

Introduced: 3/27/75
Referred: Commerce

1 IN THE SENATE

BY RADER, CROFT, FERGUSON,
KERTTULA AND RODEY

2 CS SENATE BILL NO. 320

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 NINTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the Accountancy Act; and providing
7 for an effective date."

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

9 * Section 1. AS 08.04.120 is repealed and re-enacted to read:

10 Sec. 08.04.120. EDUCATION AND EXPERIENCE REQUIREMENTS. An appli-
11 cant shall meet the following requirements of education and experience:

12 (1) During the three-year period immediately following the
13 effective date of this Act, the educational and experience requirements
14 shall be

15 (A) satisfactory completion of two years of study at
16 one or more colleges or universities recognized by the board, or
17 graduation from a junior or community college in Alaska, combined
18 with four years of accounting experience satisfactory to the board;

19 (B) satisfactory completion of four years of study
20 with a nonaccounting major at one or more colleges or universities
21 recognized by the board, combined with three years of accounting
22 experience satisfactory to the board; or

23 (C) satisfactory completion of four years of study with
24 an accounting major at one or more colleges or universities recog-
25 nized by the board, combined with two years of accounting experi-
26 ence satisfactory to the board.

27 (2) After the expiration of the three-year period immediately
28 following the effective date of this Act,

29 (A) the educational requirement shall be a baccalaureate

1 degree with a concentration in accounting conferred by a college
2 or university recognized by the board, or what the board determines
3 by regulation to be substantially its equivalent; and

4 (B) the experience requirement shall be two years
5 experience in the practice of public accounting, or equivalent
6 experience in industry, government or college teaching in accor-
7 dance with regulations promulgated by the board.

8 * Sec. 2. AS 08.04.140 is repealed and re-enacted to read:

9 Sec. 08.04.140. FREQUENCY OF EXAMINATION. The board shall give
10 the examination at least once, but no more than twice, each year.

11 * Sec. 3. AS 08.04.180 is repealed and re-enacted to read:

12 Sec. 08.04.180. PRIOR APPLICANTS. An applicant who, before the
13 expiration of the three-year period immediately following the effective
14 date of this Act, applied to the board to take the examination for the
15 certificate of certified public accountant and was accepted by the board
16 as eligible to take the examination, shall receive a certificate when he
17 has met either the requirements of this chapter or the requirements
18 which were effective at the time he first applied to the board for the
19 examination, at the option of the applicant.

20 * Sec. 4. AS 08.04.230 is repealed.

21 * Sec. 5. AS 08.04.240 is repealed and re-enacted to read:

22 Sec. 08.04.240. REGISTRATION OF PARTNERSHIPS AND CORPORATIONS
23 COMPOSED OF CERTIFIED PUBLIC ACCOUNTANTS. (a) A partnership engaged in
24 this state in the practice of public accounting may register with the
25 board as a partnership of certified public accountants if it meets the
26 following requirements:

27 (1) at least one general partner must be a certified public
28 accountant of this state in good standing;

29 (2) each partner must be a certified public accountant of

1 some state in good standing; and

2 (3) except as otherwise provided in this chapter, each resi-
3 dent manager in charge of an office of a firm in this state, and each
4 partner personally engaged in this state in the practice of public
5 accounting as a member of that firm must be a certified public account-
6 ant of this state in good standing.

7 (b) A corporation organized for the practice of public accounting
8 may register with the board as a corporation of certified public
9 accountants if it meets the following requirements:

10 (1) the sole purpose and business of the corporation must
11 be to furnish to the public services not inconsistent with this chapter
12 or the regulations promulgated under it by the board; however, the
13 corporation may invest its funds in a manner not incompatible with the
14 practice of public accounting;

15 (2) each shareholder of the corporation must be a certified
16 public accountant of some state in good standing and must be principally
17 employed by the corporation or actively engaged in its business; no
18 other person may have any interest in the stock of the corporation; the
19 principal officer of the corporation and any officer or director having
20 authority over the practice of public accounting by the corporation
21 must be a certified public accountant of some state in good standing;

22 (3) at least one shareholder of the corporation must be a
23 certified public accountant of this state in good standing;

24 (4) except as otherwise provided in this chapter, each resi-
25 dent manager in charge of an office of the corporation in this state
26 and each shareholder or director personally engaged in this state in
27 the practice of public accounting must be a certified public accountant
28 of this state in good standing;

29 (5) to facilitate compliance with the provisions of this

1 section relating to the ownership of stock, there must be a written
2 agreement binding the corporation or the qualified shareholders to pur-
3 chase shares offered for sale by, or not under the ownership or effective
4 control of, a qualified shareholder and binding a holder not a qualified
5 shareholder to sell these shares to the corporation or the qualified
6 shareholders; the agreement must be noticed on each certificate of
7 corporate stock; the corporation may purchase any amount of its stock
8 for this purpose, notwithstanding any impairment of capital, so long as
9 one share remains outstanding;

10 (6) the corporation must be in compliance with those other
11 regulations pertaining to corporations practicing public accounting in
12 this state that the board may prescribe.

13 (c) Application for registration must be made upon the affidavit
14 of a general partner or shareholder who is a certified public accountant
15 of this state in good standing. The board shall in each case determine
16 whether the applicant is eligible for registration. A partnership or
17 corporation which is so registered and which holds a permit issued under
18 sec. 400 of this chapter may use the words "certified public account-
19 ants" or the abbreviation "CPAs" in connection with its partnership or
20 corporate name. Notification shall be given the board, within one
21 month, after the admission or withdrawal of a partner or shareholder
22 from a partnership or corporation registered under this section.

23 * Sec. 6. AS 08.04.250 is repealed.

24 * Sec. 7. AS 08.04.350 is repealed and re-enacted to read:

25 Sec. 08.04.350. REGISTRATION OF OFFICES. Each office established
26 or maintained in this state for the practice of public accounting in
27 this state (1) by a certified public accountant, partnership or corpora-
28 tion of certified public accountants, or (2) by a public accountant,
29 partnership or corporation of public accountants, shall register

1 annually with the board. No fee may be charged for registration. The
2 board shall prescribe registration procedure by regulation.

3 * Sec. 8. AS 08.04.380 is amended to read:

4 Sec. 08.04.380. WAIVER OF REQUIREMENTS. The board may waive
5 the requirements of secs. 240(a)(3) and (b)(4), 360 and 370 of this
6 chapter if

7 (1) the community has a population of 2,000 or less; and

8 (2) the firm opening or maintaining the office maintains
9 another office in the state which meets the requirements outlined in
10 secs. 360 and 370 of this chapter.

11 * Sec. 9. AS 08.04.390 is amended to read:

12 Sec. 08.04.390. PERMIT FOR INDIVIDUAL PRACTICE AS A PUBLIC ACCOUNT-
13 ANT. The board shall issue a permit to engage in the practice of public
14 accounting [AS A PRINCIPAL] to a holder of a certificate or license [AND
15 TO PERSONS REGISTERED UNDER SEC. 230 OF THIS CHAPTER] if all offices of
16 the certificate holder or [,] licensee [, OR REGISTRANT] are maintained
17 and registered as required by secs. 350 - 380 of this chapter. The
18 annual permit fee is \$25.

19 * Sec. 10. AS 08.04.400 is amended to read:

20 Sec. 08.04.400. PERMIT FOR PARTNERSHIP OR CORPORATE PRACTICE AS
21 A PUBLIC ACCOUNTANT. The board shall issue a permit to engage in the
22 practice of public accounting as a partnership or as a corporation to
23 a partnership or corporation registered under secs. 240 [- 250] or 330
24 340 of this chapter. The annual permit fee is \$10. A permit is valid
25 only for practice under the registered name of the partnership or
26 corporation.

27 * Sec. 11. AS 08.04.410 is amended to read:

28 Sec. 08.04.410. PERMIT FOR PERSON NOT ENGAGED IN PRACTICE. A
29 person holding a certificate or license not engaged in the practice of

1 public accounting [AS A PRINCIPAL] may maintain his certificate or
2 license in good standing by registering with the board and paying an
3 annual registration fee of \$10.

4 * Sec. 12. AS 08.04.420 is amended to read:

5 Sec. 08.04.420. PERMIT FOR GENERAL PRACTICE AS A CERTIFIED PUBLIC
6 ACCOUNTANT. A certified public accountant, or a partnership or corpora-
7 tion of certified public accountants in good standing in a state, not
8 holding a permit under secs. 390 or 400 of this chapter nor maintaining
9 an office within this state but engaging in the practice of public
10 accounting in this state, shall apply to the board for a permit to
11 practice. The board shall determine whether the applicant is eligible
12 for the permit. The annual fee for the issuance of a permit is \$100.

13 * Sec. 13. AS 08.04 is amended by adding a new section to read:

14 Sec. 08.04.425. CONTINUING EDUCATION. (a) The board shall by
15 regulation prescribe requirements for continuing education for persons
16 licensed to practice as certified public accountants under this chapter.
17 In adopting these regulations, the board may

18 (1) use and rely upon guidelines and pronouncements with
19 respect to continuing education issued by recognized educational and
20 professional associations in the field; and

21 (2) prescribe content, duration and organization of courses
22 or programs that will satisfy the continuing education requirements.

23 (b) After the expiration of two years immediately following the
24 effective date of regulations promulgated by the board under (a) of
25 this section, every application for renewal of a permit to practice as
26 a certified public accountant by a person who has held a certificate as
27 a certified public accountant for two years or more shall be accom-
28 panied or supported by documents or other evidence indicating satis-
29 faction of the continuing education requirements prescribed by the board

1 during the two years immediately preceding the application.

2 (c) Failure by an applicant for renewal of a permit to practice
3 to furnish that evidence constitutes grounds for revocation, suspension
4 or refusal to renew the permit under sec. 450 of this chapter, unless
5 the board determines that failure to have been due to reasonable cause
6 or excusable neglect. However, the board may renew a permit to practice
7 despite failure to furnish evidence of satisfaction of the continuing
8 education requirements established under (a) of this section if the
9 applicant agrees to follow a particular program or schedule of continu-
10 ing education prescribed by the board.

11 (d) In adopting regulations under (a) of this section, or in
12 issuing individual orders under (c) of this section,

13 (1) the board shall consider

14 (A) the accessibility of applicants to the continuing
15 education courses or programs that it may require; and

16 (B) any impediments to interstate practice of public
17 accountancy which may result from differences in continuing edu-
18 cation requirements prescribed by other states; and

19 (2) the board may relax or suspend the continuing education
20 requirements

21 (A) for applicants who certify that they do not intend
22 to engage in the practice of public accountancy; or

23 (B) in instances of individual hardship.

24 * Sec. 14. AS 08.04.440 is amended to read:

25 Sec. 08.04.440. EFFECT OF FAILURE TO OBTAIN PERMIT. Failure of
26 a person, [OR] partnership or corporation to apply for the annual permit
27 to practice or to pay the annual fee within (1) three years from the
28 expiration date of the permit to practice or annual registration last
29 obtained or renewed, or (2) three years from the date upon which the

1 certificate holder or licensee was granted his certificate as a certi-
2 fied public accountant or license as a public accountant deprives him
3 of the right to a permit or annual registration or renewal of a permit,
4 unless the board determines that the failure is excusable. In case of
5 excusable failure, the fee shall not exceed three times the annual fee.

6 * Sec. 15. AS 08.04.450 is amended to read:

7 Sec. 08.04.450. REVOCATION OR SUSPENSION OF CERTIFICATE, LICENSE,
8 REGISTRATION OR PERMIT. The board may revoke or suspend a certificate
9 or license, [OR ANY REGISTRATION UNDER SEC. 230 OF THIS CHAPTER,] or may
10 revoke, suspend, or refuse to renew any permit, or may censure any
11 certificate holder, licensee, registrant, or permit holder for:

12 (1) fraud or deceit in obtaining any certificate, license,
13 registration, or permit required by this chapter;

14 (2) dishonesty or gross negligence in the practice of public
15 accounting, or other acts discreditable to the accounting profession;

16 (3) violation of any provision of secs. 500 - 610 of this
17 chapter;

18 (4) violation of a rule of professional conduct or other
19 regulation promulgated by the board;

20 (5) conviction of a felony under the laws of any state or of
21 the United States;

22 (6) conviction of any crime, an essential element of which
23 is dishonesty or fraud, under the laws of any state or of the United
24 States;

25 (7) cancellation, revocation, suspension, or refusal to
26 renew authority to practice as a certified public accountant or public
27 accountant in any other state for any cause other than failure to pay
28 an annual registration fee;

29 (8) suspension or revocation of the right to practice before

1 any state or federal agency; or

2 [(9) FAILURE OF A CERTIFIED PUBLIC ACCOUNTANT OR PUBLIC
3 ACCOUNTANT NOT A CITIZEN OF THE UNITED STATES TO BECOME A CITIZEN OF THE
4 UNITED STATES WITHIN SIX YEARS AFTER RECEIVING A CERTIFICATE OR LICENSE.]

5 (10) failure of a certified public accountant to satisfy the
6 continuing education requirements prescribed by the board under sec. 425
7 of this chapter, except as conditioned, relaxed or suspended by the
8 board under sec. 425(c) and (d) of this chapter.

9 * Sec. 16. AS 08.04.470 is amended to read:

10 Sec. 08.04.470. REVOCATION OR SUSPENSION OF PARTNERSHIP OR COR-
11 PORATE REGISTRATION OR PERMIT. The board shall revoke the registration
12 and permit to practice of a partnership or corporation if at any time
13 it does not meet the qualifications prescribed by the sections of this
14 chapter under which it qualified for registration.

15 * Sec. 17. AS 08.04.480 is amended to read:

16 Sec. 04.08.480. GROUNDS FOR REVOCATION OR SUSPENSION OF PARTNERSHIP
17 OR CORPORATE PERMIT. The board may revoke or suspend the registration
18 and permit to practice of a partnership or corporation, may revoke,
19 suspend or refuse to renew its permit to practice or may censure the
20 partnership or corporation for any of the causes enumerated in secs.
21 450 and 460 of this chapter, or for any of the following additional
22 causes:

23 (1) the revocation or suspension of the certificate, license
24 or registration of any partner or shareholder;

25 (2) the revocation, suspension, or refusal to renew the
26 permit to practice of any partner or shareholder;

27 (3) the cancellation, revocation, suspension, or refusal to
28 renew the authority of the partnership or any partner or the corporation
29 or a shareholder to practice public accounting in another state for any

1 cause other than failure to pay an annual registration fee in that state.

2 * Sec. 18. AS 08.04.500(b)(2) is repealed.

3 * Sec. 19. AS 08.04.510 is amended to read:

4 Sec. 08.04.510. PARTNERSHIP OR CORPORATION POSING AS A CERTIFIED
5 PUBLIC ACCOUNTANT. (a) No partnership or corporation may assume or
6 use the title or designation "certified public accountant" or the
7 abbreviation "CPA" or any other title, designation, word, letter,
8 abbreviation, sign, card, or device tending to indicate that it is
9 composed of certified public accountants, unless the partnership or
10 corporation is registered and holds a live permit, is practicing under
11 its registered name, and its offices in this state for the practice
12 of public accounting are maintained and registered as required by
13 secs. 350 - 380 of this chapter.

14 (b) A partnership or corporation of certified public accountants
15 in good standing in any state, not registered as a partnership or cor-
16 poration of certified public accountants under secs. 240 and 250 of
17 this chapter but holding a permit under sec. 420 of this chapter, may
18 use the title or designation "certified public accountants."

19 * Sec. 20. AS 08.04.530 is amended to read:

20 Sec. 08.04.530. PARTNERSHIP OR CORPORATION POSING AS PUBLIC
21 ACCOUNTANT. No partnership or corporation may assume or use the desig-
22 nation "public accountant" or the abbreviation "PA" or any other title,
23 designation, word, letter, abbreviation, sign, card, or device tending
24 to indicate that the partnership or corporation is composed of public
25 accountants, unless the partnership or corporation holds a live permit,
26 is practicing under its registered name, and its office in this state
27 for the practice of public accounting is maintained and registered as
28 required by secs. 350 - 380 of this chapter.

29 * Sec. 21. AS 08.04.540 is repealed and re-enacted to read:

1 Sec. 08.04.540. USE OF DECEPTIVE TITLE OR ABBREVIATION. No person,
2 partnership or corporation may assume or use the title or designation
3 "certified accountant", "chartered accountant", "enrolled accountant",
4 "licensed accountant", "registered accountant", or any other title or
5 designation likely to be confused with "certified public accountant" or
6 "public accountant", or any of the abbreviations "CA", "EA", "LA", "RA",
7 or similar abbreviations likely to be confused with "CPA" or "PA";
8 however, a person, partnership or corporation holding a live permit and
9 whose offices in this state for the practice of public accounting are
10 maintained and registered as required by secs. 350 - 380 of this chapter
11 may hold himself or itself out to the public as an accountant or audi-
12 tor.

13 * Sec. 22. AS 08.04.550 is repealed.

14 * Sec. 23. AS 08.04.590 is amended to read:

15 Sec. 08.04.590. USE OF TITLE WITH CORPORATE NAME. No person may
16 sign or affix a corporate name with any wording indicating that it is
17 a corporation performing services as accountants or auditors, or com-
18 posed of accountants or auditors or persons having expert knowledge in
19 accounting or auditing to any accounting or financial statement, or to
20 any opinion or report on or certificate to any accounting or financial
21 statement unless the corporation holds a live permit, is practicing
22 under its registered name and its offices in this state for the practice
23 of public accounting are maintained and registered as required by secs.
24 350 - 380 of this chapter.

25 * Sec. 24. AS 08.04.600 is amended to read:

26 Sec. 08.04.600. DISCLOSURE OF LACK OF PERMIT. No person, [OR]
27 partnership or corporation not holding a live permit [AND NO CORPORATION]
28 may hold himself or itself out to the public as a certified public
29 accountant or public accountant by use of such words or abbreviations

1 on any sign, card, letterhead or in any advertisement or directory,
2 without indicating that the person, partnership or corporation does
3 not hold a permit. This section does not prohibit (1) an officer,
4 employee, partner, or principal of an organization from describing
5 himself by the position, title, or office which he holds in the organi-
6 zation, (2) an act of a public official or public employee in the
7 performance of his duties, or (3) any person from maintaining a book-
8 keeping or tax service.

9 * Sec. 25. AS 08.04.610 is amended to read:

10 Sec. 08.04.610. DECEPTIVE USE OF PARTNERSHIP OR CORPORATION

11 TITLE. No person may assume or use the title or designation "certified
12 public accountant" or "public accountant" or an abbreviation thereof,
13 in conjunction with a name indicating or implying that there is a part-
14 nership or corporation, or in conjunction with the designation "and
15 Company" or "and Co." or any similar designation unless there is a bona
16 fide partnership or corporation registered under that name. However,
17 a sole proprietor or partnership lawfully using the title or designation
18 "certified public accountant" or "public accountant" or an abbreviation
19 thereof in conjunction with such names or designation on April 26, 1960,
20 may continue to do so if the person or partnership otherwise complies
21 with this chapter.

22 * Sec. 26. AS 08.04.620(1) is amended to read:

23 (1) a person not a certified public accountant or public
24 accountant from serving as an employee of or as an assistant to any
25 person, [OR] partnership or corporation holding a live permit so long
26 as the employee or assistant does not use his name in connection with
27 any accounting or financial statement;

28 * Sec. 27. AS 08.04.690 is amended to read:

29 Sec. 08.04.690. SHORT TITLE. This chapter may be cited as the

Accountancy Act [OF 1960].

* Sec. 28. This Act takes effect immediately in accordance with AS 01.10.-
070(c).

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