

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 Simplify Maine's Accountancy Laws**

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

**Sec. 1. 32 MRSA §12201, sub-§2**, as enacted by PL 1987, c. 489, §2, is amended to read:

**2. Certificate.** "Certificate" means a certificate as "certified public accountant" issued under ~~section 12227 or corresponding provisions of prior law~~, and a certificate as "public accountant" issued under ~~section 12239 or corresponding provisions of prior law~~, or a corresponding certificate as a certified public accountant issued after examination under the law of any other state.

**Sec. 2. 32 MRSA §12201, sub-§6**, as amended by PL 2007, c. 402, Pt. Z, §1, is further amended to read:

**6. Licensee.** "Licensee" means a person who holds a license issued by the board under ~~section 122512230 or 12231 or a corresponding provision of prior law~~, or a firm that holds a license issued by the board under section 12252.

**Sec. 3. 32 MRSA §12213**, as amended by PL 2007, c. 402, Pt. Z, §5 and c. 621, §11, is further amended to read:

### **§ 12213.Appointment**

The Board of Accountancy, as established by Title 5, section 12004-A, subsection 1, within the department consists of 5 members appointed by the Governor. Each member of the board must be a resident of this State. Four members must be holders of ~~certificates issued under section 12227 and licenses issued under section 122512230 or 12231 or a corresponding provision of prior law~~ and must have had, as their principal occupation, active practice as certified public accountants for at least the 5 preceding years. One member of the board must be a public member as defined in Title 5, section 12004-A. Appointments are for 3-year terms. Appointments of members must comply with Title 10, section 8009. The Governor may remove a member of the board for cause.

**Sec. 4. 32 MRSA §12227**, as enacted by PL 1987, c. 489, §2, is amended to read:

### **§ 12227.Licenses; certified public accountants**

Any person who shall ~~have received~~receives from the board a ~~certificate of his qualifications~~license to practice as a certified public accountant; prior to the effective date of this chapter or as provided in ~~section 12228~~, shall ~~this subchapter may~~ be styled and known as a certified public accountant, and no other persons may assume that title or use the abbreviation "CPA" or any other words, letters or figures to indicate that the person using the title is a certified public accountant.

**Sec. 5. 32 MRSA §12228, sub-§1**, as repealed and replaced by PL 2007, c. 695, Pt. A, §37, is repealed.

**Sec. 6. 32 MRSA §12228, sub-§1-A** is enacted to read:

**1-A. Qualifications for licensure.** A person who meets the good character, education, examination and experience requirements of this section is eligible to apply for licensure as a certified public accountant pursuant to section 12230.

**Sec. 7. 32 MRSA §12228, sub-§3**, as repealed and replaced by PL 2007, c. 695, Pt. A, §37, is amended to read:

**3. Education requirement.** The education requirement for a ~~certificate~~license 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 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 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. 8. 32 MRSA §12228, sub-§10**, as repealed and replaced by PL 2007, c. 695, Pt. A, §37, is amended to read:

**10. Experience.** For initial issuance of a ~~certificate~~license under ~~this subsection~~section 12230, an applicant ~~shall~~must demonstrate 2 years of experience under the direction of a certified public accountant licensed by any state or territory of the United States or equivalent direction, as determined by the board, by a licensed professional in another country and must meet the other requirements prescribed by the board by rule. The applicant's experience must include the use of accounting or auditing skills, including the issuance of reports on financial statements, and at least one of the following: the provision of management advisory, financial advisory or consulting services; the preparation of tax returns; the furnishing of advice on tax matters; or equivalent activities defined by the board by rule. Board rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A. To the extent the applicant's experience is as a revenue agent or in a similar position engaged in the examination of personal and corporate income tax returns for the Bureau of Revenue Services, the applicant receives credit at the rate of 50% toward the experience required by this subsection. To the extent the applicant's experience is as an examiner engaged in financial examinations for the Bureau of Insurance, the applicant receives credit under this subsection if that experience meets the following standards:

A. Examinations are performed in conformity with the Examiners' Handbook published by the National Association of Insurance Commissioners or its successor or other organization approved by the board;

B. Working papers prepared by the examiners are in conformity with generally accepted auditing standards and are subject to a review by a supervisor who must be a certified public accountant;

C. Written reports of examination are prepared in conformity with the Examiners' Handbook published by the National Association of Insurance Commissioners or its successor or other organization approved by the board. All examiners working on the examinations must participate in the preparation of the report;

D. Reports of examination are prepared in accordance with statutory accounting principles. All examiners working on the examinations must participate in the preparation of the financial statements and corresponding note disclosures; and

E. All examiners assigned to an examination must participate in the planning of the examination and the planning phase conforms to the Examiners' Handbook published by the National Association of Insurance Commissioners or its successor or other organization approved by the board and generally accepted auditing standards.

**Sec. 9. 32 MRSA §12228, sub-§11**, as repealed and replaced by PL 2007, c. 695, Pt. A, §37, is amended to read:

**11. Board discretion.** The members of the board have the full and sole responsibility for the determination of the qualifications of applicants for the certificatelicense of "certified public accountant." Only persons recommended by the board may be granted the certificatelicense of "certified public accountant."

**Sec. 10. 32 MRSA §12229**, as amended by PL 2007, c. 402, Pt. Z, §12, is repealed.

**Sec. 11. 32 MRSA §12230** is enacted to read:

### **§ 12230. Application for licensure**

**1. Licensure.** The board shall issue a license as a certified public accountant to a person who submits the application required by the board, pays the fee as set under section 12203 and meets the qualifications set forth in section 12228.

**2. Timeliness of application.** A person who applies for an initial license more than 4 years after the person met the qualifications for licensure set forth in section 12228 must demonstrate completion of 40 hours of continuing professional education that meets the requirements of section 12333 during the year preceding application.

**Sec. 12. 32 MRSA §12231** is enacted to read:

### **§ 12231. Application for licensure on the basis of an out-of-state license or certificate**

**1. Substantial equivalency.** The holder of a license or certificate issued by another state who establishes that holder's principal place of business in this State shall request the issuance of a license from the board prior to establishing such principal place of business. The board shall issue a license to a person

who obtains from a national association of state boards of accountancy verification that the individual's certified public accountancy qualifications are substantially equivalent to the certified public accountant licensure requirements of the American Institute of Certified Public Accountants, National Association of State Boards of Accountancy Uniform Accountancy Act.

**2. Nonsubstantial equivalency.** For applicants who cannot meet the substantial equivalency requirements of subsection 1, the board shall issue a license to an applicant who holds a certificate or license as a certified public accountant issued by another state and who submits the application required by the board, pays the fee as set under section 12203 and meets the following requirements:

A. The applicant meets all current requirements in this State for issuance of a license at the time the application is made;

B. At the time of the issuance of the applicant's certificate in the other state, the applicant met all the requirements then applicable in this State;

C. The applicant was eligible to take and passed the examination required for issuance of the certificate with grades that would have been passing grades at the time in this State; and

D. If the applicant is applying for a first-time license more than 4 years after the person obtained a certificate in the other state, the applicant:

(1) Completed 40 hours of continuing professional education that meets the requirements of section 12233 during the 12 months preceding application; or

(2) Has 4 years of experience in the practice of public accountancy, or its equivalent, that meets requirements prescribed by the board by rule after passing the examination upon which the certificate is based and within the 10 years preceding the submission of the application.

**Sec. 13. 32 MRSA §12232** is enacted to read:

**§ 12232. Practice without license on the basis of substantial equivalency**

**1. Substantial equivalency.** 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 licensees of the State and may provide professional services in the State without the requirement to obtain a license under this section or to otherwise notify or register with the board or pay any fee if the individual:

A. 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

B. 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, 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.

**2. No notice or other submission required.** Notwithstanding any other provision of law, an individual who qualifies for licensure under this section 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 subsection 3.

**3. Conditions.** An individual licensee of another state exercising the practice privilege afforded under this section and the firm that employs that individual must consent, as a condition of the grant of the practice privilege:

A. To the personal and subject matter jurisdiction and disciplinary authority of the board;

B. To comply with the provisions of this chapter and the board's rules;

C. 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

D. 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.

**4. Additional services.** An individual who qualifies for the practice privilege under this section may perform any of the services listed in this subsection for any entity with its home office in the State as long as the individual does so through a firm that has obtained a license issued under section 12252:

A. A financial statement audit or other engagement to be performed in accordance with the Statements on Auditing Standards;

B. An examination of prospective financial information to be performed in accordance with Statements on Standards for Attestation Engagements; or

C. 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. 14. 32 MRSA §12233** is enacted to read:

**§ 12233. Continuing education requirements for renewal**

An applicant for renewal of a public accountant or certified public accountant license must show that requirements of continuing professional education have been fulfilled. The board shall establish by rule the number of hours of continuing professional education required for renewal, which may be no more than 40 hours and no less than 20 hours annually. That education must consist of the general kinds and in subjects that are specified by the board by rule. The board may provide by rule that fulfillment of continuing professional education requirements of other states is accepted in lieu of the requirements of this subsection. The board may also provide by rule for prorated continuing professional education requirements to be met by applicants whose initial licenses were issued less than one year prior to the renewal date. The board may prescribe by rule lesser continuing education requirements to be met by applicants for license renewal whose licenses lapsed prior to their applications for renewal. Rules adopted pursuant to this section are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

The board, in its discretion, may renew a license despite failure to furnish evidence of satisfaction of requirements of continuing professional education only upon condition that the applicant follow a particular program or schedule of continuing professional education. In issuing rules and individual orders regarding the requirements of continuing professional education, the board in its discretion may use and rely upon guidelines and pronouncements of recognized educational and professional organizations; may prescribe the content, duration and organization of courses; may take into account any impediments to interstate practice of public accountancy that result from differences between the requirements and those of other states; and may provide for relaxation or suspension of the requirements for applicants who certify that they do not intend to engage in the practice of public accountancy.

**Sec. 15. 32 MRSA §12234** is enacted to read:

**§ 12234. Expiration; renewal**

**1. Licensing period.** A license expires on the date set by the Commissioner of Professional and Financial Regulation pursuant to Title 10, section 8003, subsection 4 for the licensing period for which the license was issued. A license may be renewed upon receipt of an application for renewal and payment of the renewal fee as set under section 12203.

**2. Late renewals.** Licenses may be renewed up to 90 days after the date of expiration upon payment of a late fee in addition to the renewal fee as set under section 12203. Any person who submits an application for renewal more than 90 days after the expiration date is subject to all requirements governing new applicants under this chapter, in addition to fulfilling any continuing education requirements the board considers necessary under section 12233. The board in its discretion, giving due consideration to the protection of the public, may waive any requirements if that renewal application is made within 2 years from the date of that expiration.

**3. Excused from license fee.** Any licensee whose employment by any government agency prohibits or precludes the practice of public accountancy in this State, by application to the board, may be excused from paying the annual license fee during the period of that employment.

**Sec. 16. 32 MRSA §12239**, as enacted by PL 1987, c. 489, §2, is amended to read:

**§ 12239. Licenses issued under prior law; public accountants**

Any person who ~~receives~~received from the board a ~~certificate of his qualifications~~license to practice as a public accountant, ~~prior to the effective date of this chapter or as provided in section 12240, shall~~under prior law may be styled and known as a public accountant, and no other persons may assume to use the abbreviation "PA" or any other words, letters or figures to indicate that the person using the abbreviation is the public accountant.

**Sec. 17. 32 MRSA §12240**, as amended by PL 2007, c. 402, Pt. Z, §§13 and 14, is repealed.

**Sec. 18. 32 MRSA §12241**, as amended by PL 2007, c. 402, Pt. Z, §15, is repealed.

**Sec. 19. 32 MRSA §12242** is enacted to read:

**§ 12242. Discontinuance of initial licensure as public accountant; renewal of existing licenses**

No new public accountant licenses may be issued by the board on or after the effective date of this section. Holders of existing public accountant licenses may renew their licenses in the same manner as set forth in section 12233 for certified public accountants. Public accountant licenses expire in the same manner as set forth in section 12234 for certified public accountants.

**Sec. 20. 32 MRSA §12251**, as amended by PL 2007, c. 384, §§9 and 10 and c. 402, Pt. Z, §16, is repealed.

**Sec. 21. 32 MRSA §12252**, as amended by PL 2007, c. 384, §§11 to 13 and c. 402, Pt. Z, §17 and repealed and replaced by c. 695, Pt. A, §38, is further amended to read:

**§ 12252. Licenses; accounting firms**

**1. Licensure.** The board shall grant or renew a license to accounting firms that ~~makes~~submit the application required by the board, pay the fee as set under section 12203 and demonstrate their qualifications in accordance with this section.

A. A firm must hold a license 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 license issued under this section only if:

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

(2) It performs such services through an individual with practice privileges under section ~~12251~~, subsection ~~4-B~~12232.

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 license issued under this section only if the firm:

(1) Performs such services through an individual with practice privileges under section ~~12251~~, subsection ~~4-B~~12232; and

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

**2. Duration.** Licenses are initially issued and renewed for a period of one year, but in any event expire on June 30th following issuance or renewal or on such other date as the commissioner may designate. The board shall grant or deny a license application no later than 60 days after a complete application is filed. In any case when the applicant seeks the opportunity to show that issuance or renewal of a license was mistakenly denied or when the board is not able to determine whether it should be granted or denied, the board may issue to the applicant a provisional license, which expires 90 days after its issuance or when the board determines whether or not to issue or renew the license for which application was made, whichever first occurs. A license expires on the date set by the Commissioner of Professional and Financial Regulation pursuant to Title 10, section 8003, subsection 4 for the licensing period for which the license was issued. A license may be renewed upon receipt of an application for renewal and payment of the renewal fee as set under section 12203.

Licenses may be renewed up to 90 days after the date of expiration upon payment of a late fee in addition to the renewal fee as set under section 12203. Any firm that submits an application for renewal more than 90 days after the expiration date is subject to all requirements governing new applicants under this chapter. The board in its discretion, giving due consideration to the protection of the public, may waive any requirements if that renewal application is made within 2 years from the date of that expiration.

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



A. An applicant for initial issuance or renewal of a license 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~~ certified public accountants or public accountants who are licensed in a state and that all partners, officers, shareholders, members or managers whose principal place of business is in this State and who perform professional services in this State hold valid individual licenses 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;

(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 license 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 ~~1225~~ 12232, subsection ~~4-B~~, paragraph A1 who is responsible for the proper ~~registration~~ licensure of the firm and identifies that individual who is a licensee to the board.

**4. Office licensed.** An applicant for initial issuance or renewal of a license under this section shall ~~register~~ license each office of the firm within this State with the board, pay the fee as set under section 12203 and show that each such office is under the charge of a person holding a valid license issued under section ~~1225~~ 12230 or 12231 or the ~~a~~ corresponding provision of prior law or the laws of another state.

**6. Change in composition.** ~~Applicants for initial issuance or renewal of licenses under this section~~ A licensed firm shall in their application list all states in which they have applied for, or hold licenses to, practice public accountancy and each holder of, or applicant for, a license under this section shall notify the board in writing, within 30 days after its occurrence, of any change in the identities of partners, officers or shareholders who work regularly within this State, any change in the number or location of offices within this State, or any change in the identity of the persons in charge of those offices and any issuance, denial, revocation or suspension of a license by any other state.

**8. Peer review for certified public accountancy firms.** As a condition to the granting or renewal of licenses to certified public accountancy firms, each applicant that provides a defined service other than compilations must successfully participate in an approved peer review program. Participation in such a program is governed by the following.

A. A peer review must be completed within 18 months after the initial granting of the license. The firm must undergo a peer review every 3 years for as long as it provides a defined service other than compilations.

B. A certified public accountancy firm that does not provide a defined service other than compilations is not required to undergo a peer review if the firm annually confirms in writing to the board that it does not provide a defined service other than compilations. A certified public accountancy firm that subsequently provides a defined service other than compilations must undergo a peer review within 18 months after the fiscal year end of the first defined services engagement other than compilations that it accepts.

The board is authorized to adopt rules to carry out the intent of this subsection. Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

**Sec. 22. 32 MRSA §12263**, as amended by PL 2007, c. 402, Pt. Z, §18, is further amended to read:

**§ 12263. Appointment of commissioner as agent**

Application by a person or a firm not a resident of this State for ~~a certificate initial licensure or renewal of a license under section 12228 or 12240 or a license under section 12251 or 12252~~ this chapter constitutes appointment of the commissioner as the applicant's agent upon whom process may be served in any action or proceeding against the applicant arising out of any transaction or operation connected with or incident to the practice of public accountancy by the applicant within this State.

**Sec. 23. 32 MRSA §12273-A, sub-§2**, as enacted by PL 2007, c. 402, Pt. Z, §20, is amended to read:

**2. Failure to maintain compliance.** Failure, on the part of an applicant or a licensee ~~under section 12251 or 12252~~ to maintain compliance with the requirements for issuance or renewal of that license or to report the changes to the board under section 12251, subsection 6 or required by section 12252, subsection 6;

**Sec. 24. 32 MRSA §12273-A, sub-§5**, as enacted by PL 2007, c. 402, Pt. Z, §20, is amended to read:

**5. Fraud.** Performance of any fraudulent act while holding a ~~certificate or license issued under this chapter or a certificate or license issued under prior law;~~ and

**Sec. 25. 32 MRSA §12274, sub-§2**, as amended by PL 2007, c. 695, Pt. C, §18, is further amended to read:

**2. Review.** The board may review the publicly available professional work of licensees on a general and random basis, without any requirement of a formal complaint or suspicion of impropriety on the part of any particular licensee. If, as a result of such review, the board discovers reasonable grounds for a more specific investigation, the board may proceed under section 12273-A or Title 10, section 8003-A; ~~subsection 2.~~

**Sec. 26. 32 MRSA §12274, sub-§3**, as amended by PL 2007, c. 695, Pt. B, §15, is further amended to read:

**3. Discipline.** In any case when the board renders a decision imposing discipline against a licensee ~~under this section and section 12273-A~~, the board shall examine its records to determine whether the licensee holds a certificate or a license in any other state; and, if so, the board shall notify the board of accountancy of that other state of its decision by mail within 45 days of rendering the decision. The board may also furnish information relating to proceedings resulting in disciplinary action to other public authorities and to private professional organizations having a disciplinary interest in the licensee.

**Sec. 27. 32 MRSA §12274, sub-§4, ¶A**, as amended by PL 2007, c. 402, Pt. Z, §23, is further amended to read:

A. In any case when the board has suspended or revoked ~~a certificate or a license~~ or refused to renew a license, ~~the board may modify the suspension or reissue the certificate or license upon application in writing by the person or firm affected and for good cause shown~~ may apply in writing to the board for relief. For good cause shown, the board may modify the suspension or reissue the license.

**Sec. 28. 32 MRSA §12274, sub-§4, ¶C**, as amended by PL 2007, c. 402, Pt. Z, §23, is further amended to read:

C. Before reissuing or terminating the suspension of a ~~certificate or~~ license under this section, and as a condition for reissuance or termination of suspension, the board may require the applicant to show successful completion of specified continuing professional education. The board may make the reinstatement of a ~~certificate or~~ license conditional and subject to satisfactory completion of a quality review conducted in such fashion as the board may specify.

**Sec. 29. 32 MRSA §12275, sub-§1**, as amended by PL 2007, c. 402, Pt. Z, §24, is further amended to read:

**1. Issuance of reports.** No person or firm not holding a valid license issued under ~~section 12251 or 12252~~ this chapter may issue a report, including reviews and compilations, on financial statements of any other person, firm, organization or governmental unit. This prohibition does not apply to the following:

A. An officer, partner or employee of any firm or organization affixing that person's signature to any statement or report in reference to the financial affairs of that firm or organization with any wording designating the position, title or office that that person holds in the organization;

B. Any act of a public official or employee in the performance of that person's duties as such; or

C. The performance by any person of other services involving the use of accounting skills, including management advisory or consulting services, the preparation of tax returns, the furnishing of advice on tax matters and the preparation of financial statements without the issuance of reports.

**Sec. 30. 32 MRSA §12275, sub-§2**, as enacted by PL 1987, c. 489, §2, is amended to read:

**2. Misuse of title; individual; certified public accountants.** No person not holding a valid certificate issued under section 12227, shall licensed as a certified public accountant under this chapter may use or assume the title of "certified public accountant," the abbreviation "CPA" or any other title, designation, words, letters, abbreviation, sign, card or device indicating that the person is a certified public accountant.

**Sec. 31. 32 MRSA §12275, sub-§3, ¶B,** as amended by PL 1999, c. 619, §4, is further amended to read:

B. A simple majority of all partners, officers, shareholders, members or managers of the firm hold certificates are certified public accountants licensed in a state.

**Sec. 32. 32 MRSA §12275, sub-§4,** as amended by PL 2007, c. 402, Pt. Z, §24, is further amended to read:

**4. Misuse of title; public accountant.** No person may assume or use the title or designation "public accountant," the abbreviation "PA" or any other title, designation, words, letters, abbreviation, sign, card or device indicating that the person is a public accountant unless that person holds a valid public accountant license issued under former section 12251.

**Sec. 33. 32 MRSA §12275, sub-§6,** as amended by PL 2007, c. 402, Pt. Z, §24, is further amended to read:

**6. Similar titles prohibited.** No person or firm not holding a valid license issued under section 12251 or 12252 this chapter may assume or use the title or designation "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "accredited accountant" or any other title or designation likely to be confused with the titles "certified public accountant," "public accountant" or use any of the abbreviations "CA," "LA," "RA," "AA" or similar abbreviations likely to be confused with the abbreviations "CPA" or "PA," provided that a holder of a certificate who does not also hold a license may use the titles pertaining to that certificate in any manner not prohibited by rules adopted by the board under section 12214, subsection 4.

**Sec. 34. 32 MRSA §12275, sub-§7,** as amended by PL 2007, c. 402, Pt. Z, §24, is further amended to read:

**7. Similar designation prohibited.** No person or firm not holding a valid license issued under section 12251 or 12252 this chapter may assume or use any title or designation that includes the words "auditor" or "auditing" in connection with any other language, including the language of a report, that implies that the person or firm holds such a license or has special competence as an auditor, provided except that this subsection does not prohibit any officer, partner or employee of any firm or organization from affixing that person's signature to any statement in reference to the financial affairs of that firm or organization with any wording designating the position, title or office that that person holds in the firm or organization or prohibit any act of a public official or employee in the performance of that person's duties.

**Sec. 35. 32 MRSA §12275, sub-§8,** as amended by PL 2007, c. 402, Pt. Z, §24, is further amended to read:

**8. Unauthorized practice.** No person holding a certificate may engage in the practice of public accountancy, unless that person also holds a valid license issued under ~~section 12251~~this chapter.

**Sec. 36. 32 MRSA §12275, sub-§11**, as amended by PL 2007, c. 402, Pt. Z, §24, is further amended to read:

**11. Employees.** Nothing in this chapter prohibits any person, not a certified public accountant or public accountant, from serving as an employee of, or an assistant to, a certified public accountant, public accountant, a firm of certified public accountants or of public accountants holding a license issued under ~~section 12251 or 12252~~this chapter, provided that the employee or assistant may not issue any accounting or financial statements over the employee's or assistant's name.

**Sec. 37. 32 MRSA §12275, sub-§14**, as enacted by PL 2007, c. 384, §14, is amended to read:

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

A. ~~As an~~An individual exercising permit privileges in the State practicing as a certified public accountant without a license on the basis of substantial equivalency pursuant to section 12251, subsection 4-B~~12232~~ and complying with the restrictions on the scope of such ~~privileges under subsection 4-Ba~~ practice is equivalent to an individual holding a certificate under section 12227 and ~~to an individual holding a permit to practice~~licensed as a certified public accountant under section ~~12251~~12230 or 12231 or a corresponding provision of prior law, and each reference in this section to certificate and permit holders a licensed certified public accountant is deemed to include, on an equal basis, ~~individuals exercising such privileges~~such an individual;

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~~license 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~~license 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.

**Sec. 38. Maine Revised Statutes headnote amended; revision clause.** In the Maine Revised Statutes, Title 32, chapter 113, subchapter 3, in the subchapter headnote, the words "registration of certified public accountants" are amended to read "licensure of certified public accountants" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

**Sec. 39. Maine Revised Statutes headnote amended; revision clause.** In the Maine Revised Statutes, Title 32, chapter 113, subchapter 4, in the subchapter headnote, the words "registration of public accountants" are amended to read "licensure of public accountants" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

**Sec. 40. Maine Revised Statutes headnote amended; revision clause.** In the Maine Revised Statutes, Title 32, chapter 113, subchapter 5, in the subchapter headnote, the word "licenses" is amended to read "licensure of accounting firms" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

**Sec. 41. Maine Revised Statutes headnote amended; revision clause.** In the Maine Revised Statutes, Title 32, chapter 113, subchapter 7, in the subchapter headnote, the words "enforcement against holders of certificates and licenses" are amended to read "enforcement against licensees" and the Revisor of Statutes shall implement this revision when updating, publishing or republishing the statutes.

Effective September 12, 2009