
MEMORANDUM

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To: General Government Subcommittee

From: Kim To, Legislative Fiscal Office
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Date: Thursday, April 16, 2015

Subject: Senate Bill 581A – Oregon Board of Accountancy Fee Bill
Work Session Recommendations

	2015-17 Biennium	2017-19 Biennium
Other Funds - Revenues	\$403,500	\$717,000

Senate Bill 581 A-Engrossed is the fee bill for the Oregon Board of Accountancy at the request of the Oregon Society of Certified Public Accountants (OSCPA). It reflects the outcome of negotiations between OSCP, the Oregon Association of Independent Accountants (OAIA), and the Board. The bill as amended will help the Board maintain an adequate cash flow and ending fund balance.

The bill proposes to increase:

1. The Individual Active CPA/PA licensure two-year renewal from \$160 to \$255. This \$95 increase impacts about 6,600 active-level individual licensees. Assuming a stable, no-growth trend, this increase is projected to raise \$313,500 in Other Funds revenues for the 2015-17 biennium.
2. The two-year renewal fee for the approximately 1,000 firms registered by the Board from \$175 to \$265. Assuming a stable, no-growth trend, this \$90 increase is projected to raise \$90,000 in Other Funds revenues for the 2015-17 biennium.

SB 581 Final Subcommittee Actions:

Final Motion:

Senator/Representative _____ move that the General Government Subcommittee move SB 581 to the Full Joint Committee on Ways and Means with a “do pass” recommendation.

Assignment of Carriers:

Full: Senator/Representative _____

House: Senator/Representative _____

Senate: Senator/Representative _____

A-Engrossed
Senate Bill 581

Ordered by the Senate March 17
Including Senate Amendments dated March 17

Sponsored by COMMITTEE ON BUSINESS AND TRANSPORTATION (at the request of Oregon Society of Certified Public Accountants)

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.

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; amending ORS 673.150 and
3 673.160; 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 permit to engage in the
7 practice of public accountancy in this state to an applicant who is:

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

9 or

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

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

12 (3) Applications for permits or for renewals of permits may be submitted to the board on a form
13 prescribed by the board within such time periods as the board prescribes by rule. Applications for
14 permits or for renewals of permits must be accompanied by a fee in the amount of [*\$160*] **\$255**.

15 (4) Applications for renewals of permits must be accompanied by evidence satisfactory to the
16 board that the applicant has complied with continuing education requirements under ORS 673.165
17 unless those requirements have been waived by the board.

18 (5)(a) A permit that is not renewed by the close of the permit period may be restored upon
19 payment to the board of a delinquent renewal fee in an amount determined by the board by rule.
20 A permit that is not renewed within 60 days after the close of the permit period for which it was
21 issued or renewed lapses.

22 (b) The board may restore a lapsed permit upon payment of all past unpaid renewal fees and the
23 delinquent renewal fee.

24 (c) A permit expires if it is not renewed for six years after the close of the permit period. If a
25 permit expires, the licensee's certificate of certified public accountant issued under ORS 673.040 to
26 673.075 and license as a public accountant issued under ORS 673.100 also expire.

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

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

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

7 673.160. (1) Business organizations of certified public accountants or of public accountants shall
8 register with the Oregon Board of Accountancy if the business organization:

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

10 (A) Uses the terms “certified public accountants” or “public accountants” or abbreviations for
11 such terms in this state; or

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

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

15 (c) Does not have an office in this state and performs attestation services described in ORS
16 673.010 (1)(a), (c) or (d) for a client having an office in this state.

17 (2) This section does not require a holder of a permit under ORS 673.150 to register under this
18 section unless the permit holder:

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

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

22 (3)(a) Notwithstanding subsection (1) of this section, a business organization of certified public
23 accountants that does not have an office in this state may perform attestation services described in
24 ORS 673.010 (1)(b) or compilation services for a client in this state and may use the terms “certified
25 public accountants” or “certified public accounting firm,” abbreviations of those terms or any simi-
26 lar title, designation, words or letters without obtaining a registration issued by the board under
27 this section if the business organization:

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

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

31 (b) A business organization of certified public accountants that is not a business organization
32 described in subsection (1) of this section or paragraph (a) of this subsection may perform profes-
33 sional services in this state, other than attestation or compilation services, using the terms “certi-
34 fied public accountants” or “certified public accounting firm” or abbreviations of those terms
35 without registering with the board under this section if the business organization:

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

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

41 (4) Registrations shall be issued and renewed for periods of not more than two years. Applica-
42 tions for registration shall be made in a form prescribed by the board by rule. Applications for re-
43 newal shall be made between the dates prescribed by the board by rule.

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

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

11 (B) A business organization registered under this section that does not meet the ownership re-
12 quirement specified in subparagraph (A) of this paragraph may request an extension of time to
13 comply with the ownership requirement in accordance with the process for granting an extension
14 for compliance that the board shall adopt by rule.

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

18 (c) In the case of a business organization required to register under subsection (1) of this sec-
19 tion, a person who is authorized to practice public accountancy in this state under ORS 673.153 is
20 responsible for the management and proper registration of the business organization.

21 (d) All owners of the business organization who are not licensees must be active individual
22 participants in the business organization or affiliated entities.

23 (e) Any person who is responsible for supervising attestation or compilation services and who
24 signs or authorizes someone to sign the accountant's report on the financial statements on behalf
25 of the business organization in this state, must:

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

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

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

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

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

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

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

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

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

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

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

43 (e) The filing of a lawsuit relating to professional services of the business organization, the
44 commencement of any civil action an essential element of which involves fraud, dishonesty or mis-
45 representation, or of any criminal action against the applicant or registrant that seeks registration

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

3 (8) The board shall charge a fee for each application for issuance or renewal of registration
4 under this section in the amount of [~~\$175~~] **\$265**. A registration under this section that is not renewed
5 by the close of the registration period may be restored upon payment to the board of a delinquent
6 renewal fee in an amount determined by the board by rule.

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

11 **SECTION 3. (1) The amendments to ORS 673.150 and 673.160 by sections 1 and 2 of this**
12 **2015 Act become operative on January 1, 2016.**

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

18 **SECTION 4. This 2015 Act being necessary for the immediate preservation of the public**
19 **peace, health and safety, an emergency is declared to exist, and this 2015 Act takes effect**
20 **on its passage.**

21 _____