board shall meet at such times and places as may be fixed by the board or at the call of the chair or a majority of the board members. Three members of the board shall constitute a quorum for the transaction of business, provided that at least one of the 3 members present is the public member or the member who is registered under section 12239. The board may have a seal. The board shall retain or arrange for the retention of all applications and all documents under oath that are filed with the board and also records of its proceedings and it shall maintain a registry of the names and addresses of all licensees under this chapter. In any proceeding in court, civil or criminal, arising out of or founded upon any provisions of this chapter, copies of any of the records certified as true copies under the seal of the board shall be admissible in evidence as tending to prove the contents of those records.

**Sec. 3. 32 MRSA §12214, sub-§9,** as amended by PL 1995, c. 502, Pt. H, §42, is further amended to read:

**9. Fees.** The board may establish application and examination fees in amounts that are reasonable and necessary for their respective purposes. All fees must accompany the applications. Application fees are nonrefundable. Examination fees may not be returned to an applicant should the applicant fail to pass an examination. Fees for permits may not exceed the following amounts:

- A. For an initial issuance or renewal of a certified public accountant or public accountant permit, \$100;
- B. For an initial issuance or renewal of a firm permit, \$100; or
- C. For an initial issuance or renewal of a firm branch office permit, \$50.

**Sec. 4. 32 MRSA §12228, sub-§3**, as amended by PL 2005, c. 347, Pt. D, §§1 and 2, is further amended to read:

**3. Education requirement.** The education requirement for a certificate, ~~which must be met no later than 120 days after an applicant sits for the examination prescribed in subsection 4~~, is as follows:

B. At least 150 semester hours of education, including a minimum 4-year baccalaureate or higher degree conferred by a college or university acceptable to the board, the total educational program to include basic courses in accounting and auditing determined to be appropriate under board rules. Rules adopted by the board pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A; and

C. An examination applicant who expects to ~~meet the education requirement~~ complete a minimum 4-year baccalaureate or higher degree required in paragraph B within 120 days following the examination is eligible to take the examination. Grades may not be released, nor may credit for the examination or any part of the examination be given to the applicant unless the education requirement is completed within 120 days following the examination or within such time as the board in its sole discretion may determine.

**Sec. 5. 32 MRSA §12228, sub-§12**, as enacted by PL 1999, c. 245, §5, is repealed.

**Sec. 6. 32 MRSA §12228, sub-§13**, as enacted by PL 1999, c. 245, §5, is repealed.

**Sec. 7. 32 MRSA §12228, sub-§14**, as enacted by PL 1999, c. 245, §5, is repealed.

**Sec. 8. 32 MRSA §12228, sub-§15**, as enacted by PL 1999, c. 245, §5, is repealed.

**Sec. 9. 32 MRSA §12251, sub-§4-A**, as enacted by PL 1999, c. 245, §9, is repealed.

**Sec. 10. 32 MRSA §12251, sub-§4-B** is enacted to read:

**4-B. Substantial equivalency.** The requirements for substantial equivalency are as follows:

A. An individual whose principal place of business is outside the State has qualifications substantially equivalent to the State's requirements and has all the privileges of a licensee and may provide professional services in the State without the requirement to obtain a permit under subsection 1 if the individual holds a valid license as a certified public accountant from a state that the National Qualification Appraisal Service of the National Association of State Boards of Accountancy, or a successor organization, has verified to be in substantial equivalence with the certified public accountant licensure requirements of the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants Uniform Accountancy Act.

B. An individual whose principal place of business is outside the State and who holds a valid license as a certified public accountant from a state that is not in substantial equivalence with the certified public accountant licensure requirements under paragraph A has qualifications substantially equivalent to the State's requirements and has all the privileges of a licensee and may provide professional services in the State without the requirement to obtain a permit under subsection 1 if the individual obtains certification from the National Qualification Appraisal

Service of the National Association of State Boards of Accountancy, or a successor organization, that the individual's certified public accountant qualifications are substantially equivalent to the certified public accountant licensure requirements of the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants Uniform Accountancy Act.

C. As a condition of practicing public accountancy in the State, an individual who has substantially equivalent qualifications under paragraph A or B and a person or firm that employs the individual must consent to:

(1) Personal and subject matter jurisdiction and disciplinary authority of the board;

(2) Comply with the provisions of this chapter and the board's rules;

(3) If the individual's license from the state of the individual's principal place of business becomes invalid, cease the practice of accountancy in the State; and

(4) The appointment of the state board that issued the individual's license as the individual's agent upon whom process may be served in any action or proceeding of the board against the individual.

**Sec. 11. 32 MRSA §12252, sub-§9** is enacted to read:

**9. Firms licensed in other states.** A certified public accountancy firm with a permit in another state that does not have an office in the State may provide professional services in the State through an individual who has substantially equivalent qualifications under section 12251, subsection 4-B, paragraph A or B.

**Sec. 12. 32 MRSA §12275, sub-§14** is enacted to read:

**14. Substantial equivalency.** For purposes of subsection 1 to 8, an individual exercising privileges in the State under section 12251, subsection 4-B, paragraph A or B is deemed to be a licensee or permit holder under section 12252.

**Sec. 13. Adjustment of fees.** The Department of Professional and Financial Regulation, Board of Accountancy, as established by the Maine Revised Statutes, Title 5, section 12004-A, subsection 1, shall annually adjust the fees required in Title 32, section 12214, subsection 9 so that the total revenue received from the fees neither increases or decreases relative to the total fees collected in fiscal year 2007.

## SUMMARY

This bill makes changes to the laws governing the practice of certified public accountants by allowing a certified public accountant licensed in another jurisdiction to provide professional services in the State without a permit if the accountant receives certification from the National Association of State Boards of Accountancy, National Qualification Appraisal Service that the accountant has substantially equivalent

qualifications to qualifications required by the State. The bill also subjects the out-of-state accountant to the Board of Accountancy's rules and jurisdiction and requires the Board of Accountancy to adjust the fees required for a permit to practice accountancy yearly so that revenues from the fees neither increase or decrease. Finally, this bill removes limitations on the Board of Accountancy's quorum requirements.