

D R A F T

SUMMARY

Changes fee for application for or renewal of permit to practice public accountancy. Changes fee for application for or renewal of registration of business organization of certified public accountants or public accountants.

Declares emergency, effective on passage.

A BILL FOR AN ACT

1
2 Relating to fees for practice of accountancy; creating new provisions;
3 amending ORS 673.150 and 673.160; and declaring an emergency.

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

5 **SECTION 1.** ORS 673.150 is amended to read:

6 673.150. (1) The Oregon Board of Accountancy shall issue biennially a
7 permit to engage in the practice of public accountancy in this state to an
8 applicant who is:

9 (a) A holder of the certificate of certified public accountant issued under
10 ORS 673.040 to 673.075; or

11 (b) A public accountant licensed under ORS 673.100.

12 (2) The board by rule shall cause all permits issued under this section to
13 be renewed biennially.

14 (3) Applications for permits or for renewals of permits may be submitted
15 to the board on a form prescribed by the board within such time periods as
16 the board prescribes by rule. Applications for permits or for renewals of
17 permits must be accompanied by a fee in the amount of [~~\$160~~] \$___.

18 (4) Applications for renewals of permits must be accompanied by evidence
19 satisfactory to the board that the applicant has complied with continuing
20 education requirements under ORS 673.165 unless those requirements have

1 been waived by the board.

2 (5)(a) A permit that is not renewed by the close of the permit period may
3 be restored upon payment to the board of a delinquent renewal fee in an
4 amount determined by the board by rule. A permit that is not renewed within
5 60 days after the close of the permit period for which it was issued or re-
6 newed lapses.

7 (b) The board may restore a lapsed permit upon payment of all past un-
8 paid renewal fees and the delinquent renewal fee.

9 (c) A permit expires if it is not renewed for six years after the close of
10 the permit period. If a permit expires, the licensee's certificate of certified
11 public accountant issued under ORS 673.040 to 673.075 and license as a public
12 accountant issued under ORS 673.100 also expire.

13 (d) The board may restore an expired permit if the board determines that
14 it has just cause to restore the permit.

15 (6) Notwithstanding subsection (3) of this section, the board may by rule
16 prescribe a reduced fee for renewal of permits of those certified public ac-
17 countants and public accountants who have reached the age of 65 years.

18 **SECTION 2.** ORS 673.160 is amended to read:

19 673.160. (1) Business organizations of certified public accountants or of
20 public accountants shall register with the Oregon Board of Accountancy if
21 the business organization:

22 (a) Has an office in this state and:

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

25 (B) Performs attestation or compilation services in this state;

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

28 (c) Does not have an office in this state and performs attestation services
29 described in ORS 673.010 (1)(a), (c) or (d) for a client having an office in this
30 state.

31 (2) This section does not require a holder of a permit under ORS 673.150

1 to register under this section unless the permit holder:

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

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

6 (3)(a) Notwithstanding subsection (1) of this section, a business organ-
7 ization of certified public accountants that does not have an office in this
8 state may perform attestation services described in ORS 673.010 (1)(b) or
9 compilation services for a client in this state and may use the terms “certi-
10 fied public accountants” or “certified public accounting firm,” abbreviations
11 of those terms or any similar title, designation, words or letters without
12 obtaining a registration issued by the board under this section if the business
13 organization:

14 (A) Has the qualifications described in subsection (5) of this section; and

15 (B) Performs the services through a person authorized to practice public
16 accountancy in this state under ORS 673.153.

17 (b) A business organization of certified public accountants that is not a
18 business organization described in subsection (1) of this section or paragraph
19 (a) of this subsection may perform professional services in this state, other
20 than attestation or compilation services, using the terms “certified public
21 accountants” or “certified public accounting firm” or abbreviations of those
22 terms without registering with the board under this section if the business
23 organization:

24 (A) Performs the professional services through a person authorized to
25 practice public accountancy in this state under ORS 673.153; and

26 (B) May lawfully perform the professional services in the state where the
27 principal place of business of the person authorized to practice public
28 accountancy in this state under ORS 673.153 is located.

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

1 dates prescribed by the board by rule.

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

4 (a)(A) Notwithstanding any other provision of law, a simple majority of
5 the ownership of the business organization, in terms of financial interests
6 and voting rights of all partners, officers, shareholders, members or manag-
7 ers, must belong to holders of permits or holders of certificates who are li-
8 censed in any state, and the partners, officers, shareholders, members or
9 managers of the business organization whose principal place of business is
10 in this state and who perform public accountancy services in this state, must
11 be holders of permits under ORS 673.150. If a majority of the ownership of
12 the business organization is held by holders of permits who are public ac-
13 countants holding licenses issued under ORS 673.100, the business organiza-
14 tion may not use the name "C.P.A. Firm" or any similar name indicating that
15 a majority of the ownership of the firm holds certificates issued under ORS
16 673.040.

17 (B) A business organization registered under this section that does not
18 meet the ownership requirement specified in subparagraph (A) of this para-
19 graph may request an extension of time to comply with the ownership re-
20 quirement in accordance with the process for granting an extension for
21 compliance that the board shall adopt by rule.

22 (b) In the case of a business organization that includes owners who are
23 not holders of permits under ORS 673.150, a holder of a permit in this state
24 shall be responsible for the management and proper registration of the
25 business organization.

26 (c) In the case of a business organization required to register under sub-
27 section (1) of this section, a person who is authorized to practice public
28 accountancy in this state under ORS 673.153 is responsible for the manage-
29 ment and proper registration of the business organization.

30 (d) All owners of the business organization who are not licensees must
31 be active individual participants in the business organization or affiliated

1 entities.

2 (e) Any person who is responsible for supervising attestation or compila-
3 tion services and who signs or authorizes someone to sign the accountant's
4 report on the financial statements on behalf of the business organization in
5 this state, must:

6 (A)(i) Hold a permit under ORS 673.150; or

7 (ii) Be authorized to practice public accountancy in this state under ORS
8 673.153; and

9 (B) Meet the competency requirements established in the professional
10 standards adopted by the board by rule under ORS 673.445.

11 (6) An application for registration or renewal of registration under this
12 section shall:

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

15 (b) Provide evidence that the requirements of subsection (5) of this section
16 are satisfied.

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

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

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

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

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

28 (e) The filing of a lawsuit relating to professional services of the business
29 organization, the commencement of any civil action an essential element of
30 which involves fraud, dishonesty or misrepresentation, or of any criminal
31 action against the applicant or registrant that seeks registration or is reg-

1 istered in this state or against a partner, officer, shareholder, member,
2 manager or owner of the applicant or registrant that seeks registration or
3 is registered in this state.

4 (8) The board shall charge a fee for each application for issuance or re-
5 newal of registration under this section in the amount of [~~\$175~~] \$____. A
6 registration under this section that is not renewed by the close of the reg-
7 istration period may be restored upon payment to the board of a delinquent
8 renewal fee in an amount determined by the board by rule.

9 (9) Applicants for renewals of registrations under this section shall un-
10 dergo a peer review as provided under ORS 673.455, unless the registrant
11 notifies the board that the registrant is exempt from peer review require-
12 ments because the registrant does not perform attestation or compilation
13 services in this state.

14 **SECTION 3. (1) The amendments to ORS 673.150 and 673.160 by**
15 **sections 1 and 2 of this 2015 Act become operative on January 1, 2016.**

16 **(2) The Oregon Board of Accountancy may take any action neces-**
17 **sary before the operative date specified in subsection (1) of this section**
18 **to enable the board to exercise, on or after the operative date specified**
19 **in subsection (1) of this section, all the duties, functions and powers**
20 **conferred on the board by the amendments to ORS 673.150 and 673.160**
21 **by sections 1 and 2 of this 2015 Act.**

22 **SECTION 4. This 2015 Act being necessary for the immediate pres-**
23 **ervation of the public peace, health and safety, an emergency is de-**
24 **clared to exist, and this 2015 Act takes effect on its passage.**

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