

HOUSE BILL NO. 121

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES SCHRAGE, Coulombe, Nelson, Stapp, Story, Costello, Galvin

Introduced: 2/28/25

Referred: Labor and Commerce

A BILL**FOR AN ACT ENTITLED**

1 **"An Act relating to the practice of accounting; and providing for an effective date."**

2 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 * **Section 1.** AS 08.04.120(a) is amended to read:

4 (a) The education and experience requirements for an applicant are a
5 baccalaureate degree or its equivalent conferred by a college or university acceptable
6 to the board [AND ADDITIONAL SEMESTER HOURS OR POST-
7 BACCALAUREATE STUDY SO THAT THE TOTAL EDUCATIONAL
8 PROGRAM INCLUDES AT LEAST 150 HOURS,] with an accounting concentration
9 or equivalent as determined by the board by regulation to be appropriate [,] and two
10 years of accounting experience satisfactory to the board.

11 * **Sec. 2.** AS 08.04.240(f) is amended to read:

12 (f) An initial permit issued under (a) [OR (k)] of this section lasts for the
13 remainder of the biennial licensing period during which the initial permit was granted.

14 * **Sec. 3.** AS 08.04.240(g) is amended to read:

15 (g) The board shall renew a permit granted under (a) [OR (k)] of this section

1 or a renewal issued under this subsection if

2 (1) the permittee maintains all of the licensee's offices that are located
3 in this state as required by AS 08.04.360 and 08.04.370;

4 (2) each individual who is required by (a) [OR (k)] of this section to be
5 a certified public accountant of this state complies with the continuing education
6 requirements of AS 08.04.425 and the peer review requirements of AS 08.04.426; and

7 (3) the permittee complies with the requirements of this chapter.

8 * **Sec. 4.** AS 08.04.420(a) is amended to read:

9 (a) An individual who does not have a license in this state, [BUT WHO] is
10 licensed to practice public accounting in another state, and whose principal place of
11 business for the practice of public accounting is in the other state may engage in the
12 practice of public accounting in this state under a practice privilege [IF THE STATE
13 IN WHICH THE INDIVIDUAL IS LICENSED TO PRACTICE PUBLIC
14 ACCOUNTING

15 (1) REQUIRES AS A CONDITION OF LICENSURE THAT AN
16 INDIVIDUAL

17 (A) HAVE AT LEAST 150 SEMESTER HOURS OF
18 COLLEGE EDUCATION, INCLUDING A BACCALAUREATE OR
19 HIGHER DEGREE CONFERRED BY A COLLEGE OR UNIVERSITY;

20 (B) ACHIEVE A PASSING GRADE ON THE UNIFORM
21 CERTIFIED PUBLIC ACCOUNTANT EXAMINATION; AND

22 (C) POSSESS AT LEAST ONE YEAR OF EXPERIENCE,
23 WHICH INCLUDES PROVIDING ANY TYPE OF SERVICE OR ADVICE
24 INVOLVING THE USE OF ACCOUNTING, ATTEST, COMPILATION,
25 MANAGEMENT ADVISORY, FINANCIAL ADVISORY, TAX, OR
26 CONSULTING SKILLS; THE EXPERIENCE MAY BE OBTAINED
27 THROUGH PRACTICE WITH THE GOVERNMENT, INDUSTRY,
28 COLLEGES, UNIVERSITIES, OR THE PUBLIC; OR

29 (2) DOES NOT REQUIRE AS A CONDITION OF LICENSURE
30 THAT AN INDIVIDUAL SATISFY THE REQUIREMENTS OF (1) OF THIS
31 SUBSECTION, BUT THE INDIVIDUAL'S QUALIFICATIONS ARE

SUBSTANTIALLY EQUIVALENT TO THE REQUIREMENTS OF (1) OF THIS SUBSECTION; HOWEVER, FOR THE PURPOSES OF THIS PARAGRAPH, THE EDUCATION OF AN INDIVIDUAL WHO HOLDS A VALID LICENSE TO PRACTICE PUBLIC ACCOUNTING THAT IS ISSUED BY ANOTHER STATE BEFORE JANUARY 1, 2013, AND WHO PASSES THE UNIFORM CERTIFIED PUBLIC ACCOUNTANT EXAMINATION BEFORE JANUARY 1, 2013, IS EXEMPT FROM THE EDUCATION REQUIREMENT IDENTIFIED IN (1)(A) OF THIS SUBSECTION].

* **Sec. 5.** AS 08.04.420(c) is amended to read:

(c) An individual **or firm that** [WHO] may engage in the practice of public accounting in this state under [(a) OF] this section is not required to provide a notice to the board, to pay a fee to the board, or to submit documentation to the board in order to engage in the practice of public accounting in this state. The **individual or firm** [PERSON] may engage in the practice of public accounting by mail, by telephone, by electronic means, or in person.

* **Sec. 6.** AS 08.04.420 is amended by adding new subsections to read:

(d) A firm that is more than one-half owned by individuals who are certified public accountants in good standing under this chapter or in another state, has its principal place of business in another state, and does not have an office in the state may engage in the practice of public accounting in the state under a practice privilege.

(e) The board may adopt regulations establishing qualifications for an individual or firm to engage in the practice of public accounting under a practice privilege.

* **Sec. 7.** AS 08.04.422 is amended to read:

Sec. 08.04.422. Conditions of practice privileges. An individual **or firm** with a practice privilege **that** [WHO] engages in the practice of public accounting in the state under the practice privilege [, A FIRM WITH A PERMIT THAT ENGAGES IN THE PRACTICE OF PUBLIC ACCOUNTING IN THIS STATE,] and a firm that hires an individual with a practice privilege shall

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

(2) agree to comply with this chapter, including the regulations adopted by the board;

(3) agree that the individual or firm will stop offering to engage or engaging in the practice of public accounting, whether individually or on behalf of a firm, if the license from the state of the individual's or firm's principal place of business becomes invalid; and

(4) consent to the appointment of the state board that issued the individual's license or firm's authorization to engage in the practice of public accounting in another state as the individual's or firm's agent for service of process in a court action or in another proceeding against the individual or firm that arises out of a transaction or an operation connected with or incidental to the individual's or firm's engagement in the practice of public accounting.

* **Sec. 8.** AS 08.04.480 is amended to read:

Sec. 08.04.480. Grounds for discipline of a firm. The board may revoke or suspend the permit or practice privilege of a firm, [MAY REVOKE, SUSPEND, OR] refuse to renew the firm's [ITS] permit, or may censure the firm for any of the causes enumerated in AS 08.04.450 or for any of the following additional causes:

(1) the revocation, suspension, or refusal to renew the license or practice privilege of an owner of a firm in this state or in another state;

(2) the cancellation, revocation, suspension, or refusal to renew the permit or authority of the firm to practice public accounting in another state for any cause other than failure to pay a required fee in that state.

* **Sec. 9.** AS 08.04.490 is amended to read:

Sec. 08.04.490. Reinstatement. Upon application in writing and after a hearing, the board may [ISSUE A NEW LICENSE OR ALLOW A PRACTICE PRIVILEGE TO AN INDIVIDUAL WHOSE LICENSE OR PRACTICE PRIVILEGE HAS BEEN REVOKED, OR MAY ISSUE A NEW PERMIT TO A PERSON WHOSE PERMIT HAS BEEN REVOKED, OR MAY] modify the suspension of or [MAY] reissue a [ANY] license, practice privilege, or permit to practice public accounting that has been revoked or suspended.

* **Sec. 10.** AS 08.04.495 is amended to read:

1 **Sec. 08.04.495. Fees.** The department shall set fees under AS 08.01.065 for
 2 examinations, reexaminations, permits, **and** licenses [, AND PRACTICE
 3 PRIVILEGES].

4 * **Sec. 11.** AS 08.04.510(a) is amended to read:

5 (a) A firm may not assume or use the title or designation "certified public
 6 accountant" or the abbreviation "CPA" or any other title, designation, word, letter,
 7 abbreviation, sign, card, or device tending to indicate that it is composed of certified
 8 public accountants, unless the firm

9 **(1) holds a permit and is engaging in the practice of public accounting**
 10 under the name on its permit; **or**

11 **(2) is engaging in the practice of public accounting under a**
 12 **practice privilege.**

13 * **Sec. 12.** AS 08.04.530 is amended to read:

14 **Sec. 08.04.530. Firm posing as public accountant.** A firm may not assume or
 15 use the designation "public accountant" or the abbreviation "PA" or any other title,
 16 designation, word, letter, abbreviation, sign, card, or device tending to indicate that the
 17 firm is composed of public accountants, unless the firm

18 **(1) holds a current permit, is practicing under the name on its permit,**
 19 and its office in this state for the practice of public accounting is maintained as
 20 required by AS 08.04.360 and 08.04.370; **or**

21 **(2) is engaging in the practice of public accounting under a**
 22 **practice privilege.**

23 * **Sec. 13.** AS 08.04.565 is amended to read:

24 **Sec. 08.04.565. Prohibited acts.** An individual licensed under AS 08.04.105
 25 may not perform attest functions through a firm, unless the firm

26 **(1) holds a valid permit issued under AS 08.04.240; or**

27 **(2) is engaging in the practice of public accounting under a**
 28 **practice privilege.**

29 * **Sec. 14.** AS 08.04.240(k) is repealed.

30 * **Sec. 15.** This Act takes effect January 1, 2026.