

1 IN THE HOUSE

BY MR. HELLENTHAL BY REQUEST

2 HOUSE BILL NO. 78

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act to regulate the practice of public  
7 accounting in the public interest; to create  
8 a State Board of Public Accountancy and to  
9 prescribe its powers and duties; to provide  
10 the penalties for violations of this Act;  
11 repealing Secs. 35-2-4, 35-2-5, 35-2-6,  
12 35-2-8, 35-2-9 and 35-2-12 of Ch. 35, ACLA  
13 1949, all of Ch. 95, SLA 1949 (except Sec. 11  
14 thereof), all of Ch. 18, SLA 1951, all of  
15 Ch. 161, SLA 1957, and all other Acts or  
16 parts of Acts inconsistent herewith; and  
17 providing an effective date."

18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

19 Section 1. NAME. This Act may be known and cited as the  
20 "Public Accountancy Act of 1959".

21 Sec. 2. BOARD OF PUBLIC ACCOUNTANCY.

22 (1) There is hereby created a Board of Public Account-  
23 ancy in and for the State of Alaska to be known as the "Alaska  
24 State Board of Public Accountancy".

25 (2) The Board shall consist of five members appointed  
26 by the Governor. Members of the Board shall be citizens of the  
27 United States and residents of this State. At least three members  
28 of the Board shall be Certified Public Accountants and two members  
29 may be Public Accountants until such time as ten or less Public

HB # 78

1 Accountants hold permits issued under Section 10 of this Act,  
2 after which time all appointees to the Board shall be Certified  
3 Public Accountants. All appointees to the Board shall hold  
4 certificates or licenses, then in full force and effect, issued  
5 under the laws of this State and must be eligible to receive  
6 permits under Section 10 of this Act. The members of the Board  
7 first to be appointed shall hold office as follows: one for one  
8 year, two for two years, and two for three years from the  
9 effective date of this Act, the term of each to be designated by  
10 the Governor. Their successors shall be appointed for terms of  
11 three years. Vacancies occurring during a term shall be filled  
12 by appointment for the unexpired term. Upon the expiration of  
13 his term of office a member shall continue to serve until his  
14 successor shall have been appointed and shall have qualified.  
15 The Governor shall remove from the Board any member whose  
16 certificate, license or permit has been revoked or suspended and  
17 may, after hearing, remove any member of the Board for neglect  
18 of duty or other just cause. No person who has served two  
19 successive complete terms of one, two or three years shall be  
20 eligible for reappointment until after the lapse of one year;  
21 provided, however, that the serving of an appointment to fill  
22 an unexpired term shall not be considered as the serving of a  
23 complete term.

24 (3) The Board is hereby declared to be a regulatory and  
25 quasi-judicial agency, independent of and not allocated to any  
26 of the principal departments of this State.

27 (4) The Board shall elect annually a president (or  
28 chairman), a secretary and a treasurer from its members. One  
29 person may hold the offices of secretary and treasurer. The Board

1 may adopt, and amend from time to time, regulations for the  
2 orderly conduct of its affairs and for the administration of this  
3 Act. A majority of the Board shall constitute a quorum for the  
4 transaction of business. The Board shall have a seal which shall  
5 be judicially noticed. The Board shall keep records of its  
6 proceedings and in any proceeding in court, civil or criminal,  
7 arising out of or founded on any provision of this Act, copies  
8 of such records certified as correct under the seal of the Board  
9 shall be admissible in evidence as tending to prove the content  
10 of such records.

11 (5) The Board shall have printed for public distribu-  
12 tion in June of each year an annual register which shall contain  
13 the names, arranged alphabetically by classifications, of all  
14 persons and partnerships holding permits or registrations under  
15 this Act, the names of the members of the Board and such other  
16 matters as may be deemed proper by the Board. Copies of such  
17 registers shall be mailed to each permit holder or registrant.

18 (6) The Board may employ such personnel, including  
19 but not limited to legal counsel, and arrange for such assistance  
20 as it may require for the performance of its duties. Each member  
21 of the Board shall be paid at the rate of \$25.00 for each day  
22 spent in the discharge of his official duties and, in addition  
23 thereto, shall be reimbursed for his actual and necessary expenses  
24 incurred in the discharge of his official duties.

25 (7) The Board may promulgate, and amend from time to  
26 time, rules of professional conduct appropriate to establish  
27 and maintain a high standard of integrity and dignity in the  
28 profession of public accountancy. At least sixty days prior to  
29 the promulgation of any such rule or amendment the Board shall

1 mail copies of the proposed rule or amendment by certified mail,  
2 with return receipts requested, to each holder of a permit  
3 issued under Section 10 of this Act to the address of such permit  
4 holder last known to the Board with a notice advising him or  
5 them of the proposed effective date of the rule or amendment.

6 Sec. 3. CERTIFIED PUBLIC ACCOUNTANTS.

7 (1) The certificate of "Certified Public Accountant"  
8 shall be granted by the Board to any person who meets the  
9 requirements of subsections (2), (3) and (7) of this Section.

10 (2) Any person who is a citizen of the United States  
11 or has duly declared his intention of becoming such citizen,  
12 and who is a resident of this State or has a place of business  
13 therein or as an employee is regularly employed therein, and who  
14 has attained the age of nineteen years, and who is of good moral  
15 character shall be deemed to have met the requirements of this  
16 subsection.

17 (3) Any person who meets the requirements of education  
18 and experience as hereinafter provided by subsections (4), (5)  
19 or (6) shall be deemed to have met the requirements of this  
20 subsection.

21 (4) During the five-year period immediately following  
22 the effective date of this Act, the educational requirements  
23 shall be graduation from a high school or what the Board  
24 determines to be substantially the equivalent thereof, and the  
25 experience requirements shall be four years of accounting  
26 experience satisfactory to the Board; or such educational and  
27 experience requirements may be those set forth in subsection (6)  
28 of this Section.

29 (5) After the expiration of five years immediately

1 following the effective date of this Act, the educational  
2 requirements shall be (a) satisfactory completion of two years  
3 of study at one or more colleges or universities recognized by  
4 the Board or (b) graduation from a junior college recognized by  
5 the Board or (c) what the Board determines to be substantially  
6 the equivalent of (a) or (b); and the experience requirements  
7 shall be four years of accounting experience satisfactory to the  
8 Board; or such educational and experience requirements may be  
9 those set forth in subsection (6) of this Section.

10 (6) During the periods as specified in subsections  
11 (4) and (5) of this Section, the educational and experience  
12 requirements may be satisfied by: (a) the satisfactory completion  
13 of four years of study with a non-accounting major at one or  
14 more colleges or universities recognized by the Board, and three  
15 years of accounting experience satisfactory to the Board, or  
16 (b) the satisfactory completion of four years of study with an  
17 accounting major at one or more colleges or universities  
18 recognized by the Board, and two years of accounting experience  
19 satisfactory to the Board.

20 (7) Any person who shall have passed a written  
21 examination in theory of accounts, in accounting practice, in  
22 auditing and in such other related subjects as the Board shall  
23 determine to be appropriate shall be deemed to have met the  
24 requirements of this subsection; provided that such examination  
25 shall have been designated in advance by the Board as an examina-  
26 tion for the certificate of Certified Public Accountant; and  
27 provided further that the Board shall use only the Uniform  
28 Certified Public Accountants examination and Advisory Grading  
29 Service if available to it.

1           (8) The examination described in subsection (7) of  
2 this Section shall be held by the Board as often as the Board  
3 shall determine to be desirable but not less than twice each  
4 year; provided however that, should the Uniform Certified Public  
5 Accountants examination be available less frequently, an  
6 examination shall be held not less than once each year.

7           (9) A person who has met the educational requirements  
8 of subsections (4), (5) or (6) of this Section shall be eligible  
9 to take the examination described in subsection (7) of this  
10 Section without waiting until he has met the experience require-  
11 ments, provided he also meets the requirements of subsection (2)  
12 of this Section. A candidate for the certificate of Certified  
13 Public Accountant who has successfully completed the examination  
14 described in subsection (7) of this Section shall have no status  
15 as a Certified Public Accountant unless and until he has met  
16 the experience requirements and has been notified by the Board  
17 that he has been granted his certificate as a Certified Public  
18 Accountant.

19           (10) A candidate who fails an examination shall have  
20 the right to take succeeding examinations as many times as he may  
21 choose. A candidate who receives a passing grade in at least  
22 two of the subjects indicated in subsection (7) of this Section  
23 or in accounting practice shall have the right to be re-examined  
24 in only the remaining subjects at subsequent examinations within  
25 a period of five (5) calendar years, provided he takes an  
26 examination at least once each calendar year thereafter unless  
27 excused by the Board for good cause, and if such candidate  
28 receives a passing grade in the remaining subject or subjects he  
29 shall be deemed to have passed the entire examination. In order

1 to pass, a candidate must receive a grade of at least 75 in each  
2 subject in which he is examined. The Board may give credit to a  
3 candidate who has passed all or part of the examination in another  
4 State if the Board determines that the standards under which the  
5 examination was held are as high as the standards established  
6 for the examination in this Act.

7 (11) Any candidate who, prior to the effective date  
8 of this Act, has applied to take an examination for the certificate  
9 of Certified Public Accountant, or held a valid license as a  
10 Public Accountant, or was regularly enrolled in any college or  
11 correspondence course in accounting, or any person whose registra-  
12 tion under this Act is accepted by the Board, shall be issued a  
13 certificate as a Certified Public Accountant when he has met  
14 either the requirements of this Act, or the requirements which were  
15 effective at the time his first application was filed, at the  
16 option of the candidate.

17 (12) The Board shall charge each candidate a fee of  
18 \$25.00 for the initial examination provided for in subsection (7)  
19 of this Section, and \$25.00 for each subsequent re-examination,  
20 such fee to be paid by the candidate at the time he applies for  
21 examination or re-examination.

22 (13) Any person who has received from the Board a  
23 certificate as a Certified Public Accountant and who holds a  
24 permit issued under Section 10 of this Act, both of which are in  
25 full force and effect, shall be styled and known as a "Certified  
26 Public Accountant" and may also use the abbreviation "CPA".

27 (14) Persons who, on the effective date of this Act,  
28 held certificates as Certified Public Accountants theretofore  
29 issued under the Laws of the State (or Territory) of Alaska shall

1 not be required to obtain additional certificates under this Act  
2 but shall otherwise be subject to all provisions of this Act,  
3 and such certificates theretofore issued shall for all purposes  
4 be considered certificates issued under this Act and subject  
5 to the provisions hereof.

6 (15) The Board may issue, upon application, a  
7 certificate as Certified Public Accountant to any person  
8 possessing the qualifications specified in subsection (2) of  
9 this Section and what the Board determines to be substantially  
10 the equivalent of the applicable qualifications under subsection  
11 (3) of this Section who is the holder of a certificate as a  
12 Certified Public Accountant, then in full force and effect,  
13 issued under the laws of any State, or who is the holder of a  
14 certificate, license or degree, then in full force and effect, in  
15 a foreign country constituting a recognized qualification for the  
16 practice of public accounting in such country comparable to that  
17 of a Certified Public Accountant in this State.

18 Sec. 4. REGISTRATION OF FOREIGN ACCOUNTANTS. The Board  
19 may, in its discretion, permit the registration of any person  
20 of good moral character who is the holder of a certificate,  
21 license or degree, then in full force and effect, in a foreign  
22 country constituting a recognized qualification for the practice  
23 of public accounting in such country. A person so registered  
24 shall use only the title under which he is generally known in  
25 his own country, followed by the name of the country from which  
26 he received his certificate, license or degree. The Board shall  
27 by regulation prescribe the procedure to be followed in effecting  
28 such registration.

29 Sec. 5. PARTNERSHIPS COMPOSED OF CERTIFIED PUBLIC

1 ACCOUNTANTS: REGISTRATION THEREOF.

2 (1) A partnership engaged in this State in the practice  
3 of public accounting may register with the Board as a partnership  
4 of Certified Public Accountants, provided it meets the require-  
5 ments set forth in subsection (2) of this Section. The Board  
6 shall in each case determine whether the applicant is eligible  
7 for registration. Application for such registration must be  
8 made upon the affidavit of a general partner of such partnership  
9 who is a Certified Public Accountant of this State in good  
10 standing. A partnership which is so registered and which holds  
11 a permit issued under Section 10 of this Act may use the words  
12 "Certified Public Accountants" or the abbreviation "CPAs" in  
13 connection with its partnership name. Notification shall be  
14 given the Board within one month from the date any partner is  
15 admitted to or withdraws from any partnership so registered. The  
16 Board shall by regulation prescribe the procedure to be followed  
17 in effecting such registration.

18 (2) The Board shall permit the registration of only  
19 those partnerships which meet all the following requirements:  
20 (a) At least one general partner thereof must be a Certified  
21 Public Accountant of this State in good standing, and (b) each  
22 partner thereof personally engaged within this State in the  
23 practice of public accounting must be a Certified Public  
24 Accountant of this State in good standing and must hold a valid  
25 permit to practice issued under Section 10 of this Act, and (c)  
26 each partner thereof must be a Certified Public Accountant of  
27 some State in good standing, and (d) all offices of such partner-  
28 ship established or maintained in this State for the practice of  
29 public accounting in this State must be maintained and registered

1 as required under Section 9 of this Act.

2 Sec. 6. TEMPORARY CERTIFICATE AS CERTIFIED PUBLIC ACCOUNTANT

3 In the event an applicant for a certificate as a Certified Public  
4 Accountant meets all the requirements for such certificate other  
5 than the requirement that he be a resident of this State or have  
6 a place of business therein or as an employee be regularly  
7 employed therein, the Board may in its discretion issue to him  
8 a temporary certificate as a Certified Public Accountant which  
9 shall be effective only until the Board shall notify him that  
10 his application has been either granted or rejected. In no event  
11 shall such temporary certificate be in effect for more than six  
12 months after the date of issuance. No fee shall be charged for  
13 such a temporary certificate.

14 Sec. 7. PUBLIC ACCOUNTANTS.

15 (1) A "new" license as a Public Accountant shall be  
16 granted by the Board to any person who meets the requirements of  
17 subsections (2), (3) and (4) of this Section.

18 (2) Any person who is a citizen of the United States  
19 or has duly declared his intention of becoming a citizen, and who  
20 is a resident of this State or has a place of business therein  
21 or as an employee is regularly employed therein, and who has  
22 attained the age of nineteen years, and who is of good moral  
23 character shall be deemed to have met the requirements of this  
24 subsection.

25 (3) Any person who meets the requirements of education  
26 and experience as hereinafter provided shall be deemed to have  
27 met the requirements of this subsection. The requirements of  
28 education and experience shall be, respectively: (a) graduation  
29 from a high school or what the Board determines to be substantially

1 the equivalent thereof, and (b) four years of accounting experience  
2 satisfactory to the Board.

3 (4) Any person who shall have passed a written examina-  
4 tion in such subjects as the Board shall determine to be  
5 appropriate shall be deemed to have met the requirements of this  
6 subsection, provided that such examination shall have been  
7 designated in advance by the Board as an examination for the  
8 license of Public Accountant.

9 (5) The examination described in subsection (4) of this  
10 Section shall be held by the Board as often as the Board shall  
11 determine to be desirable but not less than once each year.

12 (6) The Board shall charge each candidate a fee of  
13 \$25.00 for any examination given in accordance with the provisions  
14 of subsection (4) of this Section, such fee to be paid by the  
15 candidate at the time he applies for examination.

16 (7) Any person who has received from the Board a  
17 license as a Public Accountant and who holds a permit issued  
18 under Section 10 of this Act, both of which are in full force  
19 and effect, shall be styled and known as a "Public Accountant"  
20 and may also use the abbreviation "PA".

21 (8) The authority to issue "new" licenses as Public  
22 Accountant under this Section shall expire five years after the  
23 effective date of this Act, and after that time no "new" licenses  
24 as Public Accountant shall be issued.

25 (9) Persons who, on the effective date of this Act,  
26 held licenses as Public Accountant theretofore issued under the  
27 Laws of the State (or Territory) of Alaska shall not be required  
28 to obtain "new" licenses under this Act but shall otherwise be  
29 subject to all provisions of this Act, and such licenses

1 therefore issued shall for all purposes be considered licenses  
2 issued under this Act and subject to the provisions hereof.

3       Sec. 8. PARTNERSHIPS COMPOSED OF PUBLIC ACCOUNTANTS:  
4 REGISTRATION THEREOF.

5           (1) A partnership engaged in this State in the practice  
6 of public accounting may register with the Board as a partnership  
7 of Public Accountants, provided it meets the requirements of  
8 subsection (2) of this Section. The Board shall in each case  
9 determine whether the applicant is eligible for registration.  
10 Application for such registration must be made upon the affidavit  
11 of a general partner of such partnership who is a Certified Public  
12 Accountant or Public Accountant of this State in good standing.  
13 A partnership which is so registered and which holds a permit  
14 issued under Section 10 of this Act may use the words "Public  
15 Accountants" or the abbreviation "PAs" in connection with its  
16 partnership name. Notification shall be given the Board within  
17 one month from the date any partner is admitted to or withdraws  
18 from any partnership so registered. The Board shall by regulation  
19 prescribe the procedure to be followed in effecting such  
20 registration.

21           (2) The Board shall permit the registration of only  
22 those partnerships which meet all the following requirements:

23 (a) At least one general partner thereof must be a Certified  
24 Public Accountant or Public Accountant of this State in good  
25 standing, and (b) each partner thereof personally engaged within  
26 this State in the practice of public accounting must be a  
27 Certified Public Accountant or Public Accountant of this State in  
28 good standing and must hold a valid permit to practice issued  
29 under Section 10 of this Act, and (c) each partner thereof must

1 be a Public Accountant of this State in good standing or a  
2 Certified Public Accountant of some State in good standing, and  
3 (d) all offices of such partnership established or maintained  
4 in this State for the practice of public accounting in this State  
5 must be maintained and registered as required under Section 9  
6 of this Act.

7 Sec. 9. REGISTRATION OF OFFICES.

8 (1) Each office established or maintained in this  
9 State for the practice of public accounting in this State by a  
10 Certified Public Accountant or partnership of Certified Public  
11 Accountants, or by a Public Accountant or partnership of Public  
12 Accountants, or by one registered under Section 4 of this Act,  
13 shall be registered annually under this Act with the Board,  
14 but no fee shall be charged for such registration. The Board  
15 shall by regulation prescribe the procedure to be followed in  
16 effecting such registration.

17 (2) Each office shall be under the direct supervision  
18 of a person in residence who holds a permit under Section 10 of  
19 this Act. Such person may be either a sole proprietor, partner,  
20 principal or staff employee. Such resident person may serve in  
21 such capacity at one office only.

22 (3) The title or designation "Certified Public Account-  
23 ant" or the abbreviation "CPA", or the plurals thereof, shall  
24 not be used in connection with any office registered under this  
25 Act unless the "person in residence" required by subsection (2)  
26 of this Section is the holder of a certificate as a Certified  
27 Public Accountant under Sections 3 or 6 of this Act which is  
28 then in full force and effect.

29 (4) The Board in its discretion may waive the require-

ments of subsections (2) and (3) of this Section in the following circumstances: (a) In communities having a population of 2,000 persons or less and (b) if the firm opening or maintaining such office maintains another office in this State which meets the requirements outlined in subsections (2) and (3) of this Section.

Sec. 10. ANNUAL PERMITS TO PRACTICE AND FEES.

(1) Permits to practice and fees under this Act shall be as provided in subsections (2) through (8) of this Section.

(2) Permits to engage in the practice of public accounting as a principal in this State shall be issued by the Board to holders of a certificate issued under Sections 3 or 6 of this Act, and to persons registered under Section 4 or licensed under Section 7 of this Act, provided all offices of such certificate holder, registrant or licensee are maintained and registered as required under Section 9 of this Act. There shall be an annual permit fee of \$25.00, provided that no permit fee for the year 1959 will be required if the Certified Public Accountant, Public Accountant or registered foreign accountant shall have paid his license fee for 1959 under the prior law.

(3) Permits to engage in the practice of public accounting in this State as a partnership shall be issued by the Board to partnerships registered under Sections 5 or 8 of this Act. There shall be an annual permit fee of \$10.00; provided, however, that a fee of \$5.00 must accompany notification to the Board when any partner is admitted to or withdraws from any partnership holding a permit under this subsection. Such permit to practice shall be valid only for practice under the registered

1 name of such partnership.

2 (4) Any person holding a certificate or license under  
3 this Act who does not desire to engage in the practice of public  
4 accounting as a principal but who desires to maintain his  
5 certificate or license in good standing shall register with the  
6 Board and shall pay an annual registration fee of \$10.00.

7 (5) Any Certified Public Accountant or partnership  
8 thereof in good standing in any State, neither holding a permit  
9 under subsections (2) or (3) of this Section nor maintaining an  
10 office within this State but engaging in the practice of public  
11 accounting in this State, shall apply to the Board for a permit  
12 to practice. The Board shall in each case determine whether the  
13 applicant is eligible for such permit. An annual fee of \$25.00  
14 shall be required for the issuance of such permit.

15 (6) All permits and registrations under this Section,  
16 unless otherwise revoked, shall expire on the last day of  
17 December of each year and, unless otherwise revoked or suspended,  
18 shall be renewed by the Board annually upon payment by the  
19 certificate holder, licensee or registrant of a renewal fee in  
20 the amount of the original fee.

21 (7) Failure of any person or partnership subject to  
22 the provisions of this Act to apply for the annual permit to  
23 practice or to pay the annual fee as provided by this Section  
24 within (a) three years from the expiration date of the permit to  
25 practice or annual registration last obtained or renewed, or  
26 (b) three years from the date upon which the certificate holder  
27 or licensee was granted his certificate as a Certified Public  
28 Accountant or license as a Public Accountant under this Act, shall  
29 deprive him of the right to receive a permit or annual registration

1 or renewal thereof, unless the Board in its discretion determines  
2 such failure to have been excusable. In such case the fee shall  
3 be such amount as the Board shall, from time to time, determine,  
4 but not in excess of three times the annual fee.

5 (8) Permits and registrations and renewals thereof  
6 under this Section shall be issued by the Board upon application  
7 under such rules and procedures and in such form as the Board  
8 may prescribe.

9 Sec. 11. REVOCATION OR SUSPENSION OF CERTIFICATE, LICENSE,  
10 REGISTRATION OR PERMIT.

11 (1) After notice and hearing as provided in Section 13  
12 of this Act, the Board may revoke or suspend any certificate  
13 issued under Section 3 of this Act, or any registration granted  
14 under Section 4 of this Act, or any license issued under Section  
15 7 of this Act, or may revoke, suspend or refuse to renew any  
16 permit issued under Section 10 of this Act, or may censure any  
17 certificate holder, licensee, registrant or permit holder for  
18 any one or any combination of the following causes: (a) Fraud  
19 or deceit in obtaining a certificate as Certified Public Account-  
20 ant, or license as Public Accountant, or in obtaining registration  
21 under this Act, or in obtaining a permit to practice public  
22 accounting under this Act; (b) Dishonesty or gross negligence  
23 in the practice of public accounting, fraud, or other acts  
24 discreditable to the accounting profession; (c) Violation of any  
25 of the provisions of Section 15 of this Act; (d) Violation of a  
26 rule of professional conduct or other regulation promulgated by  
27 the Board under the authority granted by this Act; (e) Conviction  
28 of a felony under the laws of any State or of the United States;  
29 (f) Conviction of any crime, an essential element of which is

1 dishonesty or fraud, under the laws of any State or of the United  
2 States; (g) Cancellation, revocation, suspension or refusal to  
3 renew authority to practice as a Certified Public Accountant or  
4 Public Accountant in any other State for any cause other than  
5 failure to pay an annual registration fee in such State; (h)  
6 Suspension or revocation of the right to practice before any  
7 State or Federal agency; (i) Failure to become a citizen of the  
8 United States within six years by any person not a citizen of the  
9 United States when he received a certificate as a Certified  
10 Public Accountant or license as a Public Accountant under this  
11 Act.

12 (2) The revocation or suspension of a certificate,  
13 license or registration required for the issuance of a permit  
14 under Section 10 of this Act shall automatically operate to  
15 revoke or suspend such permit.

16 Sec. 12. REVOCATION OR SUSPENSION OF PARTNERSHIP REGISTRA-  
17 TION OR PERMIT.

18 (1) After notice and hearing as provided in Section 13  
19 of this Act, the Board shall revoke the registration and permit  
20 to practice of a partnership if at any time it does not have all  
21 the qualifications prescribed by the Section of this Act under  
22 which it qualified for registration.

23 (2) After notice and hearing as provided in Section 13  
24 of this Act, the Board may revoke or suspend the registration  
25 and permit to practice of a partnership or may revoke, suspend  
26 or refuse to renew its permit to practice or may censure the  
27 partnership for any of the causes enumerated in Section 11 of  
28 this Act, or for any of the following additional causes: (a) The  
29 revocation or suspension of the certificate, license or registra-

1 tion of any partner; (b) The revocation, suspension or refusal  
2 to renew the permit to practice of any partner; (c) The cancella-  
3 tion, revocation, suspension or refusal to renew the authority  
4 of the partnership or any partner thereof to practice public  
5 accounting in any other State for any cause other than failure  
6 to pay an annual registration fee in such other State.

7 Sec. 13. HEARINGS BEFORE BOARD: NOTICE: PROCEDURE: REVIEW.

8 (1) The Board may initiate proceedings under this Act  
9 either on its own motion or on the complaint of any person.

10 (2) A written notice stating the nature of the charge  
11 or charges against the accused and the time and place of the  
12 hearing before the Board on such charges shall be served on the  
13 accused not less than 60 days prior to the date of said hearing  
14 either personally or by mailing a copy thereof by registered  
15 mail, with return receipt requested, to the address of the  
16 accused last known to the Board.

17 (3) If, after having been served with the notice of  
18 hearing as provided in subsection (2) of this Section, the accused  
19 fails to appear at the hearing and defend, the Board may proceed  
20 to hear and examine evidence and may enter such order as shall  
21 be justified by the evidence, which order shall be final unless  
22 the accused petitions for a review thereof as provided in sub-  
23 section (10) of this Section; provided, however, that within  
24 sixty days from the date of such order, upon a showing of good  
25 cause by the accused for failure to appear and defend, the Board  
26 may reopen said proceedings and may permit the accused to submit  
27 evidence in his or their own behalf.

28 (4) At any hearing the accused may appear in person  
29 and by counsel, produce evidence and witnesses, cross-examine

1 witnesses and examine such evidence as may be produced. The  
2 accused shall be entitled, on application to the Board, to the  
3 issuance of subpoenas to compel the attendance of witnesses and  
4 the production of documents on his or their own behalf.

5 (5) The Board, or any member thereof, may issue sub-  
6 poenas to compel the attendance of witnesses and the production  
7 of documents, and may administer oaths, take testimony, hear  
8 proofs and receive exhibits in evidence in connection with any  
9 hearing under this Act. In case of disobedience to a subpoena  
10 the Board may invoke the aid of any court of this State in  
11 requiring the attendance and testimony of witnesses and the pro-  
12 duction of documentary evidence.

13 (6) The Board shall not be bound by technical rules  
14 of evidence.

15 (7) A stenographic record of the hearing shall be  
16 kept and a transcript thereof filed with the Board.

17 (8) At all hearings the Attorney General of this State  
18 or one of his assistants designated by him, or such other legal  
19 counsel as may be employed by the Board, shall appear and  
20 represent the Board.

21 (9) The decision of the Board shall be by majority  
22 vote thereof.

23 (10) Anyone adversely affected by an order of the Board  
24 may obtain a review thereof by filing a written petition for  
25 review with the appropriate court within sixty days after the  
26 entry of such order. The petition shall state the grounds upon  
27 which the review is asked and shall pray that the order of the  
28 Board be modified or set aside in whole or in part. A copy of  
29 such petition shall be served forthwith upon any member of the

1 Board and thereupon the Board shall certify and file in the  
2 court a transcript of the record upon which the order complained  
3 of was entered. The case shall then be tried de novo. The court  
4 may affirm, modify or set aside the Board's order in whole or in  
5 part, or may remand the case to the Board for further evidence,  
6 and may, on application and in its discretion, stay the effect of  
7 the Board's order pending its determination of the case. The  
8 court's decision shall have the force and effect of a decree in  
9 equity.

10 Sec. 14. REINSTATEMENT. Upon application in writing and  
11 after hearing pursuant to notice, the Board may issue a new  
12 certificate to a Certified Public Accountant whose certificate  
13 has been revoked, or may permit the re-registration of anyone  
14 whose registration has been revoked, or may modify the suspension  
15 of or may reissue any certificate, license or permit to practice  
16 public accounting which has been revoked or suspended.

17 Sec. 15. ACTS DECLARED UNLAWFUL.

18 (1) No person shall assume or use the title or  
19 designation Certified Public Accountant or the abbreviation CPA  
20 or any other title, designation, words, letters, abbreviations,  
21 sign, card, or device tending to indicate that such person is a  
22 Certified Public Accountant, unless such person has received a  
23 certificate as a Certified Public Accountant under Sections 3 or  
24 6 of this Act, holds a permit issued under Section 10 of this Act  
25 which is not revoked or suspended, hereinafter referred to as a  
26 "live" permit, and all of such person's offices in this State for  
27 the practice of public accounting are maintained and registered  
28 as required under Section 9 of this Act; provided, however, that a  
29 Certified Public Accountant in good standing in any State, not

1 holding a certificate under Sections 3 or 6 of this Act but  
2 holding a permit under Section 10 (5) of this Act, may use the  
3 title or designation Certified Public Accountant; and provided  
4 further that a foreign accountant who has registered under the  
5 provisions of Section 4 of this Act and who holds a live permit  
6 issued under Section 10 of this Act and all of whose offices in  
7 this State for the practice of public accounting are maintained  
8 and registered as required under Section 9 of this Act may use  
9 the title under which he is generally known in his own country  
10 followed by the name of the country from which he received his  
11 certificate, license or degree.

12 (2) No partnership shall assume or use the title or  
13 designation Certified Public Accountants or the abbreviations CPAs  
14 or any other title, designation, words, letters, abbreviation,  
15 sign, card, or device tending to indicate that such partnership is  
16 composed of Certified Public Accountants, unless such partnership  
17 is registered as a partnership of Certified Public Accountants  
18 under Section 5 of this Act, holds a live permit issued under  
19 Section 10 of this Act, is practicing under its registered name,  
20 and all of such partnership's offices in this State for the  
21 practice of public accounting are maintained and registered as  
22 required under Section 9 of this Act; provided, however, that a  
23 partnership of Certified Public Accountants in good standing in  
24 any State, not registered as a partnership of Certified Public  
25 Accountants under Section 5 of this Act but holding a permit under  
26 Section 10 (5) of this Act, may use the title or designation  
27 Certified Public Accountants.

28 (3) No person shall assume or use the title or designa-  
29 tion Public Accountant or the abbreviation PA or any other title,

1 designation, words, letters, abbreviation, sign, card, or device  
2 tending to indicate that such person is a Public Accountant,  
3 unless such person holds a live permit issued under Section 10  
4 of this Act, and all of such person's offices in this State for  
5 the practice of public accounting are maintained and registered as  
6 required under Section 9 of this Act.

7 (4) No partnership shall assume or use the designation  
8 Public Accountants or the abbreviation PAs or any other title,  
9 designation, words, letters, abbreviation, sign, card, or device  
10 tending to indicate that such partnership is composed of Public  
11 Accountants, unless such partnership holds a live permit issued  
12 under Section 10 of this Act, is practicing under its registered  
13 name, and all of such partnership's offices in this State for the  
14 practice of public accounting are maintained and registered as  
15 required under Section 9 of this Act.

16 (5) No person or partnership shall assume or use the  
17 title or designation Certified Accountant, Chartered Accountant,  
18 Enrolled Accountant, Licensed Accountant, Registered Accountant,  
19 or any other title or designation likely to be confused with  
20 Certified Public Accountant or Public Accountant, or any of the  
21 abbreviations CA, EA, LA, RA, or similar abbreviations likely to  
22 be confused with CPA or PA; provided, however, that anyone who  
23 holds a live permit issued under Section 10 of this Act and all  
24 of whose offices in this State for the practice of public account-  
25 ing are maintained and registered as required under Section 9 of  
26 this Act may hold himself or itself out to the public as an  
27 Accountant or Auditor; and provided further that a foreign  
28 accountant, registered under Section 4 of this Act and who holds  
29 a live permit issued under Section 10 of this Act and all of whose

1 offices in this State for the practice of public accounting are  
2 maintained and registered as required under Section 9 of this  
3 Act, may use the title under which he is generally known in his  
4 own country followed by the name of the country from which he  
5 received his certificate, license or degree.

6 (6) No corporation shall assume or use the title or  
7 designation Certified Public Accountant or Public Accountant,  
8 nor shall any corporation assume or use the title or designation  
9 Certified Accountant, Chartered Accountant, Enrolled Accountant,  
10 Licensed Accountant, Registered Accountant, or any other title  
11 or designation likely to be confused with Certified Public  
12 Accountant or Public Accountant, or either of the abbreviations  
13 CPA or PA, or any of the abbreviations CA, EA, LA, RA, or similar  
14 abbreviations likely to be confused with CPA or PA.

15 (7) No person shall sign or affix his name or any  
16 trade or assumed name used by him with any wording indicating  
17 that he is an accountant or auditor, or with any wording  
18 indicating that he has expert knowledge in accounting or auditing  
19 to any accounting or financial statement or to any opinion on,  
20 report on, or certificate to any accounting or financial state-  
21 ment, unless he holds a live permit issued under Section 10 of  
22 this Act, and all of his offices in this State for the practice  
23 of public accounting are maintained and registered as required  
24 under Section 9 of this Act; provided, however, that the pro-  
25 visions of this subsection shall not prohibit any officer,  
26 employee, partner, or principal of any organization from affixing  
27 his signature to any statement or report in reference to the  
28 financial affairs of such organization together with any wording  
29 designating the position, title or office which he holds in such

1 organization, nor shall the provisions of this subsection pro-  
2 hibit any act of a public official or public employee in the  
3 performance of his duties as such.

4 (8) No person shall sign or affix a partnership name  
5 with any wording indicating that it is a partnership composed of  
6 accountants or auditors or persons having expert knowledge in  
7 accounting or auditing to any accounting or financial statement,  
8 or to any opinion on, report on or certificate to any accounting  
9 or financial statement unless the partnership holds a live permit  
10 issued under Section 10 of this Act, is practicing under its  
11 registered name, and all of its offices in this State for the  
12 practice of public accounting are maintained and registered  
13 as required under Section 9 of this Act.

14 (9) No person shall sign or affix a corporate name  
15 with any wording indicating that it is a corporation performing  
16 services as accountants or auditors, or composed of accountants  
17 or auditors or persons having expert knowledge in accounting or  
18 auditing, to any accounting or financial statement, or to any  
19 opinion on, report on or certificate to any accounting or  
20 financial statement.

21 (10) No person or partnership not holding a live  
22 permit issued under Section 10 of this Act, and no corporation,  
23 shall hold himself or itself out to the public as an Accountant  
24 or Auditor by use of either or both of such words on any sign,  
25 card, letterhead or in any advertisement or directory, without  
26 indicating thereon or therein that such person or partnership  
27 or corporation does not hold such a permit; provided, however,  
28 that this subsection shall not prohibit any officer, employee  
29 partner or principal of any organization from describing himself

1 by the position, title, or office which he holds in such  
2 organization, nor shall the provisions of this subsection  
3 prohibit any act of a public official or public employee in the  
4 performance of his duties as such.

5 (11) No person shall assume or use the title or  
6 designation Certified Public Accountant or Public Accountant, or  
7 the plurals thereof or any abbreviation thereof, in conjunction  
8 with a name or names indicating or implying that there is a  
9 partnership, or in conjunction with the designation "and Company"  
10 or "and Co." or any similar designation if, in any such case,  
11 there is in fact no bona fide partnership registered under such  
12 name under Sections 5 or 8 of this Act; provided, however, that  
13 a sole proprietor or partnership lawfully using such title or  
14 designation in conjunction with such names or designation on the  
15 effective date of this Act may continue to do so if he or it  
16 otherwise complies with the provisions of this Act.

17 Sec. 16. EXCEPTIONS: ACTS NOT PROHIBITED.

18 (1) Nothing contained in this Act shall prohibit any  
19 person not a Certified Public Accountant or Public Accountant  
20 from serving as an employee of or as an assistant to any person  
21 or partnership holding a live permit issued under Section 10 of  
22 this Act; provided, however, that no such employee or assistant  
23 shall issue any accounting or financial statement over, under  
24 or connected with his own name.

25 (2) Nothing contained in this Act shall prohibit any  
26 Certified Public Accountant or Public Accountant from indicating  
27 that he holds a certificate or license entitling him to such  
28 designation if, in fact, he does hold a valid, unrevoked  
29 certificate or license in any State; provided, however, that no

1 such person may indicate that his services are available to the  
2 public unless he holds a live permit issued under Section 10  
3 of this Act.

4 (3) Nothing contained in this Act shall prohibit any  
5 holder of a valid certificate, license or degree from a foreign  
6 country constituting a recognized qualification for the practice  
7 of public accounting in such country from indicating that he  
8 holds such certificate, license or degree if, in fact, he does  
9 hold such certificate, license or degree; provided, however,  
10 that no such person may indicate that his services are available  
11 to the public unless he holds a live permit issued under Section  
12 10 of this Act.

13 Sec. 17. INJUNCTION AGAINST UNLAWFUL ACT. Whenever in the  
14 judgment of the Board any person has engaged, or is about to  
15 engage, in any act or practice which constitutes, or will  
16 constitute, a violation of Section 15 of this Act, the Board may  
17 make application to the appropriate court for an order enjoining  
18 such act or practice. Upon a showing by the Board that such  
19 person has engaged or is about to engage in any such act or  
20 practice, the court shall grant without bond an injunction, a  
21 restraining order or such other order as may be appropriate.

22 Sec. 18. MISDEMEANORS: PENALTY. Any person who violates  
23 any provision of Section 15 of this Act shall be guilty of a  
24 misdemeanor and upon conviction thereof shall be subject to a  
25 fine of not more than five hundred dollars, or to imprisonment  
26 for not more than one year, or to both such fine and imprisonment  
27 Whenever the Board has reason to believe that any person is  
28 liable to punishment under this Section it may certify the facts  
29 to the Attorney General of this State (or other appropriate

1 enforcement officer) who may, in his discretion, cause appropriate  
2 proceedings to be brought.

3       Sec. 19. SINGLE ACT EVIDENCE OF PRACTICE. The display or  
4 uttering by a person of a card, sign, advertisement or other  
5 printed, engraved or written instrument or device, bearing a  
6 person's name in conjunction with the words Certified Public  
7 Accountant, or any abbreviation thereof, or with the words Public  
8 Accountant, or any abbreviation thereof, or any words or  
9 abbreviations likely to be confused with any of them, shall be  
10 prima facie evidence in any action brought under Sections 17 or  
11 18 of this Act that the person whose name is so displayed caused  
12 or procured the display or uttering of such card, sign, advertise-  
13 ment or other printed, engraved or written instrument or device,  
14 and that such person is holding himself out to be a Certified  
15 Public Accountant or Public Accountant holding a live permit  
16 to practice under Section 10 of this Act. In any such action,  
17 evidence of the commission of a single act prohibited by this  
18 Act shall be sufficient to justify an injunction or a conviction  
19 without evidence of a general course of conduct.

20       Sec. 20. OWNERSHIP OF ACCOUNTANTS WORKING PAPERS. All  
21 statements, records, schedules, working papers, and memoranda  
22 made by a Certified Public Accountant, Public Accountant, or  
23 registered foreign accountant incident to or in the course of  
24 professional service to clients by such accountant, except reports  
25 submitted by a Certified Public Accountant, Public Accountant,  
26 or registered foreign accountant to a client, shall be and remain  
27 the property of such accountant, in the absence of an express  
28 agreement between such accountant and the client to the contrary.  
29 No such statement, record, schedule, working paper, or memorandum

1 shall be sold, transferred or bequeathed, without the consent of  
2 the client or his personal representative or assignee, to anyone  
3 other than one or more surviving partners or new partners of  
4 such accountant.

5       Sec. 21. EXEMPTION FROM JURY DUTY: CONFIDENTIAL COMMUNICA-  
6 TIONS.

7           (1) Upon presentation of evidence that he is the  
8 holder of a certificate as a Certified Public Accountant, such  
9 holder shall be exempted from the performance of jury duty in  
10 civil actions, if he so requests.

11           (2) A Certified Public Accountant shall not be subject  
12 to examination on confidential communications between his client  
13 and himself nor forced to divulge any information which he shall  
14 have acquired as a confidential communication, except at the  
15 instance of his client. Any Certified Public Accountant who shall  
16 otherwise divulge such information shall be subject to the  
17 penalties provided in Section 11 of this Act.

18       Sec. 22. DEFINITIONS.

19           (1) The term "Board" when used in this Act means the  
20 "Alaska State Board of Public Accountancy" created by Section 2  
21 of this Act.

22           (2) Masculine terms when used in this Act shall also  
23 include the feminine.

24           (3) The term "state" when used in this Act includes  
25 any state, territory, or insular possession of the United States,  
26 or the District of Columbia.

27       Sec. 23. CONSTRUCTION. If any provision or provisions of  
28 this Act or the application thereof to any person or to any  
29 circumstances is held invalid, the remainder of this Act and the

1 application of such provision or provisions to other persons or  
2 other circumstances shall not be affected thereby.

3       Sec. 24. REPEAL PROVISIONS. Sections 35-2-4, 35-2-5,  
4 35-2-6, 35-2-8, 35-2-9 and 35-2-12 of Ch. 35, ACLA 1949, all of  
5 Ch. 95, SLA 1949 (except Section 11 thereof), all of Ch. 18,  
6 SLA 1951, all of Ch. 161, SLA 1957, and all other Acts or parts  
7 of Acts in conflict herewith are hereby repealed; provided,  
8 however, that nothing contained in this Act shall invalidate or  
9 affect any action taken under any law in effect prior to the  
10 effective date of this Act, and nothing contained in this Act  
11 shall invalidate or affect any proceedings instituted under  
12 such law before the effective date of this Act.

13       Sec. 25. EFFECTIVE DATE. This Act shall take effect  
14 thirty (30) days after its passage and approval or upon its  
15 becoming law without such approval.

16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29