

1 IN THE HOUSE

BY MR. HELLENTHAL BY REQUEST

2 COMMITTEE SUBSTITUTE FOR 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.
14 11 thereof), all of Ch. 18, SLA 1951, all
15 of 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 a resident of this State for a period of at
28 least one year. At least three members of the Board shall be
29 Certified Public Accountants and two members may be Public

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20 or permit has been revoked or suspended and may, after hearing,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

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

1 (4) The Board shall elect annually a president (or
2 chairman), a secretary and a treasurer from its members. One
3 person may hold the offices of secretary and treasurer. The
4 Board may adopt, and amend from time to time, regulations for the
5 orderly conduct of its affairs and for the administration of this
6 Act, provided those regulations adopted for the administration
7 of this Act shall be promulgated in compliance with the Alaska
8 Administrative Procedures Act. A majority of the Board shall
9 constitute a quorum for the transaction of business. The Board
10 shall have a seal which shall be judicially noticed. The Board
11 shall keep records of its proceedings and in any proceeding in
12 court, civil or criminal, arising out of or founded on any pro-
13 vision of this Act, copies of such records certified as correct
14 under the seal of the Board shall be admissible in evidence as
15 tending to prove the content of such records.

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

23 (6) The Board may employ such personnel, including
24 but not limited to legal counsel, and arrange for such assistance
25 as it may require for the performance of its duties. Each mem-
26 ber of the Board shall be paid per diem and other expenses allowed
27 by law.

28 (7) The Board may promulgate, and amend from time to
29 time, rules of professional conduct appropriate to establish

1 and maintain a high standard of integrity and dignity in the
2 profession of public accountancy, provided those regulations
3 adopted shall be promulgated in compliance with the Alaska Ad-
4 ministrative Procedures Act. At least sixty days prior to the
5 promulgation of any such rule or amendment the Board shall mail
6 copies of the proposed rule or amendment by certified mail, with
7 return receipts requested, to each holder of a permit issued
8 under Section 10 of this Act to the address of such permit holder
9 last known to the Board with a notice advising him or them of the
10 proposed effective date of the rule or amendment.

11 Sec. 3. CERTIFIED PUBLIC ACCOUNTANTS.

12 (1) The certificate of "Certified Public Accountant"
13 shall be granted by the Board to any person who meets the require-
14 ments of subsections (2), (3) and (7) of this Section.

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

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

26 (4) During the five-year period immediately following
27 the effective date of this Act, the educational requirements
28 shall be graduation from a high school or what the Board deter-
29 mines to be substantially the equivalent thereof, and the

1 experience requirements shall be four years of accounting
2 experience satisfactory to the Board; or such educational and
3 experience requirements may be those set forth in subsection (6)
4 of this Section.

5 (5) After the expiration of five years immediately
6 following the effective date of this Act, the educational re-
7 quirements shall be (a) satisfactory completion of two years of
8 study at one or more colleges or universities recognized by
9 the Board or (b) graduation from a junior or community college
10 in Alaska or otherwise recognized by the Board or (c) what the
11 Board determines to be substantially the equivalent of (a) or
12 (b); and the experience requirements shall be four years of
13 accounting experience satisfactory to the Board; or such educa-
14 tional and experience requirements may be those set forth in sub-
15 section (6) of this Section.

16 (6) During the periods as specified in subsections
17 (4) and (5) of this Section, the education and experience re-
18 quirements may also be satisfied by: (a) the satisfactory com-
19 pletion of four years of study with a non-accounting major at one
20 or more colleges or universities recognized by the Board, and
21 three years of accounting experience satisfactory to the Board,
22 or (b) the satisfactory completion of four years of study with
23 an accounting major at one or more colleges or universities
24 recognized by the Board, and two years of accounting experience
25 satisfactory to the Board.

26 (7) Any person who shall have passed a written exam-
27 ination in theory of accounts, in accounting practice, in
28 auditing and in such other related subjects as the Board shall
29 determine to be appropriate shall be deemed to have met the

1 requirements of this subsection; provided that such examination
2 shall have been designated in advance by the Board as an examina-
3 tion for the certificate of Certified Public Accountant; and
4 provided further that the Board shall use only the Uniform
5 Certified Public Accountants examination and Advisory Grading
6 Service if available to it.

7 (8) The examination described in subsection (7) of
8 this Section shall be held by the Board as often as the Board
9 shall determine to be desirable but not less than twice each
10 year; provided however that, should the Uniform Certified Public
11 Accountants examination be available less frequently, an examina-
12 tion shall be held not less than once each year.

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

25 (10) A candidate who fails an examination shall have
26 the right to take succeeding examinations as many times as he
27 may choose. A candidate who receives a passing grade in at least
28 two of the subjects indicated in subsection (7) of this Section
29 or in accounting practice shall have the right to be re-examined

1 in only the remaining subjects at subsequent examinations within
2 a period of five (5) calendar years, provided he takes an ex-
3 amination in the remaining subjects at least once each calendar
4 year thereafter unless excused by the Board for good cause, and
5 if such candidate receives a passing grade in the remaining
6 subject or subjects he shall be deemed to have passed the entire
7 examination. In order to pass, a candidate must receive a grade
8 of at least 75 in each subject in which he is examined. The
9 Board may give credit to a candidate who has passed all or part
10 of the examination in another State if the Board determines that
11 the standards under which the examination was held are as high
12 as the standards established for the examination in this Act.

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

23 (12) The Board shall charge each candidate a fee of
24 \$25.00 for the initial examination provided for in subsection (7)
25 of this Section, and \$25.00 for each subsequent re-examination,
26 such fee to be paid by the candidate at the time he applies for
27 examination or re-examination.

28 (13) Any person who has received from the Board a
29 certificate as a Certified Public Accountant and who holds a

1 permit issued under Section 10 of this Act, both of which are in
2 full force and effect, shall be styled and known as a "Certified
3 Public Accountant" and may also use the abbreviation "CPA".

4 (14) Persons who, on the effective date of this Act,
5 held certificates as Certified Public Accountants theretofore
6 issued under the Laws of the State (or Territory) of Alaska shall
7 not be required to obtain additional certificates under this Act
8 but shall otherwise be subject to all provisions of this Act,
9 and such certificates theretofore issued shall for all purposes
10 be considered certificates issued under this Act and subject
11 to the provisions hereof.

12 (15) The Board may issue, upon application, ^{certified} a/~~Public~~
13 Accountant's Certificate to any person who is the holder of a
14 Certified Public Accountant's certificate then in full force and
15 effect and issued under the laws of any State, or who is the
16 holder of a certificate, license or degree, then in full force
17 and effect in a foreign country constituting a recognized
18 qualification for the practice of Public Accounting in such
19 country comparable to that of a Certified Public Accountant in
20 this State; provided, the Board finds such person possesses
21 the qualifications specified in subsection (2) of this Section
22 and that such person has substantially the equivalent of the
23 applicable qualifications under subsection 3 of this Section.

24 Sec. 4. REGISTRATION OF FOREIGN ACCOUNTANTS. The Board
25 may, in its discretion, permit the registration of any person
26 of good moral character who is the holder of a certificate,
27 license or degree, then in full force and effect, in a foreign
28 country having recognized qualifications as determined by the
29 Board, for the practice of public accounting in such country.

1 A person so registered shall use only the title under which he
2 is generally known in his own country, followed by the name
3 of the country from which he received his certificate, license
4 or degree. The Board shall by regulation duly promulgated under
5 the State Administrative Procedures Act prescribe the procedure
6 to be followed in effecting such registration.

7 Sec. 5. PARTNERSHIPS COMPOSED OF CERTIFIED PUBLIC ACCOUNT-
8 ANTS: REGISTRATION THEREOF.

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

26 (2) The Board shall permit the registration of only
27 those partnerships which meet all the following requirements:
28 (a) At least one general partner thereof must be a Certified
29 Public Accountant of this State in good standing, holding a

1 valid permit, and (b) each partner thereof (whether resident or
2 non-resident) personally engaged within this State in the prac-
3 tice of public accounting must be a Certified Public Accountant
4 in good standing and must hold a valid permit to practice issued
5 under Section 10 of this Act, and (c) all offices of such part-
6 nership established or maintained in this State for the practice
7 of public accounting in this State must be maintained and reg-
8 istered as required under Section 9 of this Act.

9 Sec. 6. TEMPORARY CERTIFICATE AS CERTIFIED PUBLIC ACCOUNTANT.

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

21 Sec. 7. PUBLIC ACCOUNTANTS.

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

25 (2) Any person who is a citizen of the United States
26 or has duly declared his intention of becoming a citizen, and who
27 is a resident of this State or has a place of business therein
28 or as an employee is regularly employed therein, and who has
29 attained the age of nineteen years, and who is of good moral

1 character shall be deemed to have met the requirements of this
2 subsection.

3 (3) Any person who meets the requirements of education
4 and experience as hereinafter provided shall be deemed to have
5 met the requirements of this subsection. The requirements of
6 education and experience shall be, respectively: (a) graduation
7 from a high school or what the Board determines to be substantial-
8 ly the equivalent thereof, and (b) four years of accounting ex-
9 perience satisfactory to the Board.

10 (4) Any person who shall have passed a written examina-
11 tion in such subjects as the Board shall determine to be ap-
12 propriate shall be deemed to have met the requirements of this
13 subsection, provided that such examination shall have been des-
14 igned in advance by the Board as an examination for the license
15 of Public Accountant.

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

19 (6) The Board shall charge each candidate a fee of
20 \$25.00 for any examination given in accordance with the provi-
21 sions of subsection (4) of this Section, such fee to be paid by
22 the candidate at the time he applies for examination.

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

28 (8) The authority to issue "new" licenses as Public
29 Accountant under this Section shall expire five years after the

1 effective date of this Act, and after that time no "new"
2 licenses as Public Accountant shall be issued.

3 (9) Persons who, on the effective date of this Act,
4 held licenses as Public Accountant theretofore issued under the
5 Laws of the State (or Territory) of Alaska shall not be required
6 to obtain "new" licenses under this Act but shall otherwise be
7 subject to all provisions of this Act, and such licenses there-
8 tofore issued shall for all purposes be considered licenses
9 issued under this Act and subject to the provisions hereof.

10 Sec. 3. PARTNERSHIPS COMPOSED OF PUBLIC ACCOUNTANTS: REG-
11 ISTRATION THEREOF.

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

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

1 (a) At least one general partner thereof must be a Certified
2 Public Accountant or Public Accountant of this State in good
3 standing, and (b) each partner thereof personally engaged within
4 this State in the practice of public accounting must be a Certi-
5 fied Public Accountant or Public Accountant of this State in
6 good standing and must hold a valid permit to practice issued
7 under Section 10 of this Act, and (c) each non-resident partner
8 thereof must be a Certified Public Accountant of some State in
9 good standing, and (d) all offices of such partnership estab-
10 lished or maintained in this State for the practice of public
11 accounting in this State must be maintained and registered as
12 required under Section 9 of this Act.

13 Sec. 9. REGISTRATION OF OFFICES.

14 (1) Each office established or maintained in this
15 State for the practice of public accounting in this State by a
16 Certified Public Accountant or partnership of Certified Public
17 Accountants, or by a Public Accountant or partnership of Public
18 Accountants, or by one registered under Section 4 of this Act,
19 shall be registered annually under this Act with the Board, but
20 no fee shall be charged for such registration. The Board shall
21 by regulation prescribe the procedure to be followed in effect-
22 ing such registration.

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

28 (3) The title or designation "Certified Public Account-
29 ant" or the abbreviation "CPA", or the plurals thereof, shall not

1 be used in connection with any office registered under this Act
2 unless the "person in residence" required by subsection (2) of
3 this section is the holder of a certificate as a Certified Public
4 Accountant under Sections 3 or 6 of this Act which is then in
5 full force and effect.

6 (4) The Board in its discretion may waive the require-
7 ments of subsections (2) and (3) of this Section in the following
8 circumstances: (a) In communities having a population of 2,000
9 persons or less and (b) if the firm opening or maintaining such
10 office maintains another office in this State which meets the
11 requirements outlined in subsections (2) and (3) of this Section.

12 Sec. 10. ANNUAL PERMITS TO PRACTICE AND FEES.

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

16 (2) Permits to engage in the practice of public
17 accounting as a principal in this State shall be issued by the
18 Board to holders of a certificate issued under Sections 3 or 6
19 of this Act, and to persons registered under Section 4 or
20 licensed under Section 7 of this Act, provided all offices of
21 such certificate holder, registrant or licensee are maintained and
22 registered as required under Section 9 of this Act. There shall
23 be an annual permit fee of \$25.00, provided that no permit fee
24 for the year 1960 will be required if the Certified Public Account-
25 ant, Public Accountant or registered foreign accountant shall
26 have paid his license fee for 1960 under the prior law.

27 (3) Permits to engage in the practice of public
28 accounting in this State as a partnership shall be issued by the
29 Board to partnerships registered under Sections 5 or 8 of this

1 Act. There shall be an annual permit fee of \$10.00; provided,
2 however, that a fee of \$5.00 must accompany notification to the
3 Board when any partner is admitted to or withdraws from any
4 partnership holding a permit under this subsection. Such permit
5 to practice shall be valid only for practice under the registered
6 name of such partnership.

7 (4) Any person holding a certificate or license under
8 this Act who does not desire to engage in the practice of public
9 accounting as a principal but who desires to maintain his certi-
10 ficate or license in good standing shall register with the Board
11 and shall pay an annual registration fee of \$10.00.

12 (5) Any Certified Public Accountant or partnership
13 thereof in good standing in any State, neither holding a permit
14 under subsections (2) or (3) of this Section nor maintaining an
15 office within this State but engaging in the practice of public
16 accounting in this State, shall apply to the Board for a permit
17 to practice. The Board shall in each case determine whether the
18 applicant is eligible for such permit. An annual fee of \$100.00
19 shall be required for the issuance of such permit.

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

26 (7) Failure of any person or partnership subject to
27 the provisions of this Act to apply for the annual permit to
28 practice or to pay the annual fee as provided by this Section
29 within (a) three years from the expiration date of the permit to

1 practice or annual registration last obtained or renewed, or
2 (b) three years from the date upon which the certificate holder
3 or licensee was granted his certificate as a Certified Public
4 Accountant or license as a Public Accountant under this Act,
5 shall deprive him of the right to receive a permit or annual
6 registration or renewal thereof, unless the Board in its discre-
7 tion determines such failure to have been excusable. In such
8 case the fee shall be such amount as the Board shall, from time
9 to time, determine, but not in excess of three times the annual
10 fee.

11 (c) Permits and registrations and renewals thereof
12 under this Section shall be issued by the Board upon application
13 of such rules and procedures, promulgated in accordance with the
14 Administrative Procedures Act and in such form as the Board may
15 prescribe.

16 Sec. 11. REVOCATION OR SUSPENSION OF CERTIFICATE, LICENSE,
17 REGISTRATION OR PERMIT.

18 (1) After notice and hearing as provided in the State
19 Administrative Procedures Act the Board may revoke or suspend
20 any certificate issued under Section 3 of this Act, or any
21 registration granted under Section 4 of this Act, or any license
22 issued under Section 7 of this Act, or may revoke, suspend or
23 refuse to renew any permit issued under Section 10 of this Act,
24 or may censure any certificate holder, licensee, registrant
25 or permit holder for any one or any combination of the following
26 causes: (a) Fraud or deceit in obtaining a certificate as
27 Certified Public Accountant, or license as Public Accountant,
28 or in obtaining registration under this Act, or in obtaining
29 a permit to practice public accounting under this Act; (b) Dis-

1 honesty or gross negligence in the practice of public accounting,
2 fraud, or other acts discreditable to the accounting profession;
3 (c) Violation of any of the provisions of Section 15 of this Act;
4 (d) Violation of a rule of professional conduct or other regula-
5 tion promulgated by the Board under the authority granted by
6 this Act; (e) Conviction of a felony under the laws of any State
7 or of the United States; (f) Conviction of any crime, an essential
8 element of which is dishonesty or fraud, under the laws of any
9 State or of the United States; (g) Cancellation, revocation,
10 suspension or refusal to renew authority to practice as a Certi-
11 fied Public Accountant or Public Accountant in any other State
12 for any cause other than failure to pay an annual registration
13 fee in such State; (h) Suspension or revocation of the right to
14 practice before any State or Federal agency; (i) Failure to
15 become a citizen of the United States within six years by any
16 person not a citizen of the United States when he received a
17 certificate as a Certified Public Accountant or license as a
18 Public Accountant under this Act.

19 (2) The revocation or suspension of a certificate,
20 license or registration required for the issuance of a permit
21 under Section 10 of this Act shall automatically operate to
22 revoke or suspend such permit.

23 Sec. 12. REVOCATION OR SUSPENSION OF PARTNERSHIP REGISTRA-
24 TION OR PERMIT.

25 (1) After notice and hearing as provided in the State
26 Administrative Procedures Act, the Board shall revoke the regis-
27 tration and permit to practice of a partnership if at any time
28 it does not have all the qualifications prescribed by the Section
29 of this Act under which it qualified for registration.

1 (2) After notice and hearing as provided in the State
2 Administrative Procedures Act, the Board may revoke or suspend
3 the registration and permit to practice of a partnership or may
4 revoke, suspend or refuse to renew its permit to practice or
5 may censure the partnership for any of the causes enumerated
6 in Section 11 of this Act, or for any of the following additional
7 causes: (a) The revocation or suspension of the certificate,
8 license or registration of any partner; (b) The revocation,
9 suspension or refusal to renew the permit to practice of any
10 partner; (c) The cancellation, revocation, suspension or refusal
11 to renew the authority of the partnership or any partner thereof
12 to practice public accounting in any other State for any cause
13 other than failure to pay an annual registration fee in such
14 other State.

15 Sec. 13. HEARINGS AND PROCEDURES BEFORE BOARD: The pro-
16 cedures to be followed by the Board relative to the promulgation
17 of rules and regulations and the holding of hearings before the
18 Board shall be in accordance with the procedures set forth in
19 the State Administrative Procedures Act.

20 Sec. 14. REINSTATEMENT. Upon application in writing and
21 after hearing pursuant to the Administrative Procedures Act,
22 the Board may issue a new certificate to a Certified Public
23 Accountant whose certificate has been revoked, or may permit the
24 re-registration of anyone whose registration has been revoked,
25 or may modify the suspension of or may reissue any certificate,
26 license or permit to practice public accounting which has been
27 revoked or suspended.

28 Sec. 15. ACTS DECLARED UNLAWFUL.

29 (1) No person shall assume or use the title or
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1 designation Certified Public Accountant or the abbreviation CPA
2 or any other title, designation, words, letters, abbreviations,
3 sign, card, or device tending to indicate that such person is a
4 Certified Public Accountant, unless such person has received a
5 certificate as a Certified Public Accountant under Sections 3 or
6 6 of this Act, holds a permit issued under Section 10 of this
7 Act which is not revoked or suspended, hereinafter referred to
8 as a "live" permit, and all of such person's offices in this
9 State for the practice of public accounting are maintained and
10 registered as required under Section 9 of this Act; provided,
11 however, that a Certified Public Accountant in good standing in
12 any State, not holding a certificate under Sections 3 or 6 of
13 this Act but holding a permit under Section 10 (5) of this Act,
14 may use the title or designation Certified Public Accountant;
15 and provided further that a foreign accountant who has registered
16 under the provisions of Section 4 of this Act and who holds a
17 live permit issued under Section 10 of this Act and all of whose
18 offices in this State for the practice of public accounting are
19 maintained and registered as required under Section 9 of this
20 Act may use the title under which he is generally known in his
21 own country followed by the name of the country from which he
22 received his certificate, license or degree.

23 (2) No partnership shall assume or use the title or
24 designation Certified Public Accountants or the abbreviation
25 CPAs or any other title, designation, words, letters, abbreviation,
26 sign, card, or device tending to indicate that such partnership
27 is composed of Certified Public Accountants, unless such partner-
28 ship is registered as a partnership of Certified Public Account-
29 ants under Section 5 of this Act, holds a live permit issued

1 under Section 10 of this Act, is practicing under its registered
2 name, and all of such partnership's offices in this State for
3 the practice of public accounting are maintained and registered
4 as required under Section 9 of this Act; provided, however, that
5 a partnership of Certified Public Accountants in good standing
6 in any State, not registered as a partnership of Certified
7 Public Accountants under Section 5 of this Act but holding a
8 permit under Section 10 (5) of this Act, may use the title or
9 designation Certified Public Accountants.

10 (3) No person shall assume or use the title or
11 designation Public Accountant or the abbreviation PA or any
12 other title, designation, words, letters, abbreviation, sign,
13 card, or device tending to indicate that such person is a Public
14 Accountant, unless such person holds a live permit issued under
15 Section 10 of this Act, and all of such person's offices in this
16 State for the practice of public accounting are maintained and
17 registered as required under Section 9 of this Act.

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

27 (5) No person or partnership shall assume or use the
28 title or designation Certified Accountant, Chartered Accountant,
29 Enrolled Accountant, Licensed Accountant, Registered Accountant,

1 or any other title or designation likely to be confused with
2 Certified Public Accountant or Public Accountant, or any of the
3 abbreviations CA, EA, LA, RA, or similar abbreviations likely to
4 be confused with CPA or PA; provided, however, that anyone who
5 holds a live permit issued under Section 10 of this Act and all
6 of whose offices in this State for the practice of public ac-
7 counting are maintained and registered as required under Section
8 9 of this Act may hold himself or itself out to the public as an
9 Accountant or Auditor; and provided further that a foreign
10 accountant, registered under Section 4 of this Act and who holds
11 a live permit issued under Section 10 of this Act and all of whose
12 offices in this State for the practice of public accounting are
13 maintained and registered as required under Section 9 of this
14 Act, may use the title under which he is generally known in his
15 own country followed by the name of the country from which he
16 received his certificate, license or degree.

17 (6) No corporation shall assume or use the title or
18 designation Certified Public Accountant or Public Accountant,
19 nor shall any corporation assume or use the title or designation
20 Certified Accountant, Chartered Accountant Enrolled Accountant,
21 Licensed Accountant, Registered Accountant, or any other title
22 or designation likely to be confused with Certified Public
23 Accountant or Public Accountant, or either of the abbreviations
24 CPA or PA, or any of the abbreviations CA, EA, LA, RA, or similar
25 abbreviations likely to be confused with CPA or PA.

26 (7) No person shall sign or affix his name or any
27 trade or assumed name used by him with any wording indicating
28 that he is a Certified Public Accountant or Public Accountant,
29 nor shall any person assume or use the title or designation

1 Certified Accountant, Chartered Accountant, Enrolled Accountant,
2 Licensed Accountant, Registered Accountant, or any other title
3 or designation likely to be confused with Certified Public
4 Accountant or Public Accountant, or either of the abbreviations
5 CPA or PA, or any of the abbreviations CA, EA, LA, RA, or
6 similar abbreviations likely to be confused with CPA or PA,
7 or with any wording indicating that he has expert knowledge in
8 accounting or auditing to any accounting or financial statement
9 or to any opinion on, report on any accounting or financial
10 statement, unless he holds a live permit issued under Section 10
11 of this Act, and all of his offices in this State for the
12 practice of public accounting are maintained and registered as
13 required under Section 9 of this Act; provided, however, that
14 the provisions of this subsection shall not prohibit any officer,
15 employee, partner, or principal of any organization from affix-
16 ing his signature to any statement or report in reference to the
17 financial affairs of such organization together with any wording
18 designating the position, title or office which he holds in such
19 organization, nor shall the provisions of this subsection pro-
20 hibit any act of a public official or public employee in the
21 performance of his duties as such; nor shall the provisions of
22 this subsection prohibit any person maintaining a bookkeeping or
23 tax service from affixing his signature to any record, statement
24 or report maintained or prepared by him.

25 (c) No person shall sign or affix a partnership name
26 with any wording indicating that it is a partnership composed
27 of accountants or auditors or persons having expert knowledge in
28 accounting or auditing to any accounting or financial statement,
29 or to any opinion on, report on or certificate to any accounting

1 or financial statement unless the partnership holds a live permit
2 issued under Section 10 of this Act, is practicing under its
3 registered name, and all of its offices in this State for the
4 practice of public accounting are maintained and registered as
5 required under Section 9 of this Act.

6 (9) No person shall sign or affix a corporate name
7 with any wording indicating that it is a corporation performing
8 services as accountants or auditors, or composed of accountants
9 or auditors or persons having expert knowledge in accounting or
10 auditing, to any accounting or financial statement, or to any
11 opinion on, report on or certificate to any accounting or
12 financial statement.

13 (10) No person or partnership not holding a live
14 permit issued under Section 10 of this Act, and no corporation,
15 in any event shall hold himself or itself out to the public as
16 a Certified Public Accountant or Public Accountant by use of
17 either or both of such words or abbreviations on any sign, card,
18 letterhead or in any advertisement or directory, without indi-
19 cating thereon or therein that such person or partnership or
20 corporation does not hold such a permit; provided, however, that
21 this subsection shall not prohibit any officer, employee partner
22 or principal of any organization from describing himself by the
23 position, title, or office which he holds in such organization;
24 nor shall the provisions of this subsection prohibit any act
25 of a public official or public employee in the performance of his
26 duties as such; nor shall the provisions of this subsection pro-
27 hibit any person from maintaining a bookkeeping or tax service.

28 (11) No person shall assume or use the title or
29 designation Certified Public Accountant or Public Accountant, or

1 the plurals thereof or any abbreviation thereof, in conjunction
2 with a name or names indicating or implying that there is a
3 partnership, or in conjunction with the designation "and Company"
4 or "and Co." or any similar designation if, in any such case,
5 there is in fact no bona fide partnership registered under such
6 name under Sections 5 or 8 of this Act; provided, however, that
7 a sole proprietor or partnership lawfully using such title or
8 designation in conjunction with such names or designation on the
9 effective date of this Act may continue to do so if he or it
10 otherwise complies with the provisions of this Act.

11 Sec. 16. EXCEPTIONS: ACTS NOT PROHIBITED.

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

19 (2) Nothing contained in this Act shall prohibit any
20 Certified Public Accountant or Public Accountant from indicating
21 that he holds a certificate or license entitling him to such
22 designation if, in fact, he does hold a valid, unrevoked
23 certificate or license in any State; provided, however, that no
24 such person may indicate that his services are available to the
25 public unless he holds a live permit issued under Section 10
26 of this Act.

27 (3) Nothing contained in this Act shall prohibit any
28 holder of a valid certificate, license or degree from a foreign
29 country constituting a recognized qualification for the practice

1 of public accounting in such country from indicating that he
2 holds such certificate, license or degree if, in fact, he does
3 hold such certificate, license or degree; provided, however,
4 that no such person may indicate that his services are available
5 to the public unless he holds a live permit issued under Section
6 10 of this Act.

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

16 Sec. 18. MISDEMEANORS: PENALTY. Any person who violates
17 any provision of Section 15 of this Act shall be guilty of a
18 misdemeanor and upon conviction thereof shall be subject to a
19 fine of not more than five hundred dollars, or to imprisonment
20 for not more than one year, or to both such fine and imprisonment.
21 Whenever the Board has reason to believe that any person is
22 liable to punishment under this Section it may certify the facts
23 to the Attorney General of this State (or other appropriate
24 enforcement officer) who may, in his discretion, cause appropriate
25 proceedings to be brought.

26 Sec. 19. SINGLE ACT EVIDENCE OF PRACTICE. The display or
27 uttering by a person of a card, sign, advertisement or other
28 printed, engraved or written instrument or device, bearing a
29 person's name in conjunction with the words Certified Public

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

14 Sec. 20. OWNERSHIP OF ACCOUNTANTS WORKING PAPERS. All
15 statements, records, schedules, working papers, and memoranda
16 made by a Certified Public Accountant, Public Accountant, or
17 registered foreign accountant incident to or in the course of
18 professional service to clients by such accountant, except reports
19 submitted by a Certified Public Accountant, Public Accountant,
20 or registered foreign accountant to a client, shall be and remain
21 the property of such accountant, in the absence of an express
22 agreement between such accountant and the client to the contrary.
23 No such statement, record, schedule, working paper, or memorandum
24 shall be sold, transferred or bequeathed, without the consent of
25 the client or his personal representative or assignee, to anyone
26 other than one or more surviving partners or new partners of
27 such accountant.

28 Sec. 21. EXEMPTION FROM JURY DUTY: CONFIDENTIAL COMMUNICA-
29 TIONS.

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

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

12 Sec. 22. DEFINITIONS.

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

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

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

21 Sec. 23. CONSTRUCTION. If any provision or provisions of
22 this Act or the application thereof to any person or to any
23 circumstances is held invalid, the remainder of this Act and the
24 application of such provision or provisions to other persons or
25 other circumstances shall not be affected thereby.

26 Sec. 24. REPEAL PROVISIONS. Sections 35-2-4, 35-2-5,
27 35-2-6, 35-2-8, 35-2-9 and 35-2-12 of Ch. 35, ACLA 1949, all of
28 Ch. 95, SLA 1949 (except Section 11 thereof), all of Ch. 18,
29 SLA 1951, all of Ch. 161, SLA 1957, and all other Acts or parts
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1 of Acts in conflict herewith are hereby repealed; provided,
2 however, that nothing contained in this Act shall invalidate or
3 affect any action taken under any law in effect prior to the
4 effective date of this Act, and nothing contained in this Act
5 shall invalidate or affect any proceedings instituted under
6 such law before the effective date of this Act.

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

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