

## SENATE AMENDMENTS TO SENATE BILL 748

By COMMITTEE ON BUSINESS, TRANSPORTATION AND WORKFORCE DEVELOPMENT

April 11

1 On page 1 of the printed bill, line 2, after “ORS” delete the rest of the line and line 3 and insert  
2 “673.160, 673.320 and 673.610.”.

3 Delete lines 5 through 29 and delete pages 2 through 4 and insert:

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

5 “673.160. (1) Business organizations of certified public accountants or of public accountants shall  
6 register with the Oregon Board of Accountancy if the business organization:

7 “(a) Uses the terms ‘certified public accountants’ or ‘public accountants’ or abbreviations for  
8 such terms in this state;

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

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

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

14 “(a) Holds the permit holder out to clients in this state or the public in this state as a business  
15 organization composed of more than one licensee **except as authorized by ORS 673.320 (12)**; or

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

17 “(3) Registrations shall be issued and renewed for periods of not more than two years. Applica-  
18 tions for registration shall be made in a form prescribed by the board by rule. Applications for re-  
19 newal shall be made between the dates prescribed by the board by rule.

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

22 “(a) Notwithstanding any other provision of law, a simple majority of the ownership of the  
23 business organization, in terms of financial interests and voting rights of all partners, officers,  
24 shareholders, members or managers, shall belong to holders of permits or holders of certificates who  
25 are licensed in any state, and the partners, officers, shareholders, members or managers of the  
26 business organization whose principal place of business is in this state and who perform public  
27 accountancy services in this state, shall be holders of permits under ORS 673.150. If a majority of  
28 the ownership of the business organization is held by holders of permits who are public accountants  
29 holding licenses issued under ORS 673.100, the business organization may not use the name ‘C.P.A.  
30 Firm’ or any similar name indicating that a majority of the ownership of the firm holds certificates  
31 issued under ORS 673.040;

32 “(b) In the case of a business organization that includes owners who are not holders of permits  
33 under ORS 673.150, a holder of a permit in this state shall be responsible for the management and  
34 proper registration of the business organization;

35 “(c) All owners of the business organization who are not holders of permits under ORS 673.150

1 shall be active individual participants in the business organization or affiliated entities; and

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

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

7 “(a) List all states in which the business organization has applied for or holds permits to prac-  
8 tice public accountancy; and

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

10 “(6) Each applicant for registration or renewal under this section and each registrant shall no-  
11 tify the board in writing, within the time period specified by the board by rule, of:

12 “(a) The identities of partners, officers, shareholders, members, managers or owners of the  
13 business organization who work regularly in this state;

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

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

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

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

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

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

32 “**SECTION 2.** ORS 673.320 is amended to read:

33 “673.320. (1) A person or business organization in this state shall not provide attestation or  
34 compilation services for or issue a report on financial statements of any other person, firm, organ-  
35 ization or governmental unit unless the person or business organization holds a permit or registra-  
36 tion issued under ORS 673.010 to 673.457. The prohibitions of this subsection do not apply to:

37 “(a) An officer, partner, employee, shareholder, member, manager or owner of any firm or or-  
38 ganization affixing that person’s own signature to any statement or report in reference to the fi-  
39 nancial affairs of the firm or organization with wording designating the position, title or office that  
40 the person holds in the firm or organization;

41 “(b) Any act of a public official or employee in the performance of official duties; or

42 “(c) The performance by any person, other than a licensee or registrant, of other services, in-  
43 cluding the preparation of tax returns, management advisory services and the preparation of finan-  
44 cial statements, without the issuance of reports thereon.

45 “(2) Any transmission of financial statements or information using language as specified in ORS

1 673.325 or as adopted by the Oregon Board of Accountancy by rule under this subsection shall not  
2 be considered a report.

3 “(3) A person shall not assume or use the title or designation ‘certified public accountant,’ or  
4 the abbreviation ‘C.P.A.’, or any other title, designation, words, letters, abbreviation, sign, card or  
5 device tending to indicate that the person is a certified public accountant, unless the person holds  
6 a valid certificate of certified public accountant issued under ORS 673.040 and a permit issued pur-  
7 suant to ORS 673.150.

8 “(4) A business organization shall not assume or use the title or designation ‘certified public  
9 accountant,’ or the abbreviation ‘C.P.A.’, or any other title, designation, words, letters, abbreviation,  
10 sign, card or device tending to indicate that the business organization is composed of certified public  
11 accountants unless the business organization is registered under ORS 673.160.

12 “(5) A person shall not assume or use the title or designation ‘public accountant,’ or the ab-  
13 breviation ‘P.A.’, or any other title, designation, words, letters, abbreviation, sign, card or device  
14 tending to indicate that the person is a public accountant unless that person holds a valid license  
15 issued under ORS 673.100 and permit issued under ORS 673.150.

16 “(6) A business organization shall not assume or use the title or designation ‘public  
17 accountant,’ or the abbreviation ‘P.A.’, or any other title, designation, words, letters, abbreviation,  
18 sign, card or device tending to indicate that the business organization is composed of public ac-  
19 countants, unless the business organization is registered under ORS 673.160.

20 “(7) A person or business organization shall not assume or use any title or designation likely  
21 to be confused with the titles ‘certified public accountant’ or ‘public accountant,’ or any abbrevi-  
22 ations likely to be confused with the abbreviations ‘C.P.A.’ or ‘P.A.’, unless the person or business  
23 organization holds a valid permit or registration issued under ORS 673.010 to 673.457. This sub-  
24 section does not restrict the use of any title, designation or abbreviation awarded by institutions  
25 that are recognized by the board by rule.

26 “(8) A person or business organization shall not assume or use any title or designation that in-  
27 cludes the words ‘accountant,’ ‘auditor’ or ‘accounting’ in connection with any other wording, in-  
28 cluding that of a report, that implies that the person or business organization holds a permit or  
29 registration or has special competence as an accountant or auditor, unless the person or business  
30 organization holds a permit or registration issued under ORS 673.010 to 673.457. This subsection  
31 does not prohibit:

32 “(a) A partner, officer, employee, shareholder, member, manager or owner of any firm or or-  
33 ganization from affixing that person’s own signature to any statement or report in reference to the  
34 financial affairs of the firm or organization with wording designating the position, title or office that  
35 the person holds in the firm or organization;

36 “(b) Any act of a public official or employee in the performance of official duties; or

37 “(c) Use of the words ‘accountant’ or ‘accounting’ by a person or business offering services that  
38 are not restricted to a person or business organization holding a license or permit to practice public  
39 accountancy.

40 “(9) A person or business organization holding a permit or registration under ORS 673.010 to  
41 673.457 shall not use a professional or business name or designation that is misleading about the  
42 legal form of the business organization, about the persons who are partners, officers, shareholders,  
43 members, managers or owners of the business organization or about any other matter. The board  
44 by rule may specify the appropriate use by licensees of abbreviations and initials in a professional  
45 or business name. Notwithstanding any provision of this subsection, the names of one or more for-

1 mer partners, shareholders, members or managers may be included in the name of a registered  
2 business organization or its successor.

3 “(10) A person holding a permit issued under ORS 673.150 shall not perform attestation or  
4 compilation services in any business organization that does not hold a valid registration under ORS  
5 673.160.

6 “(11) Subsections (1) to (10) of this section apply to a person or business organization holding  
7 a certification, license, permit, designation or degree granted in another jurisdiction entitling the  
8 holder to engage in the practice of public accountancy or its equivalent in the other jurisdiction  
9 unless:

10 “(a) The activities of the person or business organization in this state are limited to the pro-  
11 vision of professional services to clients in this state, where the clients are residents of, govern-  
12 ments of or business entities in the other jurisdiction in which the person holds the entitlement;

13 “(b) The person or business organization does not provide attestation or compilation services  
14 or issue reports regarding the financial statements of any other persons, organizations or govern-  
15 mental units in this state; and

16 “(c) The person or business organization does not hold out to clients, potential clients or the  
17 public in this state that the person or business organization is licensed or registered under ORS  
18 673.010 to 673.457 and does not use any title or designation other than the one under which the  
19 person or business organization practices in the other jurisdiction, followed by the name of the other  
20 jurisdiction and, if applicable, any translation of the title or designation into the English language.

21 “(12) **Notwithstanding subsection (11) of this section, a person or business organization**  
22 **holding a certification, license, permit, designation or degree granted in another jurisdiction**  
23 **that entitles the holder to engage in the practice of public accountancy as a certified public**  
24 **accountant in the other jurisdiction may prepare, advise or assist in the preparation of tax**  
25 **returns without obtaining a license or registration under ORS 673.010 to 673.457 and may use**  
26 **the title or designation ‘certified public accountant’ or the abbreviation ‘C.P.A.’ in con-**  
27 **nection with tax services described in this subsection as long as the person or business or-**  
28 **ganization does not have an office in this state.**

29 “**SECTION 3.** ORS 673.610 is amended to read:

30 “673.610. ORS 673.605 to 673.740 do not apply to:

31 “(1) Any full or part-time employee hired to fill a permanent position, who in connection with  
32 the duties as an employee has the incidental duty of preparing income tax returns for the business  
33 of the employer only.

34 “(2) Any attorney at law rendering services in the performance of the duties of an attorney at  
35 law.

36 “(3) While acting as such, any fiduciary, or the regular employees thereof, acting on behalf of  
37 the fiduciary estate, the testator, trustor, grantor, or beneficiaries thereof.

38 “(4) [Any] A certified public accountant **who holds an active permit issued by any state,**  
39 **[or] a public accountant holding a valid permit issued under ORS 673.100[,] or a public accounting**  
40 **firm registered [business organization, under ORS 673.010 to 673.457] in any state.**

41 “(5) Any employee of a certified public accountant, public accountant or registered **public ac-**  
42 **counting firm** [business organization] described in subsection (4) of this section.

43 “(6) Any person employed by a local, state or federal governmental agency but only in per-  
44 formance of official duties.”.