

**HOUSE BILL NO. 147**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTIETH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVE THOMPSON

Introduced: 3/1/17

Referred: Labor and Commerce

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act relating to the Board of Public Accountancy; relating to the licensure of public**  
2 **accountants; and relating to the practice of public accounting."**

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

4 \* **Section 1.** AS 08.04.080 is amended to read:

5 **Sec. 08.04.080. Adoption of rules.** The board may adopt rules of professional  
6 conduct to establish and maintain a high standard of integrity and dignity in the  
7 profession of public accounting. [AT LEAST 30 DAYS BEFORE THE ADOPTION  
8 OF ANY RULE OR AMENDMENT, THE BOARD SHALL MAIL COPIES OF  
9 THE PROPOSED RULE OR AMENDMENT TOGETHER WITH A NOTICE OF  
10 ITS EFFECTIVE DATE TO EACH HOLDER OF A LICENSE OR PERMIT  
11 ISSUED UNDER THIS CHAPTER TO THE ADDRESS OF THE LICENSE OR  
12 PERMIT HOLDER LAST KNOWN TO THE BOARD.]

13 \* **Sec. 2.** AS 08.04.110 is amended to read:

14 **Sec. 08.04.110. Personal requirements.** An applicant for a certified public

1 accountant license shall be [AT LEAST 19 YEARS OF AGE AND] of good moral  
2 character.

3 \* **Sec. 3.** AS 08.04.120 is amended to read:

4 **Sec. 08.04.120. Educational and experience requirements.** (a) The education  
5 and experience requirements for an applicant are a baccalaureate degree or its  
6 equivalent conferred by a college or university acceptable to the board and additional  
7 semester hours or post-baccalaureate study so that the total educational program  
8 includes at least 150 hours, with an accounting concentration or equivalent **and**  
9 **accounting experience** as determined by the board by regulation to be appropriate [,  
10 AND TWO YEARS OF ACCOUNTING EXPERIENCE SATISFACTORY TO THE  
11 BOARD].

12 (b) Notwithstanding (a) of this section, the board may grant a license to an  
13 applicant who has

14 (1) not completed the 150-hour educational program required by (a) of  
15 this section if the applicant has received a baccalaureate degree, or its equivalent,  
16 before January 1, 2001, from a college or university acceptable to the board, and if the  
17 applicant satisfies the other criteria established by the board by regulation for  
18 receiving the license; or

19 (2) completed a baccalaureate degree, or its equivalent, before  
20 January 1, 2008, from a college or university acceptable to the board, and additional  
21 semester hours of postbaccalaureate study so that the total educational program  
22 includes at least 150 hours, and the applicant has [THREE YEARS OF] accounting  
23 experience satisfactory to the board.

24 \* **Sec. 4.** AS 08.04.195(a) is amended to read:

25 (a) Notwithstanding AS 08.04.110 - 08.04.190, the board may issue a license  
26 to engage in the practice of public accounting to an applicant who holds a license, or  
27 its equivalent, issued by another state if the applicant

28 (1) passed the Uniform Certified Public Accountant Examination of  
29 the American Institute of Certified Public Accountants in order to receive the  
30 applicant's initial license from the other state;

31 (2) [HAS FOUR YEARS OF EXPERIENCE OUTSIDE THE STATE

1 IN THE PRACTICE OF PUBLIC ACCOUNTING OR] meets **the accounting**  
 2 **experience** [EQUIVALENT] requirements established by the board by regulation;  
 3 [THE FOUR YEARS MUST OCCUR AFTER THE APPLICANT PASSES THE  
 4 EXAMINATION REQUIRED IN (1) OF THIS SUBSECTION AND WITHIN THE  
 5 10 YEARS IMMEDIATELY PRECEDING THE APPLICANT'S APPLICATION  
 6 UNDER THIS CHAPTER;]

7 (3) is not the subject of review procedures, disciplinary proceedings, or  
 8 unresolved complaints related to the applicant's license from another state; and

9 (4) is of good moral character.

10 \* **Sec. 5.** AS 08.04 is amended by adding a new section to read:

11 **Sec. 08.04.565. Prohibited acts.** An individual licensed under AS 08.04.105  
 12 may not perform attest functions through a partnership, limited liability company,  
 13 corporation, or other business entity unless the partnership, limited liability company,  
 14 corporation, or other business entity holds a valid permit issued under AS 08.04.240.

15 \* **Sec. 6.** AS 08.04.660 is amended by adding new subsections to read:

16 (b) Notwithstanding (a) of this section, a licensee shall, upon request by a  
 17 client or former client, furnish to the client or former client

18 (1) a copy of the licensee's working papers if the working papers  
 19 include records that would ordinarily constitute part of the client's records and are not  
 20 otherwise available to the client; or

21 (2) accounting records or other records belonging to, obtained from, or  
 22 obtained on behalf of the client that the licensee removed from the client's premises or  
 23 received for the client's account; the licensee may make and retain copies of the  
 24 records if they form the basis for the work done by the licensee.

25 (c) Nothing in this section requires a licensee to keep any working paper or  
 26 record beyond the period prescribed by another provision of law.

27 \* **Sec. 7.** AS 08.04.662 is amended to read:

28 **Sec. 08.04.662. Confidential communications.** (a) A license holder, a permit  
 29 holder, a practice privilege holder, an out-of-state exemption holder, or a partner, an  
 30 officer, a shareholder, a member, or an employee of a license holder, a permit holder,  
 31 an out-of-state exemption holder, or a practice privilege holder may not reveal

1 information communicated to the license holder, permit holder, out-of-state exemption  
 2 holder, or practice privilege holder by a client about a matter concerning which the  
 3 client has employed the license holder, permit holder, out-of-state exemption holder,  
 4 or practice privilege holder in a professional capacity. This section does not apply to

5 (1) information required to be disclosed by the standards of the public  
 6 accounting profession in reporting on the examination of financial statements;

7 (2) the release of information the client has authorized the license  
 8 holder, permit holder, out-of-state exemption holder, or practice privilege holder to  
 9 reveal;

10 (3) information revealed as part of the discovery of evidence related to  
 11 a court or administrative proceeding or introduced in evidence in a court or  
 12 administrative proceeding;

13 (4) information revealed in ethical investigations conducted by private  
 14 professional organizations; [OR]

15 (5) information revealed in the course of a quality review under  
 16 AS 08.04.426; or

17 **(6) information disclosed**

18 **(A) under applicable state or federal laws or regulations; or**

19 **(B) as required by the Public Company Accounting**

20 **Oversight Board.**

21 (b) Client information obtained by the board under **(a)(3) - (6)** [(a)(3) - (5)] of  
 22 this section is confidential and is not a public record for purposes of AS 40.25.110 -  
 23 40.25.140.

24 \* **Sec. 8.** AS 08.04.680(1) is amended to read:

25 (1) "attest function" means

26 (A) an audit or other engagement, if the performance of the  
 27 audit or other engagement is established by the Statements on Auditing  
 28 Standards;

29 (B) a review of a financial statement, if the performance of the  
 30 review is established by the Statements on Standards for Accounting and  
 31 Review Services;

1 (C) an examination of prospective financial information, if the  
 2 performance of the examination is established by the Statements on Standards  
 3 for Attestation Engagements; [OR]

4 (D) an engagement, if the performance of the engagement is  
 5 established by the Auditing Standards of the Public Company Accounting  
 6 Oversight Board; or

7 **(E) any examination, review, or agreed upon procedures to**  
 8 **be performed in accordance with the standards on attestation**  
 9 **engagements as**

10 **(i) developed by national accountancy organizations,**  
 11 **including the American Institute of Certified Public Accountants**  
 12 **and the Public Company Accounting Oversight Board; and**

13 **(ii) adopted by the board in regulation;**

14 \* **Sec. 9.** AS 08.04.680(20) is amended to read:

15 (20) "state" means a state of the United States, the District of  
 16 Columbia, the Commonwealth of Puerto Rico, **the Northern Mariana Islands,**  
 17 Guam, the **United States** Virgin Islands, and American Samoa.

18 \* **Sec. 10.** AS 08.04.580, 08.04.590, 08.04.595, and 08.04.598 are repealed.