



# LAWS OF ALASKA

1976

Source

Chapter No.

CSSB 320

147

## AN ACT

Relating to the Accountancy Act; and providing for an effective date.

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

\* Section 1. AS 08.04.190 is amended to read:

Sec. 08.04.190. EXAMINATION FEE. The board shall charge each applicant a fee of \$50 for the initial examination and for each re-examination. The applicant shall pay the fee at the time he applies for examination or re-examination.

\* Sec. 2. AS 08.04.230 is repealed.

\* Sec. 3. AS 08.04.240 is repealed and re-enacted to read: -

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

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

(2) each partner must be a certified public accountant of some state in good standing; and

(3) except as otherwise provided in this chapter, each resident manager in charge of an office of a firm in this state, and each partner personally engaged in this state in the practice of public accounting as a member of that firm must be a certified public accountant of this state in good standing.

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

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

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

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

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

(5) to facilitate compliance with the provisions of this section relating to the ownership of stock, there must be a written agreement binding the corporation or the qualified shareholders to purchase shares offered for sale by, or not under the ownership or effective control of, a qualified shareholder and binding a holder not a qualified shareholder to sell these shares to the corporation or the qualified shareholders; the agreement must be noticed on each certificate of corporate stock; the corporation may purchase any amount of its stock for this purpose, notwithstanding any impairment of capital, so long as one share remains outstanding;

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

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

\* Sec. 4. AS 08.04.250 is repealed.

\* Sec. 5. AS 08.04.300(c) is amended to read:

(c) The board shall charge each applicant a fee of \$50 for an initial examination and for each re-examination. The applicant shall pay the fee at the time he applies for examination or re-examination.

\* Sec. 6. AS 08.04.350 is repealed and re-enacted to read:

Sec. 08.04.350. REGISTRATION OF OFFICES. Each office established or maintained in this state for the practice of public accounting in this state (1) by a certified public accountant, partnership or corporation of certified public accountants, or (2) by a public accountant, partnership or corporation of public accountants, shall register annually with the board. No fee may be charged for registration. The board shall prescribe registration procedure by regulation.

\* Sec. 7. AS 08.04.380 is amended to read:

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

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

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

\* Sec. 8. AS 08.04.390 is amended to read:

Sec. 08.04.390. PERMIT FOR INDIVIDUAL PRACTICE AS A PUBLIC ACCOUNTANT. The board shall issue a permit to engage in the practice of public accounting to a holder of a certificate or license if all offices of the certificate holder or licensee are maintained and registered as required by secs. 350 - 380 of this chapter. The biennial permit fee is \$60.

\* Sec. 9. AS 08.04.400 is amended to read:

Sec. 08.04.400. PERMIT FOR PARTNERSHIP OR CORPORATE PRACTICE AS A PUBLIC ACCOUNTANT. The board shall issue a permit to engage in the practice of public accounting as a partnership or as a corporation to a partnership or corporation registered under secs. 240 or 330 - 340 of this chapter. The biennial permit fee is \$60. A permit is valid only for practice under the registered name of the partnership or corporation.

\* Sec. 10. AS 08.04.410 is amended to read:

Sec. 08.04.410. PERMIT FOR PERSON NOT ENGAGED IN PRACTICE. A person holding a certificate or license not engaged in the practice of public accounting may maintain his certificate or license in good standing by registering with the board and paying an annual registration fee of \$10.

\* Sec. 11. AS 08.04.420 is amended to read:

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

\* Sec. 12. AS 08.04 is amended by adding a new section to read:

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

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

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

(b) After the expiration of two years immediately following the effective date of regulations promulgated by the board under (a) of this section, every application for renewal of a permit to practice as a certified public accountant by a person who has held a certificate as a certified public accountant for two years or more shall be accompanied or supported by documents or other evidence indicating satisfaction of the continuing education requirements prescribed by the board during the two years immediately preceding the application.

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

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

(1) the board shall consider

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

(B) any impediments to interstate practice of public accountancy which may result from differences in continuing education requirements prescribed by other states; and

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

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

(B) in instances of individual hardship.

\* Sec. 13. AS 08.04.440 is amended to read:

Sec. 08.04.440. EFFECT OF FAILURE TO OBTAIN PERMIT. Failure of a person, partnership or corporation to apply for the annual permit to practice or to pay the annual fee within (1) three years from the expiration date of the permit to practice or annual registration last obtained or renewed, or (2) three years from the date upon which the certificate holder or licensee was granted his certificate as a certified public accountant or license as a public accountant deprives him of the right to a permit or annual registration or renewal of a permit, unless the board determines that the failure is excusable. In case of excusable failure, the fee shall not exceed three times the annual fee.

\* Sec. 14. AS 08.04.450 is amended to read:

Sec. 08.04.450. REVOCATION OR SUSPENSION OF CERTIFICATE, LICENSE, REGISTRATION OR PERMIT. The board may revoke or suspend a certificate or license, or may revoke, suspend, or refuse to renew any permit, or may censure any certificate holder, licensee, registrant, or permit holder for

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

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

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

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

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

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

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

(8) suspension or revocation of the right to practice before any state or federal agency; or

(9) [deleted]

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

\* Sec. 15. AS 08.04.470 is amended to read:

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

\* Sec. 16. AS 08.04.480 is amended to read:

Sec. 08.04.480. GROUNDS FOR REVOCATION OR SUSPENSION OF PARTNERSHIP OR CORPORATE PERMIT. The board may revoke or suspend the registration and permit to practice of a partnership or corporation, may revoke, suspend or refuse to renew its permit to practice or may censure the partnership or corporation for any of the causes enumerated in secs. 450 and 460 of this chapter, or for any of the following additional causes:

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

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

(3) the cancellation, revocation, suspension, or refusal to renew the authority of the partnership or any partner or the corporation or a shareholder to practice public accounting in any other state for any cause other than failure to pay an annual registration fee in that state.

\* Sec. 17. AS 08.04.500(b)(2) is repealed.

\* Sec. 18. AS 08.04.510 is amended to read:

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

(b) A partnership or corporation of certified public accountants in good standing in any state, not registered as

a partnership or corporation of certified public accountants under secs. 240 and 250 of this chapter but holding a permit under sec. 420 of this chapter, may use the title or designation "certified public accountants."

- \* Sec. 19. AS 08.04.530 is amended to read:

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

- \* Sec. 20. AS 08.04.540 is repealed and re-enacted to read:

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

- \* Sec. 21. AS 08.04.550 is repealed.

- \* Sec. 22. AS 08.04.590 is amended to read:

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

- \* Sec. 23. AS 08.04.600 is amended to read:

Sec. 08.04.600. DISCLOSURE OF LACK OF PERMIT. No person, partnership or corporation not holding a live permit may hold himself or itself out to the public as a certified public accountant or public accountant by use of such words or abbreviations on any sign, card, letterhead or in any advertisement or directory, without indicating that the person, partnership, or corporation does not hold a permit.

This section does not prohibit (1) an officer, employee, partner, or principal of an organization from describing himself by the position, title, or office which he holds in the organization, (2) an act of a public official or public employee in the performance of his duties, or (3) any person from maintaining a bookkeeping or tax service.

\* Sec. 24. AS 08.04.610 is amended to read:

Sec. 08.04.610. DECEPTIVE USE OF PARTNERSHIP OR CORPORATION TITLE. No person may assume or use the title or designation "certified public accountant" or "public accountant" or an abbreviation of them, in conjunction with a name indicating or implying that there is a partnership or corporation, or in conjunction with the designation "and Company" or "and Co." or any similar designation unless there is a bona fide partnership or corporation registered under that name. However, a sole proprietor or partnership lawfully using the title or designation "certified public accountant" or "public accountant" or an abbreviation of them in conjunction with such names or designation on April 26, 1960, may continue to do so if the person or partnership otherwise complies with this chapter.

\* Sec. 25. AS 08.04.620(1) is amended to read:

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

\* Sec. 26. AS 08.04.690 is amended to read:

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

\* Sec. 27. This Act takes effect immediately in accordance with AS 01.10.070(c).