

Enrolled
House Bill 2079

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CHAPTER

AN ACT

Relating to regulation of accountancy; amending ORS 673.010, 673.040, 673.050, 673.060, 673.075 and 673.100.

Be It Enacted by the People of the State of Oregon:

SECTION 1. ORS 673.010 is amended to read:
673.010. As used in ORS 673.010 to 673.457:

(1) "Attest," "attesting" or "attestation" means the opinion of a licensee as to the reliability or fairness of information that is used for guidance in the financial transactions of, accounting for or assessing the status or performance of, commercial and noncommercial enterprises, whether public or private, following the completion of an audit, in accordance with generally accepted accounting and auditing standards. The board by rule shall further define what constitutes attestation services in conformance, to the extent possible, with professional standards, including but not limited to the Statements on Auditing Standards (SAS) for audits or other engagements, the Statement of Standards for Accounting and Review Services (SSARS) for the review of financial statements and the Statements on Standards for Attestation Engagements (SSAE) for examinations of prospective financial information.

(2) "Board" means the Oregon Board of Accountancy created by ORS 673.410.

(3) "Business organization" means any form of business organization authorized by law, including but not limited to a proprietorship, partnership, corporation, limited liability company, limited liability partnership or professional corporation.

(4) "Certificate" means a certificate of certified public accountant issued under ORS 673.040.

(5) "Client" means a person who agrees with a licensee to receive any professional service from the licensee.

(6) "Commission" means money or other consideration recognized as a commission under rules adopted by the board pursuant to ORS 673.012.

(7) "Compilation" means those services as defined by the board by rule.

(8) "Contingent fee" means a fee established for the performance of any professional service and directly or indirectly paid to a licensee pursuant to an arrangement in which no fee will be charged unless a specified finding or result is attained, or in which the amount of the fee is otherwise dependent upon the finding or result of such service. The board by rule may further define "contingent fee." A fee is not contingent if the fee:

(a) Is fixed by courts or other public authorities; or

(b) In tax matters, is determined based on the results of judicial proceedings or the findings of governmental agencies.

- (9) "License" means:
- (a) A certificate, permit or registration, or a license issued under ORS 673.100, enabling the holder thereof to practice public accountancy in this state; or
 - (b) A certificate, permit, registration or other authorization issued by a jurisdiction outside this state enabling the holder thereof to practice public accountancy in that jurisdiction.
- (10) "Licensee" means the holder of a license under subsection (9)(a) of this section.
- (11) "Manager" means a manager of a limited liability company.
- (12) "Member" means a member of a limited liability company.
- (13) "Peer review" means a study, appraisal or review of one or more aspects of the public accountancy work of a holder of a permit under ORS 673.150 or of a registered business organization that performs attestation or compilation services that is conducted by:
- (a) A certified public accountant who holds an active permit issued under ORS 673.150 or an active license issued by the licensing authority for the practice of public accountancy in another state and who is independent of the permit holder or registered business organization being reviewed; or
 - (b) A public accountant who holds an active permit issued under ORS 673.150 and who is independent of the permit holder or registered business organization being reviewed.
- (14) "Permit" means a permit to practice public accountancy issued under ORS 673.150.
- (15) "Professional" means arising out of or related to the specialized knowledge or skills associated with certified public accountants and public accountants.
- (16) "Public accountant" means a public accountant licensed under ORS 673.100.
- (17) "Referral fee" means a fee recognized as a referral fee under rules adopted by the board pursuant to ORS 673.012.
- (18) "Registration" means the authority issued under ORS 673.160 by the Oregon Board of Accountancy to a business organization to practice public accountancy in this state.
- (19) "Report," when used with reference to attestation or compilation services, means an opinion or other form of written language that states or implies assurance as to the reliability of any financial statements and that also includes or is accompanied by any statement or implication that the person issuing the report has special knowledge or competence in public accountancy. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the issuer is a public accountancy professional or organization or may arise from the language of the report itself.
- (a) "Report" includes any form of written language that:
 - (A) Disclaims an opinion when the form of language implies any positive assurance as to the reliability of the financial statements referred to or special knowledge or competence on the part of the person issuing the language;
 - (B) Implies any positive assurance as to the reliability of the financial statements referred to or special knowledge or competence on the part of the person issuing the language; or
 - (C) Relates to the financial affairs of a person and that is conventionally used by licensees in reports or financial statements.
 - (b) "Report" does not include:
 - (A) The following statement signed by a person who does not hold a certificate, license or permit under ORS 673.010 to 673.457 as long as the statement is not accompanied by any wording indicating the person is an accountant or auditor or any other language prohibited by ORS 673.310 or 673.320:

The accompanying balance sheet (or _____) of XYZ Company as of (date), and the related statements of income (or retained earnings or cash flow) for the year then ended have been prepared by me (us).

The information presented in these financial statements is the representation of management (owners).

(B) Any other financial statements or reports that are not and do not purport to be in compliance with national standards, including but not limited to Statements of Standards for Accounting and Review Services (SSARS) and Statements on Standards for Attestation Engagements (SSAE) adopted by the board by rule, when the statements or reports are issued by persons not otherwise subject to regulation by the board under ORS 673.010 to 673.457.

(20) "State" means any state, territory or insular possession of the United States, and the District of Columbia.

(21) "Substantial equivalency" means a determination by the National Qualification Appraisal Service of the National Association of State Boards of Accountancy that:

(a) The education, examination and experience requirements contained in the statutes and administrative rules of another jurisdiction are equivalent to or exceed the education, examination and experience requirements [of the *Uniform Accountancy Act*] **established under ORS 673.040, 673.050 and 673.060 and adopted by the board by rule under ORS 670.310**; or

(b) An individual's education, examination and experience qualifications are equivalent to or exceed the education, examination and experience requirements [of the *Uniform Accountancy Act*] **established under ORS 673.040, 673.050 and 673.060 and adopted by the board by rule under ORS 670.310**.

SECTION 2. ORS 673.040 is amended to read:

673.040. (1) A certificate of certified public accountant shall be [granted] **issued** to any applicant who meets the requirements of this section and ORS 673.050 and 673.060 and who passes an examination on the code of professional ethics adopted by the Oregon Board of Accountancy.

(2) An applicant for a certificate shall show that after meeting the eligibility requirements for the examination required by ORS 673.050, the applicant has had one year of experience, meeting requirements prescribed by the board by rule, under the direct supervision of a public accountant, certified public accountant or chartered accountant who:

(a) Is licensed and in good standing in this state or another jurisdiction; and

(b) Has been licensed for a minimum period of time set by the board by rule.

(3) The board may issue a certificate to a holder in good standing of a license of certified public accountant **issued by another state or of a chartered accountant certificate** issued [by another state or] by a foreign country **recognized by the board** upon a showing that the holder meets requirements that are substantially equivalent to the education, experience and other requirements that must be satisfied for the issuance of a certificate of certified public accountant under ORS 673.010 to 673.457.

(4) The board shall charge a fee for each application for issuance of a certificate under this section in an amount prescribed by the board by rule.

(5) The board by rule may prescribe:

(a) Information required of applicants regarding the practice of public accountancy outside this state;

(b) Information required of licensees regarding changes in the ability or authority of the licensee to practice public accountancy; and

(c) A period of time within which applicants must satisfy the requirements of this section and ORS 673.050 and 673.060.

(6) Any certified public accountant may also be known as a "public accountant."

SECTION 3. ORS 673.050 is amended to read:

673.050. (1) Except as provided in subsection (2) of this section, a candidate for admission to the examination for a certified public accountant certificate shall[:]

[a] present satisfactory evidence of graduation with a baccalaureate or higher degree from a college or university that is accredited by one of the six regional accrediting associations or by another accrediting body that is recognized by the Oregon Board of Accountancy, and shall have completed 150 or more semester hours or 225 or more quarter hours or the equivalent thereof, in-

cluding courses in the study of accounting, business, economics, finance, written and oral communications and other subjects as determined by the board as appropriate for the accountancy profession[; or]

[(b) Be a public accountant who received a license under ORS 673.100 prior to January 1, 2000].

(2) A person may apply to take the examination for the certificate of certified public accountant *[in order to pass the sections described in ORS 673.100 on which a passing grade must be received before a license as a public accountant may be issued]* **for the purpose of obtaining a license as a public accountant under ORS 673.100** if the person presents satisfactory evidence of graduation from a high school with a four-year course or of having acquired an equivalent education, and has *[had]* **completed** two years of public accountancy experience or the equivalent *[satisfactory to the board]* **that meets the experience requirements established by the board by rule.**

SECTION 4. ORS 673.060 is amended to read:

673.060. (1) A person must pass an examination as a condition of the *[grant]* **issuance** of a certificate of certified public accountant **under ORS 673.040 or of a license as a public accountant under ORS 673.100** by the Oregon Board of Accountancy. The examination shall test the person's knowledge of the subjects of accounting and auditing and other related subjects as the board may determine by rule. The board may contract with a testing service to administer the examination and may contract with any organization, governmental or private, for examination material and services.

(2) A person must pass all sections of the examination in order to qualify for a certificate of certified public accountant and must pass the sections of the examination described in ORS 673.100 (1)(c) to qualify for a license as a public accountant.

(3) The board shall charge each person who applies to take the examination a nonrefundable application fee in an amount determined by the board. The person shall pay the application fee at the time of the application.

(4) If the board contracts with a testing service to administer the examination described in subsection (1) of this section, the testing service shall collect from each person taking the examination all fees that the testing service charges for administering the examination.

SECTION 5. ORS 673.075 is amended to read:

673.075. (1) The Oregon Board of Accountancy may, in accordance with its rules, grant credit to an applicant *[who has successfully completed an examination given by]* **for one or more sections of an examination for which the applicant received passing grades from** the licensing authority in any other state. *[The board may grant credit under this subsection if the applicant has successfully completed an examination in any two or more subjects described in ORS 673.060 or required by the board to be part of the examination in this state.]*

(2) Any examination for which credit is granted an applicant under subsection (1) of this section shall be substantially equivalent to examination requirements described in ORS 673.060.

SECTION 6. ORS 673.100 is amended to read:

673.100. (1) The Oregon Board of Accountancy shall issue a license as a public accountant to a person who applies for the license and who:

(a) Passes an examination on the code of professional ethics adopted by the board;

(b) Meets the requirements of ORS 673.050 for admission to the examination for the certificate of certified public accountant;

(c) Takes the examination for the certificate of certified public accountant pursuant to ORS 673.060 and receives a passing grade in those sections of the examination*[, excluding the auditing section,]* that the board *[by rule requires an applicant for a license as a public accountant to pass]* **may require by rule;** and

(d) Has **at least** one year of public accountancy experience or the equivalent satisfactory to the board.

(2) An applicant for a license as a public accountant must make application on a form provided by the board. The board shall charge each applicant a fee for application in an amount determined by the board by rule.

Passed by House March 5, 2007

Repassed by House April 11, 2007

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Chief Clerk of House

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Speaker of House

Passed by Senate April 9, 2007

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President of Senate

Received by Governor:

.....M,....., 2007

Approved:

.....M,....., 2007

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Governor

Filed in Office of Secretary of State:

.....M,....., 2007

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Secretary of State