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**Public Law**  
123rd Legislature  
First Regular Session

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**Chapter 384**  
**H.P. 572 - L.D. 751**

**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-§3-A,** as enacted by PL 1999, c. 245, §1, is amended to read:

**3-A. Defined service.** For purposes of section 12275, subsections 12 and 13, "defined service" means providing the following services:

- A. Any audit or other engagement to be performed in accordance with the Statements on Auditing Standards, SAS;
- B. Any review of a financial statement or compilation of a financial statement to be performed in accordance with the Statement on Standards for Accounting and Review Services, SSARS; or
- C. Any examination of prospective financial information to be performed in accordance with the Statement on Standards for Attestation Engagements, SSAE;
- D. Any engagement to be performed in accordance with the auditing standards of the Public Company Accounting Oversight Board, established in 15 United States Code, Section 7211 (2007);  
or
- E. Any compilation of a financial statement to be performed in accordance with the Statement on Standards for Accounting and Review Services, SSARS.

The statements on standards specified in this definition are those developed for general application by recognized national accountancy organizations.

**Sec. 2. 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~~ this State 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~~ this State.

**Sec. 3. 32 MRSA §12228, sub-§1**, as amended by PL 1989, c. 450, §49, is further amended to read:

**1. Certificate grant.** The board shall grant the certificate of "certified public accountant" to any person who makes application to the board and who meets the good character, education, examination and experience requirements of, and who pays the fees prescribed by, this section, except that no certificate may be granted to a person who ~~has been issued~~ holding a valid certificate issued by another state.

**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~~ degree required in paragraph B 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 set out in this subsection.

A. An individual whose principal place of business is outside the State is presumed to have qualifications substantially equivalent to the State's requirements and has all the privileges of permit holders of the State and may provide professional services in the State without the requirement to obtain a permit under this section or to otherwise notify or register with the board or pay any fee if the individual:

(1) Holds a valid license as a certified public accountant from a state that the board has verified to be in substantial equivalence with the certified public accountant licensure requirements of a national association of state boards of accountancy and standards promulgated by the American Institute of Certified Public Accountants; or

(2) 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 subparagraph (1), but the board determines that the individual's certified public accountant qualifications are substantially equivalent to the certified public accountant licensure requirements of a national association of state boards of accountancy and standards promulgated by the American Institute of Certified Public Accountants. For purposes of this subsection, the board may exempt an individual who passed the Uniform Certified Public Accountant Examination and holds a valid license issued by any other state prior to January 1, 2012 from the education requirement in section 12228, subsection 3, paragraph B.

In determining substantial equivalence, the board may consult determinations and verifications from a national qualification appraisal service of a national association of state boards of accountancy.

B. Notwithstanding any other provision of law, an individual who qualifies for the practice privilege under this subsection may offer or render professional services in this State, whether in person or by mail, telephone or electronic means, and no notice or other submission may be required of any such individual. Such an individual is subject to paragraph C.

C. An individual licensee of another state exercising the privilege afforded under this subsection and the firm that employs that individual consent, as a condition of the grant of this privilege:

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

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

(3) To the stipulation that, in the event the license from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in the State individually and on behalf of a firm; and

(4) To 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 by this State's board against the individual.

D. An individual who qualifies for the practice privilege under this subsection may perform any of the services listed in this paragraph for any entity with its home office in the State provided the individual does so through a firm that has obtained a permit issued under section 12252:

(1) A financial statement audit or other engagement to be performed in accordance with the Statements on Auditing Standards, SAS;

(2) An examination of prospective financial information to be performed in accordance with Statements on Standards for Attestation Engagements, SSAE; or

(3) An engagement to be performed in accordance with auditing standards of the Public Company Accounting Oversight Board, established in 15 United States Code, Section 7211 (2007).

**Sec. 11. 32 MRSA §12252, sub-§1,** as enacted by PL 1987, c. 489, §2, is amended to read:

**1. Permits granted.** The board shall grant or renew permits to practice public accountancy to firms that make application and demonstrate their qualifications in accordance with this section.

A. A firm must hold a permit issued under this section if it:

(1) Has an office in this State performing any of the services described in section 12201, subsection 3-A, paragraphs A to D;

(2) Has an office in this State that uses the title "CPA" or "CPA firm"; or

(3) Does not have an office in this State but performs any of the services described in section 12201, subsection 3-A, paragraphs A, C or D for a client having its home office in this State.

B. A firm that does not have an office in this State may perform services described in section 12201, subsection 3-A, paragraph B for a client having its home office in this State and may use the title "CPA" or "CPA firm" without a permit issued under this section only if:

(1) It qualifies for a firm permit pursuant to subsections 3 and 8; and

(2) It performs such services through an individual with practice privileges under section 12251, subsection 4-B.

C. A firm that is not subject to the requirements of paragraphs A and B may perform professional services other than those described in section 12201, subsection 3-A while using the title "CPA" or "CPA firm" in this State without a permit issued under this section only if the firm:

(1) Performs such services through an individual with practice privileges under section 12251, subsection 4-B; and

(2) Has legal authority to perform such services in the state of that individual's principal place of business.

**Sec. 12. 32 MRSA §12252, sub-§3**, as amended by PL 2003, c. 344, Pt. D, §22, is further amended to read:

**3. Firm permits.** The following provisions apply to the issuance of firm permits.

A. An applicant for initial issuance or renewal of a permit to practice under this section shall show that a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members or managers, belongs to holders of certificates who are licensed in a state and that all partners, officers, shareholders, members or managers whose principal place of business is in this State ~~or~~ and who perform professional services in this State hold valid individual permits issued by the board. Firms may include nonlicensee owners in accordance with paragraph B.

B. A certified public accountancy firm or public accountancy firm may include nonlicensee owners as long as:

(1) All nonlicensee owners are individuals who actively participate in the certified public accountancy firm or public accountancy firm; ~~and~~

(2) The firm complies with such other requirements as the board may impose by rule; and

(3) The firm designates an individual who is a licensee of this State or, in the case of a firm that must have a permit pursuant to subsection 1, paragraph A, subparagraph (3), designates an individual who is a licensee of another state who meets the requirements set out in section 12251, subsection 4-B, paragraph A who is responsible for the proper registration of the firm and identifies that individual who is a licensee to the board.

**Sec. 13. 32 MRSA §12252, sub-§4**, as enacted by PL 1987, c. 489, §2, is amended to read:

**4. Office registered.** An applicant for initial issuance or renewal of a permit to practice under this section shall ~~be required to register each office of the firm within this State with the board and to show that each such office is under the charge of a person holding a valid permit to practice, issued under section 12251 or the corresponding provision of prior law or the laws of another state.~~

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

**14. Substantial equivalency.** For purposes of this section:

A. As an individual exercising permit privileges in the State pursuant to section 12251, subsection 4-B and complying with the restrictions on the scope of such privileges under subsection 4-B is equivalent to an individual holding a certificate under section 12227 and to an individual holding a permit to practice under section 12251, each reference in this section to certificate and permit holders is deemed to include, on an equal basis, individuals exercising such privileges;

B. A firm in compliance with section 12252, subsection 1 must, for the purposes of this section, be deemed to hold a valid permit to practice issued under section 12252; and

C. Notwithstanding any other provision of this section, it is not a violation of this section if a firm that does not hold a valid permit under section 12252 and that does not maintain an office in this State provides professional services in this State if the firm complies with the requirements of section 12252, subsection 1, paragraph B or C, whichever is applicable.

Effective September 20, 2007