

Original sponsor: Poland

Offered: 4/6/77  
Referred: Judiciary

1 IN THE SENATE

BY THE COMMERCE COMMITTEE

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CS FOR SENATE BILL NO. 143

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IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TENTH LEGISLATURE - FIRST SESSION

5

A BILL

6

For an Act entitled: "An Act relating to the licensing of licensed accountants."

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

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\* Section 1. AS 08.04.020 is amended to read:

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Sec. 08.04.020. APPOINTMENT AND QUALIFICATIONS OF BOARD. The board consists of seven members appointed by the governor. Each member shall be a resident of this state for at least one year. Three members shall be certified public accountants, two members shall be public members in accordance with AS 08.01.025, and the remaining members shall be licensed [PUBLIC] accountants. Except for public members, no one may be appointed who does not hold a current certificate or license issued under the laws of this state. Except for public members, no one may be appointed who is not eligible to receive permits under this chapter.

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\* Sec. 2. AS 08.04.270 is amended to read:

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Sec. 08.04.270. LICENSE GRANTED. A license as a licensed [PUBLIC] accountant shall be granted by the board to a person who meets the requirements of secs. 280 - 320 of this chapter.

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\* Sec. 3. AS 08.04.300(a) and (b) are amended to read:

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(a) An applicant shall pass a written examination on subjects the board determines appropriate. The board shall designate the examination in advance as an examination for the license of licensed [PUBLIC] accountant; the board shall use the National Society of Public Accountants' uniform licensed public accountant examination and advisory grading service, if available.

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1 (b) The examination shall be given by the board as often as it  
2 considers desirable but not less than twice [ONCE] a year.

3 \* Sec. 4. AS 08.04.300(c) is repealed and re-enacted to read:

4 (c) The fee for the initial examination and for each reexamination  
5 shall be set by the Department of Commerce and Economic Development in  
6 regulations adopted by it. The department shall establish the manner in  
7 which the fees must be paid.

8 \* Sec. 5. AS 08.04.300 is amended by adding a new subsection to read:

9 (d) An applicant who fails an examination may take as many exam-  
10 inations as he chooses. An applicant who receives a passing grade in  
11 accounting practice or in at least two of the other subjects has the  
12 right to be reexamined in only the remaining subjects at succeeding  
13 examinations within five years after the first examination, if he takes  
14 an examination in the remaining subjects at least once each calendar  
15 year unless excused by the board for good cause. If the applicant  
16 receives a passing grade in the remaining subjects, he has passed the  
17 entire examination.

18 \* Sec. 6. AS 08.04.310 is amended to read:

19 Sec. 08.04.310. USE OF TERM "LICENSED [PUBLIC] ACCOUNTANT". A  
20 person who receives a license as a licensed [PUBLIC] accountant and who  
21 holds a permit issued under secs. 390 - 440 of this chapter, which are  
22 both in effect, shall be known as a licensed [PUBLIC] accountant and may  
23 use the abbreviation "L.A." ["P.A."].

24 \* Sec. 7. AS 08.04.330 is amended to read:

25 Sec. 08.04.330. PARTNERSHIPS OF LICENSED [PUBLIC] ACCOUNTANTS. A  
26 partnership engaged in this state in the practice of public accounting  
27 may register with the board as a partnership of licensed [PUBLIC]  
28 accountants, if it meets the requirements of sec. 340 of this chapter.  
29 In each case the board shall determine whether the applicant is eligible

1 for registration. Application for registration of a partnership shall  
2 be made upon the affidavit of a general partner of the partnership who  
3 is a certified public accountant or licensed [PUBLIC] accountant of this  
4 state in good standing. A partnership which is registered and holds a  
5 permit issued under secs. 390 - 440 of this chapter may use the words  
6 "licensed [PUBLIC] accountants" or the abbreviation "L.A.'s" ["P.A.'S"]  
7 in connection with its partnership name. The partnership shall notify  
8 the board of any change in partners within one month from the date of  
9 the change, and pay a fee of \$5. The board shall prescribe registration  
10 procedure by regulation.

11 \* Sec. 8. AS 08.04.340(1) is amended to read:

12 (1) at least one general partner is a certified public  
13 accountant or licensed [PUBLIC] accountant of this state in good stand-  
14 ing;

15 \* Sec. 9. AS 08.04.350 is amended to read:

16 Sec. 08.04.350. REGISTRATION OF OFFICES. Each office established  
17 or maintained in this state for the practice of public accounting in  
18 this state (1) by a certified public accountant, partnership or cor-  
19 poration of certified public accountants, or (2) by a licensed [PUBLIC]  
20 accountant, partnership or corporation of licensed [PUBLIC] accountants,  
21 shall register annually with the board. No fee may be charged for  
22 registration. The board shall prescribe registration procedure by  
23 regulation.

24 \* Sec. 10. AS 08.04.425(a) and (b) are amended to read:

25 (a) The board shall by regulation prescribe requirements for  
26 continuing education for persons licensed to practice either as certi-  
27 fied public accountants or as licensed accountants under this chapter.  
28 In adopting these regulations, the board may

29 (1) use and rely upon guidelines and pronouncements with

1 respect to continuing education issued by recognized educational and  
2 professional associations in the field; and

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

5 (b) After the expiration of two years immediately following the  
6 effective date of regulations promulgated by the board under (a) of this  
7 section as to certified public accountants and after the expiration of  
8 two years immediately following the effective date of regulations pro-  
9 mulgated by the board under (a) of this section as to licensed accoun-  
10 tants, every application for renewal of a permit to practice as a cer-  
11 tified public accountant by a person who has held a certificate as  
12 certified public accountant for two years or more or for renewal of a  
13 permit to practice as a licensed accountant by a person who has held a  
14 certificate as a licensed account for two years or more shall be accom-  
15 panied or supported by documents or other evidence indicating satis-  
16 faction of the continuing education requirements prescribed by the board  
17 during the two years immediately preceding the application.

18 \* Sec. 11. AS 08.04.440 is amended to read:

19 Sec. 08.04.440. EFFECT OF FAILURE TO OBTAIN PERMIT. Failure of a  
20 person, partnership or corporation to apply for the annual permit to  
21 practice or to pay the annual fee within (1) three years from the ex-  
22 piration date of the permit to practice or annual registration last  
23 obtained or renewed, or (2) three years from the date upon which the  
24 certificate holder or licensee was granted his certificate as a certi-  
25 fied public accountant or license as a licensed [PUBLIC] accountant  
26 deprives him of the right to a permit or annual registration or renewal  
27 of a permit, unless the board determines that the failure is excusable.  
28 In case of excusable failure, the fee shall not exceed three times the  
29 annual fee.

1 \* Sec. 12. AS 08.04.450(7) is amended to read:

2 (7) cancellation, revocation, suspension, or refusal to renew  
3 authority to practice as a certified public accountant or licensed  
4 [PUBLIC] accountant in any other state for any cause other than failure  
5 to pay an annual registration fee;

6 \* Sec. 13. AS 08.04.520 is amended to read:

7 Sec. 08.04.520. INDIVIDUAL POSING AS LICENSED [PUBLIC] ACCOUNTANT.  
8 No person may assume or use the title or designation "licensed [PUBLIC]  
9 accountant" or the abbreviation "L.A." ["P.A."] or any [ANY] other  
10 title, designation, word, letter, abbreviation, sign, card, or device  
11 tending to indicate that he is a licensed [PUBLIC] accountant, unless he  
12 holds a live permit and his offices in this state for the practice of  
13 public accounting are maintained and registered as required by secs.  
14 350 - 380 of this chapter.

15 \* Sec. 14. AS 08.04.530 is amended to read:

16 Sec. 08.04.530. PARTNERSHIP OR CORPORATION POSING AS LICENSED  
17 [PUBLIC] ACCOUNTANT. No partnership or corporation may assume or use  
18 the designation "licensed [PUBLIC] accountant" or the abbreviation  
19 "L.A." ["P.A."] or any other title, designation, word, letter, abbrevia-  
20 tion, sign, card, or device tending to indicate that the partnership or  
21 corporation is composed of licensed [PUBLIC] accountants, unless the  
22 partnership or corporation holds a live permit, is practicing under its  
23 registered name, and its office in this state for the practice of public  
24 accounting is maintained and registered as required by secs. 350 - 380  
25 of this chapter.

26 \* Sec. 15. AS 08.04.540 is amended to read:

27 Sec. 08.04.540. USE OF DECEPTIVE TITLE OR ABBREVIATION. No per-  
28 son, partnership or corporation may assume or use the title or designa-  
29 tion "certified accountant", "chartered accountant", "enrolled accoun-

1 tant", "licensed accountant", "registered accountant", or any other  
2 title or designation likely to be confused with "certified public  
3 accountant" or "licensed [PUBLIC] accountant", or any of the abbrevia-  
4 tions "CA", "EA", "LA", "RA", or similar abbreviations likely to be  
5 confused with "CPA" or "L.A." ["P.A."]; however, a person, partnership  
6 or corporation holding a live permit and whose offices in this state for  
7 the practice of public accounting are maintained and registered as  
8 required by secs. 350 - 380 of this chapter may hold himself or itself  
9 out to the public as an accountant or auditor.

10 \* Sec. 16. AS 08.04.560 is amended to read:

11 Sec. 08.04.560. INDIVIDUAL MAY NOT ASSUME TITLE. No person may  
12 sign or affix his name or any trade or assumed name used by him to any  
13 accounting or financial statement, or opinion or report on any accoun-  
14 ting or financial statement with any wording indicating that he is a  
15 certified public accountant [OR PUBLIC ACCOUNTANT] or with any wording  
16 indicating that he has expert knowledge in accounting or auditing,  
17 unless he holds a live permit as a certified public accountant and his  
18 offices in this state for the practice of public accounting are main-  
19 tained and registered as required by secs. 350 - 380 of this chapter.

20 \* Sec. 17. AS 08.04 is amended by adding a new section to read:

21 Sec. 08.04.565. EFFECT ON EXISTING LICENSES. A person who on the  
22 effective date of this Act held a certificate as a public accountant  
23 issued under the provisions of secs. 270 - 340 of this chapter retains  
24 the rights and privileges granted to public accountants under sec. 560  
25 of this chapter before the effective date of this Act.

26 \* Sec. 18. AS 08.04.600 is amended to read:

27 Sec. 08.04.600. DISCLOSURE OF LACK OF PERMIT. No person, partner-  
28 ship or corporation not holding a live permit may hold himself or itself  
29 out to the public as a certified public accountant or licensed [PUBLIC]

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

9 \* Sec. 19. AS 08.04.610 is amended to read:

10 Sec. 08.04.610. DECEPTIVE USE OF PARTNERSHIP OR CORPORATION TITLE.

11 No person may assume or use the title or designation "certified public  
12 accountant" or "licensed [PUBLIC] accountant" or an abbreviation of  
13 them, in conjunction with a name indicating or implying that there is a  
14 partnership 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, a  
17 sole proprietor or partnership lawfully using the title or designation  
18 "certified public accountant" or "licensed [PUBLIC] accountant" or an  
19 abbreviation of them in conjunction with such names or designation on  
20 April 26, 1960, may continue to do so if the person or partnership  
21 otherwise complies with this chapter.

22 \* Sec. 20. AS 08.04.620 is amended to read:

23 Sec. 08.04.620. EXCEPTIONS. Nothing in this chapter prohibits

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

29 (2) a certified public accountant or licensed [PUBLIC]

1 accountant from indicating that he holds a certificate or license  
2 entitling him to that designation if he holds a valid certificate or  
3 license in any state, but the person shall not indicate that his ser-  
4 vices are available to the public unless he holds a live permit issued  
5 under this chapter;

6 \* Sec. 21. AS 08.04.650 is amended to read:

7 Sec. 08.04.650. SINGLE ACT EVIDENCE OF PRACTICE. The display or  
8 uttering by a person of a card, sign, advertisement or other printed,  
9 engraved, or written instrument or device, bearing a person's name in  
10 conjunction with the words "certified public accountant," or any abbre-  
11 viation thereof, or with the words "licensed [PUBLIC] accountant," or  
12 any abbreviation thereof, or any words or abbreviations likely to be  
13 confused with any of them is prima facie evidence in any action brought  
14 under secs. 630 or 640 of this chapter that the person whose name is  
15 displayed caused the display or uttering of the card, sign, advertis-  
16 ement or written instrument or device, and that the person is holding  
17 himself out to be a certified public accountant or licensed [PUBLIC]  
18 accountant. In any action, evidence of the commission of a single act  
19 prohibited by this chapter is sufficient to justify an injunction or a  
20 conviction without evidence of a general course of conduct.

21 \* Sec. 22. AS 08.04.660 is amended to read:

22 Sec. 08.04.660. OWNERSHIP OF ACCOUNTANT'S WORKING PAPERS. State-  
23 ments, records, schedules, working papers, and memoranda made by a  
24 certified public accountant, licensed [PUBLIC] accountant, or registered  
25 foreign accountant incident to or in the course of professional service  
26 to a client, except reports submitted to a client, are the property of  
27 the accountant, in the absence of an express agreement between the  
28 accountant and the client to the contrary. No statement, record, sched-  
29 ule, working paper, or memorandum may be sold, transferred, or be-

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queathed to a person other than a partner of the accountant without the consent of the client or his personal representative or assignee.