

# Senate Bill 182

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## SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Authorizes Oregon Board of Accountancy to grant extension of time for business organizations of certified public accountants or public accountants to comply with ownership requirement for registration with board.

## A BILL FOR AN ACT

Relating to registration requirements of accounting businesses; amending ORS 673.160.

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

**SECTION 1.** ORS 673.160 is amended to read:

673.160. (1) Business organizations of certified public accountants or of public accountants shall register with the Oregon Board of Accountancy if the business organization:

(a) Uses the terms "certified public accountants" or "public accountants" or abbreviations for such terms in this state;

(b) Holds itself out to clients in this state or the public in this state as a business organization engaged in the practice of public accountancy; or

(c) Performs attestation or compilation services in this state.

(2) Nothing in this section shall be construed to require a holder of a permit under ORS 673.150 to register under this section unless the permit holder:

(a) Holds the permit holder out to clients in this state or the public in this state as a business organization composed of more than one licensee; or

(b) Performs attestation or compilation services in this state.

(3) Registrations shall be issued and renewed for periods of not more than two years. Applications for registration shall be made in a form prescribed by the board by rule. Applications for renewal shall be made between the dates prescribed by the board by rule.

(4) The following requirements must be satisfied before a registration may be issued or renewed under this section:

(a)(A) Notwithstanding any other provision of law, a simple majority of the ownership of the business organization, in terms of financial interests and voting rights of all partners, officers, shareholders, members or managers, shall belong to holders of permits or holders of certificates who are licensed in any state, and the partners, officers, shareholders, members or managers of the business organization whose principal place of business is in this state and who perform public accountancy services in this state, shall be holders of permits under ORS 673.150. If a majority of the ownership of the business organization is held by holders of permits who are public accountants holding licenses issued under ORS 673.100, the business organization may not use the name "C.P.A.

**NOTE:** Matter in **boldfaced** type in an amended section is new; matter [*italic and bracketed*] is existing law to be omitted. New sections are in **boldfaced** type.

1 Firm” or any similar name indicating that a majority of the ownership of the firm holds certificates  
2 issued under ORS 673.040[;].

3 **(B) A business organization registered under this section that does not meet the owner-**  
4 **ship requirement specified in subparagraph (A) of this paragraph may request an extension**  
5 **of time to comply with the ownership requirement in accordance with the process for**  
6 **granting an extension for compliance that the board shall adopt by rule.**

7 (b) In the case of a business organization that includes owners who are not holders of permits  
8 under ORS 673.150, a holder of a permit in this state shall be responsible for the management and  
9 proper registration of the business organization[;].

10 (c) All owners of the business organization who are not holders of permits under ORS 673.150  
11 shall be active individual participants in the business organization or affiliated entities[; and].

12 (d) Any person who is responsible for supervising attestation or compilation services and who  
13 signs or authorizes someone to sign the accountant’s report on the financial statements on behalf  
14 of the business organization in this state, shall hold a permit under ORS 673.150 and meet the  
15 competency requirements established by the board by rule.

16 (5) An application for registration or renewal of registration under this section shall:

17 (a) List all states in which the business organization has applied for or holds permits to practice  
18 public accountancy; and

19 (b) Provide evidence that the requirements of subsection (4) of this section are satisfied.

20 (6) Each applicant for registration or renewal under this section and each registrant shall notify  
21 the board in writing, within the time period specified by the board by rule, of:

22 (a) The identities of partners, officers, shareholders, members, managers or owners of the busi-  
23 ness organization who work regularly in this state;

24 (b) The number or location of offices in this state;

25 (c) The identity of the persons in charge of the offices in this state;

26 (d) Any issuance, denial, revocation, lapse or suspension of authority to perform professional or  
27 other services in any jurisdiction against a partner, officer, shareholder, member, manager or owner  
28 of the applicant or registrant that seeks registration or is registered in this state; and

29 (e) The filing of a lawsuit relating to professional services of the business organization, the  
30 commencement of any civil action an essential element of which involves fraud, dishonesty or mis-  
31 representation, or of any criminal action against the applicant or registrant that seeks registration  
32 or is registered in this state or against a partner, officer, shareholder, member, manager or owner  
33 of the applicant or registrant that seeks registration or is registered in this state.

34 (7) The board shall charge a fee for each application for issuance or renewal of registration  
35 under this section in an amount prescribed by the board by rule. A registration under this section  
36 that is not renewed by the close of the registration period may be restored upon payment to the  
37 board of a delinquent renewal fee in an amount determined by the board by rule.

38 (8) Applicants for renewals of registrations under this section shall undergo a peer review as  
39 provided under ORS 673.455, unless the registrant notifies the board that the registrant is exempt  
40 from peer review requirements because the registrant does not perform attestation or compilation  
41 services in this state.

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