

Original sponsor: Commerce Committee

Offered: 4/23/80  
Referred: Rules

1 IN THE HOUSE

BY THE COMMERCE COMMITTEE

2 CS FOR HOUSE BILL NO. 997 am

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 ELEVENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the regulation of certified public  
7 accountants and continuing the existence of the Board  
8 of Public Accountancy; and providing for an effective  
9 date."

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

11 \* Section 1. AS 08.01.050(a)(19) is amended to read:

12 (19) provide investigative services to the boards established  
13 under AS 08.04, AS 08.20, AS 08.32, AS 08.36, AS 08.64, AS 08.68,  
14 AS 08.71, AS 08.72, AS 08.80, AS 08.84, and AS 08.86, for the purpose of  
15 assisting those boards in matters of professional discipline and in  
16 responding to consumer complaints.

17 \* Sec. 2. AS 08.03.010(c) is amended by adding a new paragraph to read:

18 (2) Board of Public Accountancy (AS 08.04.010) -- June 30,  
19 1984.

20 \* Sec. 3. AS 08.04.010 is amended to read:

21 Sec. 08.04.010. CREATION OF BOARD. There is created the [A BOARD  
22 OF PUBLIC ACCOUNTANCY TO BE KNOWN AS THE ALASKA STATE] Board of Public  
23 Accountancy.

24 \* Sec. 4. AS 08.04.020 is amended to read:

25 Sec. 08.04.020. APPOINTMENT AND QUALIFICATIONS OF BOARD. The  
26 board consists of seven members appointed by the governor. Each member  
27 shall be a resident of this state for at least one year. Five [THREE]  
28 members shall be certified public accountants or public accountants and  
29 [,] two members shall be public members in accordance with AS 08.01.025

1           [, AND THE REMAINING MEMBERS SHALL BE PUBLIC ACCOUNTANTS]. Except for  
2 public members, no one may be appointed who does not hold a current  
3 certificate or license and [ISSUED UNDER THE LAWS OF THIS STATE. EXCEPT  
4 FOR PUBLIC MEMBERS, NO ONE MAY BE APPOINTED] who is not eligible to  
5 receive permits under this chapter. Public members may not be employed  
6 by a person licensed under this chapter or by a business entity holding  
7 a permit under this chapter.

8 \* Sec. 5. AS 08.04.040 is amended to read:

9           Sec. 08.04.040. TERM OF OFFICE. The term of office for each  
10 member of the board is three years [, EXCEPT THAT MEMBERS OF THE FIRST  
11 BOARD APPOINTED SHALL HOLD OFFICE AS FOLLOWS: ONE FOR ONE YEAR, TWO FOR  
12 TWO YEARS, AND TWO FOR THREE YEARS FROM APRIL 26, 1960]. A vacancy  
13 shall be filled by appointment for the unexpired term and all vacancies  
14 shall be filled within 60 days. After the expiration of his term of  
15 office a member continues to serve until his successor is appointed and  
16 qualifies, formally advises the board of acceptance of the appointment,  
17 and appears at the next meeting of the board.

18 \* Sec. 6. AS 08.04.070 is amended by adding new subsections to read:

19           (e) The board shall tape record all board meetings and submit the  
20 tapes to the department with a request that they be kept on file for at  
21 least two years.

22           (f) The board shall adopt a formal statement of goals, objectives  
23 and policies to be reviewed and updated annually.

24           (g) The board shall submit an annual report to the governor con-  
25 taining

26                   (1) a statement of the board's purpose and goals for the  
27 year;

28                   (2) programs planned by the board;

29                   (3) statistics relating to operations, including

- 1 (A) the number of applicants processed;  
2 (B) the number of certificates, licenses, and permits  
3 issued;  
4 (C) the number of persons who pass or fail an examina-  
5 tion; and  
6 (D) the number of complaints received;  
7 (4) significant developments and concerns of the board;  
8 (5) amendments offered and adopted to regulations;  
9 (6) proposed statutory changes;  
10 (7) member participation and appointment status; and  
11 (8) budget information.

12 \* Sec. 7. AS 08.04.260 is amended to read:

13 Sec. 08.04.260. TEMPORARY CERTIFICATE AS CERTIFIED PUBLIC ACCOUNT-  
14 ANT. If an applicant for a certificate as a certified public accountant  
15 meets all the requirements for a certificate and his application is  
16 pending or if he meets all the requirements for a certificate except the  
17 residence requirement, or the requirement that he have a place of busi-  
18 ness in the state or be an employee regularly employed in this state,  
19 the board may issue a temporary certificate as a certified public ac-  
20 countant. The certificate is effective until the board notifies the  
21 applicant that his application has been granted or rejected. A tempo-  
22 rary certificate is effective for a period not exceeding six months.  
23 No fee may be charged for the issuance of a temporary certificate.

24 \* Sec. 8. AS 08.04 is amended by adding a new section to read:

25 Sec. 08.04.345. PREVIOUS LICENSURE. A person holding a valid  
26 license as a public accountant under AS 08.04.270 or a person holding a  
27 valid permit under AS 08.04.390 on June 29, 1980, may continue to prac-  
28 tice under the conditions imposed by statute and regulation on that date  
29 but that person is otherwise subject to this chapter. A license or

1 permit effective under this section may be renewed under conditions  
2 imposed by statute and regulation which were in effect on June 29, 1980,  
3 except that any renewal fee required under this chapter applies.

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

5 Sec. 08.04.350. REGISTRATION OF OFFICES. Each office established  
6 or maintained in this state for the practice of public accounting in  
7 this state (1) by a certified public accountant, partnership or corpora-  
8 tion of certified public accountants, or (2) by a public accountant,  
9 partnership or corporation of public accountants who hold licenses or  
10 permits under AS 08.04.345, shall register annually with the board. No  
11 fee may be charged for registration. The board shall prescribe registra-  
12 tion procedure by regulation.

13 \* Sec. 10. AS 08.04.400 is amended to read:

14 Sec. 08.04.400. PERMIT FOR PARTNERSHIP OR CORPORATE PRACTICE AS A  
15 PUBLIC ACCOUNTANT. The board shall issue a permit to engage in the  
16 practice of public accounting as a partnership or as a corporation to a  
17 partnership or corporation registered under AS 08.04.240 [OR AS 08.04.-  
18 330 - 08.04.340]. The biennial permit fee is \$60. A permit is valid  
19 only for practice under the registered name of the partnership or cor-  
20 poration. A partnership registered under AS 08.04.330 - 08.04.340  
21 on June 29, 1980, qualifies for a permit under this section as long as  
22 each partner personally engaged in the practice of public accounting in  
23 this state holds a license or permit under AS 08.04.345.

24 \* Sec. 11. AS 08.04.430 is amended to read:

25 Sec. 08.04.430. EXPIRATION AND RENEWAL. A permit or registration  
26 under this chapter [AS 08.04.390 - 08.04.420], unless revoked or sus-  
27 pended, shall be renewed biennially upon payment of a renewal fee in the  
28 same amount as the initial biennial fee.

29 \* Sec. 12. AS 08.04.440 is amended to read:

1           Sec. 08.04.440. EFFECT OF FAILURE TO OBTAIN PERMIT. Failure of a  
2 person, partnership or corporation to apply for the annual permit to  
3 practice or to pay the annual fee within (1) three years from the ex-  
4 piration date of the permit to practice or annual registration last  
5 obtained or renewed, or (2) three years from the date upon which the  
6 certificate holder or licensee was granted his certificate as a certi-  
7 fied public accountant or license as a public accountant valid under  
8 AS 08.04.345 deprives him of the right to a permit or annual registra-  
9 tion or renewal of a permit, unless the board determines that the fail-  
10 ure is excusable. In case of excusable failure, the fee shall not  
11 exceed three times the annual fee.

12 \* Sec. 13. AS 08.04.680(1) is amended to read:

13           (1) "board" means the [ALASKA STATE] Board of Public Account-  
14 ancy;

15 \* Sec. 14. AS 08.04.680 is amended by adding a new paragraph to read:

16           (4) "attest function" means the ordinary examination of  
17 financial statements by the certified public accountant or public ac-  
18 countant which results in the report of the certified public accountant  
19 or public accountant; the report of a certified public accountant or a  
20 public accountant is the expression of an opinion or the disclaimer of  
21 an opinion on the fairness with which the financial statement presents  
22 the financial position, results of operations, and changes in financial  
23 position in conformity with generally accepted accounting principles.

24 \* Sec. 15. AS 08.03.010(b)(1); AS 08.04.090, 08.04.220, 08.04.270, 08.04.-  
25 80, 08.04.290, 08.04.300, 08.04.310, 08.04.320, 08.04.330, and 08.04.340 are  
26 repealed.

27 \* Sec. 16. This Act takes effect June 30, 1980.  
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