

1 IN THE HOUSE

BY STATE AFFAIRS COMMITTEE

2 2d CS FOR HOUSE BILL NO. 78

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIRST LEGISLATURE - SECOND 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 1960".

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 shall be Public

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15 license or permit has been revoked or suspended and may, after  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

22 (3) The Board is hereby declared to be a regulatory  
23 agency, independent of and not allocated to any of the principal  
24 departments of this State.

25 (4) The Board shall elect annually a president (or  
26 chairman), a secretary and a treasurer from its members. One  
27 person may hold the offices of secretary and treasurer. The Board  
28 may adopt, and amend from time to time, regulations for the order-  
29 ly conduct of its affairs and for the administration of this Act,

1 provided those regulations adopted for the administration of this  
2 Act shall be promulgated in compliance with the Alaska Administra-  
3 tive Procedure Act. A majority of the Board shall constitute a  
4 quorum for the transaction of business. The Board shall have a  
5 seal which shall be judicially noticed. The Board shall keep  
6 records of its proceedings and in any proceeding in court, civil  
7 or criminal, arising out of or founded on any provision of this  
8 Act, copies of such records certified as correct under the seal of  
9 the Board shall be admissible in evidence as tending to prove the  
10 content of such records.

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

18 (6) The Board may employ such personnel, including but  
19 not limited to legal counsel, and arrange for such assistance as  
20 it may require for the performance of its duties. Each member of  
21 the Board shall be paid per diem and other expenses allowed by law.

22 (7) The Board may promulgate, and amend from time to  
23 time, rules of professional conduct appropriate to establish and  
24 maintain a high standard of integrity and dignity in the profession  
25 of public accountancy, provided those regulations adopted shall be  
26 promulgated in compliance with the Alaska Administrative Procedure  
27 Act. At least sixty days prior to the promulgation of any such  
28 rule or amendment the Board shall mail copies of the proposed rule  
29 or amendment by certified mail, with return receipts requested, to

1 each holder of a permit issued under Section 10 of this Act to the  
2 address of such permit holder last known to the Board with a  
3 notice advising him or them of the proposed effective date of the  
4 rule or amendment.

5 Sec. 3. CERTIFIED PUBLIC ACCOUNTANTS.

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

9 (2) Any person who is a citizen of the United States  
10 or has duly declared his intention of becoming such citizen,  
11 and who is a resident of this State and who has attained the age  
12 of nineteen years, and who is of good moral character shall be  
13 deemed to have met the requirements of this subsection.

14 (3) Any person who meets the requirements of education  
15 and experience as hereinafter provided by subsections (4), (5)  
16 or (6) shall be deemed to have met the requirements of this sub-  
17 section.

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

25 (5) After the expiration of five years immediately  
26 following the effective date of this Act, the educational require-  
27 ments shall be (a) satisfactory completion of two years of study at  
28 one or more colleges or universities recognized by the Board or (b)  
29 graduation from a junior or community college in Alaska or otherwise

1 recognized by the Board or (c) what the Board determines to  
2 be substantially the equivalent of (a) or (b); and the exper-  
3 ience requirements shall be four years of accounting experience  
4 satisfactory to the Board; or such educational and experience  
5 requirements may be those set forth in subsection (6) of this  
6 Section.

7 (6) During the periods as specified in subsections  
8 (4) and (5) of this Section, the education and experience re-  
9 quirements may also be satisfied by: (a) the satisfactory com-  
10 pletion of four years of study with a non-accounting major at one  
11 or more colleges or universities recognized by the Board, and  
12 three years of accounting experience satisfactory to the Board,  
13 or (b) the satisfactory completion of four years of study with  
14 an accounting major at one or more colleges or universities  
15 recognized by the Board, and two years of accounting experience  
16 satisfactory to the Board.

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

27 (8) The examination described in subsection (7) of  
28 this Section shall be held by the Board as often as the Board  
29 shall determine to be desirable but not more than three times each

1 year; provided however that, should the Uniform Certified Public  
2 Accountants examination be available less frequently, an examina-  
3 tion shall be held not less than once each year.

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

16 (10) A candidate who fails an examination shall have  
17 the right to take succeeding examinations as many times as he  
18 may choose. A candidate who receives a passing grade in at least  
19 two of the subjects indicated in subsection (7) of this Section  
20 or in accounting practice shall have the right to be re-examined  
21 in only the remaining subjects at subsequent examinations within  
22 a period of five (5) calendar years, provided he takes an ex-  
23 amination in the remaining subjects at least once each calendar  
24 year thereafter unless excused by the Board for good cause, and  
25 if such candidate receives a passing grade in the remaining  
26 subject or subjects he shall be deemed to have passed the entire  
27 examination. In order to pass, a candidate must receive a grade  
28 of at least 75 in each subject in which he is examined. The  
29 Board may give credit to a candidate who has passed all or part

1 of the examination in another State if the Board determines that  
2 the standards under which the examination was held are as high  
3 as the standards established for the examination in this Act.

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

14 (12) The Board shall charge each candidate a fee of  
15 \$25.00 for the initial examination provided for in subsection (7)  
16 of this Section, and \$25.00 for each subsequent re-examination,  
17 such fee to be paid by the candidate at the time he applies for  
18 examination or re-examination.

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

24 (14) Persons who, on the effective date of this Act,  
25 held certificates as Certified Public Accountants theretofore  
26 issued under the Laws of the State (or Territory) of Alaska shall  
27 not be required to obtain additional certificates under this Act  
28 but shall otherwise be subject to all provisions of this Act,  
29 and such certificates theretofore issued shall for all purposes

1 be considered certificates issued under this Act and subject  
2 to the provisions hereof.

3 (15) The Board may issue, upon application, a Certified  
4 Public Accountant's Certificate to any person who is the holder of  
5 a Certified Public Accountant's certificate then in full force and  
6 effect and issued under the laws of any State, or who is the  
7 holder of a certificate, license or degree, then in full force  
8 and effect in a foreign country constituting a recognized  
9 qualification for the practice of Public Accounting in such  
10 country comparable to that of a Certified Public Accountant in  
11 this State; provided, the Board finds such person possesses  
12 the qualifications specified in subsection (2) of this Section  
13 and that such person has substantially the equivalent of the  
14 applicable qualifications under subsection 3 of this Section.

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

27 Sec. 5. PARTNERSHIPS COMPOSED OF CERTIFIED PUBLIC ACCOUNT-  
28 ANTS: REGISTRATION THEREOF.

29 (1) A partnership engaged in this State in the prac-

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

17 (2) The Board shall permit the registration of only  
18 those partnerships which meet all the following requirements:  
19 (a) At least one general partner thereof must be a Certified  
20 Public Accountant of this State in good standing, holding a  
21 valid permit, and (b) each partner thereof (whether resident or  
22 non-resident) personally engaged within this State in the prac-  
23 tice of public accounting must be a Certified Public Accountant  
24 in good standing and must hold a valid permit to practice issued  
25 under Section 10 of this Act, and (c) all offices of such part-  
26 nership established or maintained in this State for the practice  
27 of public accounting in this State must be maintained and reg-  
28 istered as required under Section 9 of this Act.

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

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

12 Sec. 7. PUBLIC ACCOUNTANTS.

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

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

23 (3) Any person who meets the requirements of education  
24 and experience as hereinafter provided shall be deemed to have  
25 met the requirements of this subsection. The requirements of  
26 education and experience shall be, respectively: (a) graduation  
27 from a high school or what the Board determines to be substantial-  
28 ly the equivalent thereof, and (b) four years of accounting ex-  
29 perience satisfactory to the Board.

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

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

10           (6) The Board shall charge each candidate a fee of  
11 \$25.00 for any examination given in accordance with the provisions  
12 of subsection (4) of this Section, such fee to be paid by the  
13 candidate at the time he applies for examination.

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

19           (8) Persons who, on the effective date of this Act,  
20 held licenses as Public Accountant theretofore issued under the  
21 laws of the State (or Territory) of Alaska shall not be required  
22 to obtain "new" licenses under this Act but shall otherwise be  
23 subject to all provisions of this Act, and such licenses thereto-  
24 fore issued shall for all purposes be considered licenses issued  
25 under this Act and subject to the provisions hereof.

26           Sec. 8. PARTNERSHIPS COMPOSED OF PUBLIC ACCOUNTANTS: REGIS-  
27 TRATION THEREOF.

28           (1) A partnership engaged in this State in the practice  
29 of public accounting may register with the Board as a partnership

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

15 (2) The Board shall permit the registration of only  
16 those partnerships which meet all the following requirements:  
17 (a) At least one general partner thereof must be a Certified  
18 Public Accountant or Public Accountant of this State in good  
19 standing, and (b) each partner thereof personally engaged within  
20 this State in the practice of public accounting must be a Certi-  
21 fied Public Accountant or Public Accountant of this State in  
22 good standing and must hold a valid permit to practice issued  
23 under Section 10 of this Act, and (c) each non-resident partner  
24 thereof must be a Certified Public Accountant of some State in  
25 good standing, and (d) all offices of such partnership established  
26 or maintained in this State for the practice of public accounting  
27 in this State must be maintained and registered as required under  
28 Section 9 of this Act.

29 Sec. 9. REGISTRATION OF OFFICES.

1           (1) Each office established or maintained in this  
2 State for the practice of public accounting in this State by a  
3 Certified Public Accountant or partnership of Certified Public  
4 Accountants, or by a Public Accountant or partnership of Public  
5 Accountants, or by one registered under Section 4 of this Act,  
6 shall be registered annually under this Act with the Board, but  
7 no fee shall be charged for such registration. The Board shall  
8 by regulation prescribe the procedure to be followed in effect-  
9 ing such registration.

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

15           (3) The title or designation "Certified Public Account-  
16 ant" or the abbreviation "CPA", or the plurals thereof, shall not  
17 be used in connection with any office registered under this Act  
18 unless the "person in residence" required by subsection (2) of  
19 this section is the holder of a certificate as a Certified Public  
20 Accountant under Sections 3 or 6 of this Act which is then in  
21 full force and effect.

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

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

29           (1) Permits to practice and fees under this Act shall

1 be as provided in subsections (2) through (8) of this Section.

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

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

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

27 (5) Any Certified Public Accountant or partnership  
28 thereof in good standing in any State, neither holding a permit  
29 under subsections (2) or (3) of this Section nor maintaining an

1 office within this State but engaging in the practice of public  
2 accounting in this State, shall apply to the Board for a permit  
3 to practice. The Board shall in each case determine whether the  
4 applicant is eligible for such permit. An annual fee of \$100.00  
5 shall be required for the issuance of such permit.

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

12 (7) Failure of any person or partnership subject to  
13 the provisions of this Act to apply for the annual permit to  
14 practice or to pay the annual fee as provided by this Section  
15 within (a) three years from the expiration date of the permit to  
16 practice or annual registration last obtained or renewed, or  
17 (b) three years from the date upon which the certificate holder  
18 or licensee was granted his certificate as a Certified Public  
19 Accountant or license as a Public Accountant under this Act,  
20 shall deprive him of the right to receive a permit or annual  
21 registration or renewal thereof, unless the Board in its discre-  
22 tion determines such failure to have been excusable. In such  
23 case the fee shall be such amount as the Board shall, from time  
24 to time, determine, but not in excess of three times the annual  
25 fee.

26 (8) Permits and registrations and renewals thereof  
27 under this Section shall be issued by the Board upon application  
28 of such rules and procedures, promulgated in accordance with the  
29 Administrative Procedure Act and in such form as the Board may

1 prescribe.

2           Sec. 11. REVOCATION OR SUSPENSION OF CERTIFICATE, LICENSE,  
3 REGISTRATION OR PERMIT.

4           (1) After notice and hearing as provided in the State  
5 Administrative Procedure Act the Board may revoke or suspend  
6 any certificate issued under Section 3 of this Act, or any  
7 registration granted under Section 4 of this Act, or any license  
8 issued under Section 7 of this Act, or may revoke, suspend or  
9 refuse to renew any permit issued under Section 10 of this Act,  
10 or may censure any certificate holder, licensee, registrant  
11 or permit holder for any one or any combination of the following  
12 causes: (a) Fraud or deceit in obtaining a certificate as  
13 Certified Public Accountant, or license as Public Accountant,  
14 or in obtaining registration under this Act, or in obtaining  
15 a permit to practice public accounting under this Act; (b) Dis-  
16 honesty or gross negligence in the practice of public accounting,  
17 fraud, or other acts discreditable to the accounting profession;  
18 (c) Violation of any of the provisions of Section 15 of this Act;  
19 (d) Violation of a rule of professional conduct or other regula-  
20 tion promulgated by the Board under the authority granted by  
21 this Act; (e) Conviction of a felony under the laws of any State  
22 or of the United States; (f) Conviction of any crime, an essential  
23 element of which is dishonesty or fraud, under the laws of any  
24 State or of the United States; (g) Cancellation, revocation,  
25 suspension or refusal to renew authority to practice as a Certi-  
26 fied Public Accountant or Public Accountant in any other State  
27 for any cause other than failure to pay an annual registration  
28 fee in such State; (h) Suspension or revocation of the right to  
29 practice before any State or Federal agency; (i) Failure to

1 become a citizen of the United States within six years by any  
2 person not a citizen of the United States when he received a  
3 certificate as a Certified Public Accountant or license as a  
4 Public Accountant under this Act.

5 (2) The revocation or suspension of a certificate,  
6 license or registration required for the issuance of a permit  
7 under Section 10 of this Act shall automatically operate to  
8 revoke or suspend such permit.

9 Sec. 12. REVOCATION OR SUSPENSION OF PARTNERSHIP REGISTRA-  
10 TION OR PERMIT.

11 (1) After notice and hearing as provided in the State  
12 Administrative Procedure Act, the Board shall revoke the regis-  
13 tration and permit to practice of a partnership if at any time  
14 it does not have all the qualifications prescribed by the Section  
15 of this Act under which it qualified for registration.

16 (2) After notice and hearing as provided in the State  
17 Administrative Procedure Act, the Board may revoke or suspend  
18 the registration and permit to practice of a partnership or may  
19 revoke, suspend or refuse to renew its permit to practice or  
20 may censure the partnership for any of the causes enumerated  
21 in Section 11 of this Act, or for any of the following additional  
22 causes: (a) The revocation or suspension of the certificate,  
23 license or registration of any partner; (b) The revocation,  
24 suspension or refusal to renew the permit to practice of any  
25 partner; (c) The cancellation, revocation, suspension or refusal  
26 to renew the authority of the partnership or any partner thereof  
27 to practice public accounting in any other State for any cause  
28 other than failure to pay an annual registration fee in such  
29 other State.

1           Sec. 13. HEARINGS AND PROCEDURES BEFORE BOARD: The pro-  
2 cedures to be followed by the Board relative to the promulgation  
3 of rules and regulations and the holding of hearings before the  
4 Board shall be in accordance with the procedures set forth in  
5 the State Administrative Procedure Act.

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

14           Sec. 15. ACTS DECLARED UNLAWFUL.

15           (1) No person shall assume or use the title or  
16 designation Certified Public Accountant or the abbreviation CPA  
17 or any other title, designation, words, letters, abbreviations,  
18 sign, card, or device tending to indicate that such person is a  
19 Certified Public Accountant, unless such person has received a  
20 certificate as a Certified Public Accountant under Sections 3 or  
21 6 of this Act, holds a permit issued under Section 10 of this  
22 Act which is not revoked or suspended, hereinafter referred to  
23 as a "live" permit, and all of such person's offices in this  
24 State for the practice of public accounting are maintained and  
25 registered as required under Section 9 of this Act; provided,  
26 however, that a Certified Public Accountant in good standing in  
27 any State, not holding a certificate under Sections 3 or 6 of  
28 this Act but holding a permit under Section 10 (5) of this Act,  
29 may use the title or designation Certified Public Accountant;

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

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

25 (3) No person shall assume or use the title or  
26 designation Public Accountant or the abbreviation PA or any  
27 other title, designation, words, letters, abbreviation, sign,  
28 card, or device tending to indicate that such person is a Public  
29 Accountant, unless such person holds a live permit issued under

1 Section 10 of this Act, and all of such person's offices in this  
2 State for the practice of public accounting are maintained and  
3 registered as required under Section 9 of this Act.

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

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

1 own country followed by the name of the country from which he  
2 received his certificate, license or degree.

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

12 (7) No person shall sign or affix his name or any  
13 trade or assumed name used by him with any wording indicating  
14 that he is a Certified Public Accountant or Public Accountant,  
15 nor shall any person assume or use the title or designation  
16 Certified Accountant, Chartered Accountant, Enrolled Accountant,  
17 Licensed Accountant, Registered Accountant, or any other title  
18 or designation likely to be confused with Certified Public  
19 Accountant or Public Accountant, or either of the abbreviations  
20 CPA or PA, or any of the abbreviations CA, EA, LA, RA, or  
21 similar abbreviations likely to be confused with CPA or PA,  
22 or with any wording indicating that he has expert knowledge in  
23 accounting or auditing to any accounting or financial statement  
24 or to any opinion on, report on any accounting or financial  
25 statement, unless he holds a live permit issued under Section 10  
26 of this Act, and all of his offices in this State for the  
27 practice of public accounting are maintained and registered as  
28 required under Section 9 of this Act; provided, however, that  
29 the provisions of this subsection shall not prohibit any officer,

1 employee, partner, or principal of any organization from affix-  
2 ing his signature to any statement or report in reference to the  
3 financial affairs of such organization together with any wording  
4 designating the position, title or office which he holds in such  
5 organization, nor shall the provisions of this subsection pro-  
6 hibit any act of a public official or public employee in the  
7 performance of his duties as such; nor shall the provisions of  
8 this subsection prohibit any person maintaining a bookkeeping or  
9 tax service from affixing his signature to any record, statement  
10 or report maintained or prepared by him.

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

21 (9) No person shall sign or affix a corporate name  
22 with any wording indicating that it is a corporation performing  
23 services as accountants or auditors, or composed of accountants  
24 or auditors or persons having expert knowledge in accounting or  
25 auditing, to any accounting or financial statement, or to any  
26 opinion on, report on or certificate to any accounting or  
27 financial statement.

28 (10) No person or partnership not holding a live  
29 permit issued under Section 10 of this Act, and no corporation,

1 in any event shall hold himself or itself out to the public as  
2 a Certified Public Accountant or Public Accountant by use of  
3 either or both of such words or abbreviations on any sign, card,  
4 letterhead or in any advertisement or directory, without indi-  
5 cating thereon or therein that such person or partnership or  
6 corporation does not hold such a permit; provided, however, that  
7 this subsection shall not prohibit any officer, employee partner  
8 or principal of any organization from describing himself by the  
9 position, title, or office which he holds in such organization;  
10 nor shall the provisions of this subsection prohibit any act  
11 of a public official or public employee in the performance of his  
12 duties as such; nor shall the provisions of this subsection pro-  
13 hibit any person from maintaining a bookkeeping or tax service.

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

26 Sec. 16. EXCEPTIONS: ACTS NOT PROHIBITED.

27 (1) Nothing contained in this Act shall prohibit any  
28 person not a Certified Public Accountant or Public Accountant  
29 from serving as an employee of or as an assistant to any person

1 or partnership holding a live permit issued under Section 10 of  
2 this Act; provided, however, that no such employee or assistant  
3 shall issue any accounting or financial statement over, under  
4 or connected with his own name.

5 (2) Nothing contained in this Act shall prohibit any  
6 Certified Public Accountant or Public Accountant from indicating  
7 that he holds a certificate or license entitling him to such  
8 designation if, in fact, he does hold a valid, unrevoked certifi-  
9 cate or license in any State; provided, however, that no such  
10 person may indicate that his services are available to the public  
11 unless he holds a live permit issued under Section 10 of this Act.

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

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

28 Sec. 18. MISDEMEANORS: PENALTY. Any person who violates any  
29 provision of Section 15 of this Act shall be guilty of a misdemeanor

1 and upon conviction thereof shall be subject to a fine of not more  
2 than five hundred dollars, or to imprisonment for not more than  
3 one year, or to both such fine and imprisonment. Whenever the  
4 Board has reason to believe that any person is liable to punishment  
5 under this Section it may certify the facts to the Attorney General  
6 of this State (or other appropriate enforcement officer) who may,  
7 in his discretion, cause appropriate proceedings to be brought.

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

25       Sec. 20. OWNERSHIP OF ACCOUNTANTS WORKING PAPERS. All state-  
26 ments, records, schedules, working papers, and memoranda made by  
27 a Certified Public Accountant, Public Accountant, or registered  
28 foreign accountant incident to or in the course of professional  
29 service to clients by such accountant, except reports submitted by

1 a Certified Public Accountant, Public Accountant, or registered  
2 foreign accountant to a client, shall be and remain the property  
3 of such accountant, in the absence of an express agreement between  
4 such accountant and the client to the contrary. No such statement,  
5 record, schedule, working paper, or memorandum shall be sold,  
6 transferred or bequeathed, without the consent of the client or  
7 his personal representative or assignee, to anyone other than one  
8 or more surviving partners or new partners of such accountant.

9 Sec. 21. EXEMPTIONS FROM JURY DUTY: CONFIDENTIAL COMMUNICA-  
10 TIONS.

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

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

22 Sec. 22. DEFINITIONS.

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

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

28 (3) The term "state" when used in this Act includes any  
29 state, territory, or insular possession of the United States, or

1 the District of Columbia.

2       Sec. 23. CONSTRUCTION. If any provision or provisions of  
3 this Act or the application thereof to any person or to any circum-  
4 stances is held invalid, the remainder of this Act and the applica-  
5 tion of such provision or provisions to other persons or other  
6 circumstances shall not be affected thereby.

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

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

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