

1 ENGROSSED SENATE  
2 BILL NO. 2111

By: Burrage and Leftwich of the  
Senate

3 and

4 Jones of the House  
5  
6

7 An Act relating to professions and occupations;  
8 amending 59 O.S. 2001, Sections 15.1A, as last  
9 amended by Section 1, Chapter 45, O.S.L. 2009, 15.8,  
10 as last amended by Section 4, Chapter 45, O.S.L.  
11 2009, 15.9, as last amended by Section 5, Chapter 45,  
12 O.S.L. 2009, 15.11, as last amended by Section 7,  
13 Chapter 45, O.S.L. 2009, 15.12A, as last amended by  
14 Section 9, Chapter 45, O.S.L. 2009, 15.13, as last  
15 amended by Section 10, Chapter 45, O.S.L. 2009,  
16 15.14, as last amended by Section 12, Chapter 45,  
17 O.S.L. 2009, 15.14A, as amended by Section 13,  
18 Chapter 45, O.S.L. 2009, 15.14B, as last amended by  
19 Section 14, Chapter 45, O.S.L. 2009, 15.15, as last  
20 amended by Section 15, Chapter 45, O.S.L. 2009,  
21 15.15A, as last amended by Section 16, Chapter 45,  
22 O.S.L. 2009, 15.24, as last amended by Section 19,  
23 Chapter 45, O.S.L. 2009, 15.25, as last amended by  
24 Section 20, Chapter 45, O.S.L. 2009, and 15.37, as  
last amended by Section 24, Chapter 45, O.S.L. 2009  
(59 O.S. Supp. 2009, Section 15.1A, 15.8, 15.9,  
15.11, 15.12A, 15.13, 15.14, 15.14A, 15.14B, 15.15,  
15.15A, 15.24, 15.25, and 15.37), which relate to  
definitions, examination application, issuance of  
certificates, use of titles, license from another  
state, reciprocity, registration and renewal,  
permits, penalty, annual fee, firm permits,  
suspension, fraud, and audit services; modifying  
language and references; adding definitions to  
Oklahoma Accountancy Act; requiring applicant to pay  
for national criminal history search; requiring CPA  
and PA to make application for certain credential  
within certain time after passing exam; requiring  
certain continuing education hours after failure to  
apply for credential as CPA or PA; authorizing rules  
for waiver of time limits for application upon

1 certain military service and good causes; clarifying  
2 person's title; including license of public  
3 accountant; exempting certain person from  
4 reinstatement; requiring proof of licensure in  
5 certain jurisdictions for firm permit; requiring a  
6 pre-issuance review; requiring national criminal  
7 history search and payment of costs for reinstatement  
8 of license; deleting language; providing an effective  
9 date; and declaring an emergency.

10 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

11 SECTION 1. AMENDATORY 59 O.S. 2001, Section 15.1A, as  
12 last amended by Section 1, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
13 2009, Section 15.1A), is amended to read as follows:

14 Section 15.1A As used in the Oklahoma Accountancy Act:

- 15 1. "Accountancy" means the profession or practice of  
16 accounting;
- 17 2. "AICPA" means the American Institute of Certified Public  
18 Accountants;
- 19 3. "Applicant" means an individual or entity that has made  
20 application to the Board for a certificate, license, or permit and  
21 said application has not been approved;
- 22 4. "Assurance" means independent professional services that  
23 improve the quality of information, or its context, for decision  
24 makers;
- 25 5. "Attest" means providing the following financial statement  
26 services:

- a. any audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS),
- b. any review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS),
- c. any report performed in accordance with the Statements on Standards for Attestation Engagements (SSAE), and
- d. any engagement to be performed in accordance with the Auditing Standards of the Public Company Accounting Oversight Board (PCAOB).

The statements on standards specified in this definition shall be adopted by reference by the Board pursuant to rulemaking and shall be those developed for general application by recognized national accountancy organizations, such as the AICPA, IFAC and the PCAOB;

6. "Audit" can only be performed by an individual or entity who is registered with the Board and holding a valid permit issued pursuant to the Oklahoma Accountancy Act, or an individual granted practice privileges under Section 15.12A of this title, and means a systematic investigation or appraisal of information, procedures, or operations performed in accordance with generally accepted auditing standards in the United States, for the purpose of determining

1 conformity with established criteria and communicating the results  
2 to interested parties;

3 7. "Board" means the Oklahoma Accountancy Board;

4 8. "Candidate" means an individual who has been qualified and  
5 approved by the Board to take an examination for a certificate or  
6 license;

7 9. "Certificate" means the Oklahoma document issued by the  
8 Board to a candidate upon successful completion of the certified  
9 public accountant examination designating the holder as a certified  
10 public accountant pursuant to the laws of Oklahoma. "Certificate"  
11 shall also mean the Oklahoma document issued by reciprocity to an  
12 individual who has previously been certified in another  
13 jurisdiction;

14 10. "Certified public accountant" means any person who has  
15 received a certificate from the Board or other jurisdictions;

16 11. "Client" means the individual or entity which retains a  
17 registrant, an individual granted practice privileges under Section  
18 15.12A of this title, or a firm exempt from the permit and  
19 registration requirements under Section ~~17~~ 15.15C of this ~~act~~ title  
20 to perform professional services;

21 12. "Compilation" when used with reference to financial  
22 statements, means presenting information in the form of financial  
23 statements which is the representation of management or owners  
24 without undertaking to express any assurance on the statements;

1 13. "CPA" or "C.P.A." means certified public accountant;

2 14. "Designated manager" means the individual domiciled in  
3 Oklahoma and appointed by the firm partners or shareholders to be  
4 responsible for the administration of the office;

5 15. "Designee" means the National Association of State Boards  
6 of Accountancy (NASBA) or other entities so designated by the Board;

7 16. "Entity" means an organization whether for profit or not,  
8 recognized by the State of Oklahoma to conduct business;

9 17. "Examination" means the test sections of Auditing and  
10 Attestation, Business Environment and Concepts, Financial Accounting  
11 and Reporting, and Regulation or their successors, administered,  
12 supervised, and graded by, or at the direction of, the Board or  
13 other jurisdiction that is required for a certificate as a certified  
14 public accountant or a license as a public accountant;

15 18. "Executive director" means the chief administrative officer  
16 of the Board;

17 19. "Financial statements" means statements and footnotes  
18 related thereto that undertake to present an actual or anticipated  
19 financial position as of a point in time, or results of operations,  
20 cash flow, or changes in financial position for a period of time, in  
21 conformity with generally accepted accounting principles or another  
22 comprehensive basis of accounting. The term does not include  
23 incidental financial data included in management advisory service  
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1 reports to support recommendations to a client; nor does it include  
2 tax returns and supporting schedules;

3 20. "Firm" means an entity that is either a sole  
4 proprietorship, partnership, professional limited liability company,  
5 professional limited liability partnership, limited liability  
6 partnership or professional corporation, or any other professional  
7 form of organization organized under the laws of the State of  
8 Oklahoma or the laws of another jurisdiction and issued a permit in  
9 accordance with Section 15.15A of this title or exempt from the  
10 permit requirement under Section ~~17~~ 15.15C of this ~~act~~ title,  
11 including individual partners or shareholders, that is engaged in  
12 accountancy;

13 21. "Holding out" means any representation by an individual  
14 that he or she holds a certificate or license and a valid permit, or  
15 by an entity that it holds a valid permit. Any such representation  
16 is presumed to invite the public to rely upon the professional  
17 skills implied by the certificate or license and valid permit in  
18 connection with the services or products offered;

19 22. "Home office" means the location specified by the client as  
20 the address to which a service described in Section 15.12A of this  
21 title is directed;

22 23. "IFAC" means the International Federation of Accountants;

23 24. "Individual" means a human being;

24

1        25. "Jurisdiction" means any state or territory of the United  
2 States and the District of Columbia;

3        26. "License" means the Oklahoma document issued by the Board  
4 to a candidate upon successful completion of the public accountant  
5 examination designating the holder as a public accountant pursuant  
6 to the laws of Oklahoma. "License" shall also mean the Oklahoma  
7 document issued by the Board by reciprocity to a public accountant  
8 who has previously been licensed by examination in another  
9 jurisdiction;

10       27. "Management advisory services", also known as "management  
11 consulting services", "management services", "business advisory  
12 services" or other similar designation, hereinafter collectively  
13 referred to as "MAS", means the function of providing advice and/or  
14 technical assistance, performed in accordance with standards for MAS  
15 engagements and MAS consultations such as those issued by the  
16 American Institute of Certified Public Accountants, where the  
17 primary purpose is to help the client improve the use of its  
18 capabilities and resources to achieve its objectives including but  
19 not limited to:

- 20            a.    counseling management in analysis, planning,  
21                    organizing, operating, risk management and controlling  
22                    functions,

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- 1           b.    conducting special studies, preparing recommendations,  
2                    proposing plans and programs, and providing advice and  
3                    technical assistance in their implementation,  
4           c.    reviewing and suggesting improvement of policies,  
5                    procedures, systems, methods, and organization  
6                    relationships, and  
7           d.    introducing new ideas, concepts, and methods to  
8                    management.

9           MAS shall not include recommendations and comments prepared as a  
10          direct result of observations made while performing an audit,  
11          review, or compilation of financial statements or while providing  
12          tax services, including tax consultations;

13          28.    "NASBA" means the National Association of State Boards of  
14          Accountancy;

15          29.    "PA" or "P.A." means public accountant;

16          30.    "Partnership" means a contractual relationship based upon a  
17          written, oral, or implied agreement between two or more individuals  
18          who combine their resources and activities in a joint enterprise and  
19          share in varying degrees and by specific agreement in the management  
20          and in the profits or losses. A partnership may be general or  
21          limited as the laws of this state define those terms;

22          31.    "PCAOB" means the Public Company ~~Auditing~~ Accounting  
23          Oversight Board;

1 32. "Peer Review" means a review performed pursuant to a set of  
2 peer review rules established by the Board. The term "peer review"  
3 also encompasses the term "quality review";

4 33. "Permit" means the written authority granted annually by  
5 the Board to individuals or firms to practice public accounting in  
6 Oklahoma, which is issued pursuant to the Oklahoma Accountancy Act;

7 34. a. "Practice of public accounting", also known as  
8 "practice public accounting", "practice" and "practice  
9 accounting", refers to the activities of a registrant,  
10 an individual granted practice privileges under  
11 Section 15.12A of this title, or a firm exempt from  
12 the permit and registration requirements under Section  
13 ~~17~~ 15.15C of this ~~act~~ title in reference to  
14 accountancy. An individual or firm shall be deemed to  
15 be engaged in the practice of public accounting if the  
16 individual or firm holds itself out to the public in  
17 any manner as one skilled in the knowledge, science,  
18 and practice of accounting and auditing, taxation and  
19 management advisory services and is qualified to  
20 render such professional services as a certified  
21 public accountant or public accountant, and performs  
22 the following:  
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- 1 (1) maintains an office for the transaction of  
2 business as a certified public accountant or  
3 public accountant,
- 4 (2) offers to prospective clients to perform or who  
5 does perform on behalf of clients professional  
6 services that involve or require an audit,  
7 verification, investigation, certification,  
8 presentation, or review of financial transactions  
9 and accounting records or an attestation  
10 concerning any other written assertion,
- 11 (3) prepares or certifies for clients reports on  
12 audits or investigations of books or records of  
13 account, balance sheets, and other financial,  
14 accounting and related schedules, exhibits,  
15 statements, or reports which are to be used for  
16 publication or for the purpose of obtaining  
17 credit, or for filing with a court of law or with  
18 any governmental agency, or for any other  
19 purpose,
- 20 (4) generally or incidentally to the work described  
21 herein, renders professional services to clients  
22 in any or all matters relating to accounting  
23 procedure and to the recording, presentation, or  
24 certification of financial information or data,

- 1 (5) keeps books, or prepares trial balances,  
2 financial statements, or reports, all as a part  
3 of bookkeeping services for clients,  
4 (6) prepares or signs as the tax preparer, tax  
5 returns for clients, consults with clients on tax  
6 matters, conducts studies for clients on tax  
7 matters and prepares reports for clients on tax  
8 matters, unless the services are uncompensated  
9 and are limited solely to the registrant's, or  
10 the registrant's spouse's lineal and collateral  
11 heirs,  
12 (7) prepares personal financial or investment plans  
13 or provides to clients products or services of  
14 others in implementation of personal financial or  
15 investment plans, or  
16 (8) provides management advisory services to clients.

17 b. Except for an individual granted practice privileges  
18 under Section 15.12A of this title or a firm exempt  
19 from the permit and registration requirements under  
20 Section ~~17~~ 15.15C of this ~~act~~ title, an individual or  
21 firm not holding a certificate, license or permit  
22 shall not be deemed to be engaged in the practice of  
23 public accounting if the individual or firm does not  
24 hold itself out, solicit, or advertise for clients

1 using the certified public accountant or public  
2 accountant designation and engages only in the  
3 following services:

- 4 (1) keeps books, or prepares trial balances,  
5 financial statements, or reports, provided such  
6 instruments do not use the terms "audit",  
7 "audited", "exam", "examined", "review" or  
8 "reviewed" or are not exhibited as having been  
9 prepared by a certified public accountant or  
10 public accountant. Except for an individual  
11 granted practice privileges under Section 15.12A  
12 of this title or a firm exempt from the permit  
13 and registration requirements under Section ~~17~~  
14 15.15C of this ~~act~~ title, nonregistrants may use  
15 the following disclaimer language in connection  
16 with financial statements ~~to not~~ and be in  
17 ~~violation of~~ compliance with the Oklahoma  
18 Accountancy Act: "I (we) have not audited,  
19 examined or reviewed the accompanying financial  
20 statements and accordingly do not express an  
21 opinion or any other form of assurance on them.",  
22 (2) prepares or signs as the tax preparer, tax  
23 returns for clients, consults with clients on tax  
24 matters, conducts studies for clients on tax

1 matters and prepares reports for clients on tax  
2 matters,

3 (3) prepares personal financial or investment plans  
4 or provides to clients products or services of  
5 others in implementation of personal financial or  
6 investment plans, or

7 (4) provides management advisory services to clients.

8 c. Only permit holders, individuals granted practice  
9 privileges under Section 15.12A of this title, or  
10 firms exempt from the permit and registration  
11 requirements under Section ~~17~~ 15.15C of this ~~act~~ title  
12 may render or offer to render any attest service, as  
13 defined herein, or issue a report on financial  
14 statements which purport to be in compliance with the  
15 Statements on Standards for Accounting and Review  
16 Services (SSARS). This restriction shall not prohibit  
17 any act of a public official or public employee in the  
18 performance of that person's duties. This restriction  
19 shall not be construed to prohibit the performance by  
20 any unlicensed individual of other services as set out  
21 in subparagraph b of this paragraph.

22 d. A person is not deemed to be practicing public  
23 accounting within the meaning of this section solely  
24 by displaying an Oklahoma CPA certificate or a PA

1 license in an office, identifying himself or herself  
2 as a CPA or PA on letterhead or business cards, or  
3 identifying himself or herself as a CPA or PA.  
4 However, the designation of CPA or PA on such  
5 letterheads, business cards, public signs,  
6 advertisements, publications directed to clients or  
7 potential clients, or financial or tax documents of a  
8 client constitutes the practice of public accounting  
9 and requires a permit, practice privileges under  
10 Section 15.12A of this title, or an exemption from the  
11 permit and registration requirements under Section ~~17~~  
12 15.15C of this ~~act~~ title;

13 35. "Pre-issuance review" means a review preformed pursuant to  
14 a set of procedures that include review of engagement document,  
15 report, and clients' financial statements in order to permit the  
16 reviewer to assess compliance with all applicable professional  
17 standards;

18 36. "Principal place of business" means the office location  
19 designated by the licensee for the purposes of substantial  
20 equivalency and reciprocity;

21 ~~36.~~ 37. "Professional corporation" means a corporation  
22 organized pursuant to the laws of this state;

23 ~~37.~~ 38. "Professional" means arising out of or related to the  
24 specialized knowledge or skills associated with CPAs or PAs;

1       ~~38.~~ 39. "Public accountant" means any individual who has  
2 received a license from the Board;

3       ~~39.~~ 40. "Public interest" means the collective well-being of  
4 the community of people and institutions the profession serves;

5       ~~40.~~ 41. "Qualification applicant" means an individual who has  
6 made application to the Board to qualify to become a candidate for  
7 examination;

8       ~~41.~~ 42. "Registrant" means a CPA, PA, or firm composed of  
9 certified public accountants or public accountants or combination of  
10 both currently registered with the Board pursuant to the authority  
11 of the Oklahoma Accountancy Act;

12       ~~42.~~ 43. "Report", when used with reference to financial  
13 statements, or specified elements, accounts or items of a financial  
14 statement, means an opinion, report or other form of language that  
15 states or implies assurance as to the reliability of any financial  
16 statements, or specified elements, accounts or items of a financial  
17 statement, and that also includes or is accompanied by any statement  
18 or implication that the person or firm issuing it has special  
19 knowledge or competence in accounting or auditing. Such a statement  
20 or implication of special knowledge or competence may arise from use  
21 by the issuer of the report of names or titles indicating that the  
22 person or firm is an accountant or auditor, or from the language of  
23 the report itself. The term "report" includes any form of language  
24 which disclaims an opinion when such form of language is

1 conventionally understood to imply any positive assurance as to the  
2 reliability of the financial statements referred to and/or special  
3 competence on the part of the person or firm issuing such language;  
4 and it includes any other form of language that is conventionally  
5 understood to imply such assurance and/or such special knowledge or  
6 competence. This definition is not intended to include a report on  
7 financial statements prepared by a person not holding a certificate  
8 or license or not granted practice privileges under Section 15.12A  
9 of this title. However, such report shall not refer to "audit",  
10 "audited", "exam", "examined", "review" or "reviewed", nor use the  
11 language "in accordance with standards established by the American  
12 Institute of Certified Public Accountants" or successor of said  
13 entity, or governmental agency approved by the Board, except for the  
14 Internal Revenue Service. Except for an individual granted practice  
15 privileges under Section 15.12A of this title or a firm exempt from  
16 the permit and registration requirements under Section ~~47~~ 15.15C of  
17 this ~~act~~ title, nonregistrants may use the following disclaimer  
18 language in connection with financial statements ~~to~~ not to be in  
19 violation of the Oklahoma Accountancy Act: "I (we) have not  
20 audited, examined, or reviewed the accompanying financial statements  
21 and accordingly do not express an opinion or any other form of  
22 assurance on them.";

23 ~~43.~~ 44. "Representation" means any oral or written  
24 communication including but not limited to the use of title or

1 legends on letterheads, business cards, office doors,  
2 advertisements, and listings conveying the fact that an individual  
3 or entity holds a certificate, license or permit;

4 ~~44.~~ 45. "Review", when used with reference to financial  
5 statements, means a registrant or an individual granted practice  
6 privileges under Section 15.12A of this title, or a firm exempt from  
7 the permit and registration requirements under Section ~~17~~ 15.15C of  
8 this ~~act~~ title performing inquiry and analytical procedures that  
9 provide the registrant with a reasonable basis for expressing  
10 limited assurance that there are no material modifications that  
11 should be made to the statements in order for them to be in  
12 conformity with generally accepted accounting principles or, if  
13 applicable, with another comprehensive basis of accounting; and

14 ~~45.~~ 46. "Substantial equivalency" is a determination by the  
15 Oklahoma Accountancy Board or its designee that:

- 16 a. the education, examination and experience requirements  
17 contained in the statutes and administrative rules of  
18 another jurisdiction are comparable to, or exceed, the  
19 education, examination and experience requirements  
20 contained in the AICPA/NASBA Uniform Accountancy Act,  
21 or  
22 b. that an individual certified public accountant's or  
23 public accountant's education, examination and  
24 experience qualifications are comparable to or exceed

1 the education, examination and experience requirements  
2 contained in the Oklahoma Accountancy Act and rules of  
3 the Board.

4 In ascertaining substantial equivalency as used in the Oklahoma  
5 Accountancy Act, the Board or its designee shall take into account  
6 the qualifications without regard to the sequence in which  
7 experience, education, or examination requirements were attained.

8 SECTION 2. AMENDATORY 59 O.S. 2001, Section 15.8, as  
9 last amended by Section 4, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
10 2009, Section 15.8), is amended to read as follows:

11 Section 15.8 A. A qualification applicant to qualify as a  
12 candidate for examination shall file an application for  
13 qualification ~~on a form to be~~ in a format approved by the Oklahoma  
14 Accountancy Board. The fee for the qualification application shall  
15 be determined by the Board and shall not exceed Three Hundred  
16 Dollars (\$300.00). Every qualification applicant to qualify as a  
17 candidate for the certificate of certified public accountant or  
18 license of public accountant must be of good moral character, shall  
19 submit to a national criminal history record ~~check~~ search, must be a  
20 resident of this state immediately prior to making application and,  
21 except as otherwise provided in this section, shall meet the  
22 education and experience requirements provided in this section. The  
23 costs associated with the national criminal history records search  
24 shall be paid by the applicant.

1 B. On or after July 1, 1999, every qualification applicant to  
2 qualify as a candidate for examination for the license of public  
3 accountant shall have graduated from an accredited four-year college  
4 or university with a major in accounting or with a nonaccounting  
5 major supplemented by what the Oklahoma Accountancy Board determines  
6 to be the equivalent of an accounting major of any four-year college  
7 or university in this state or any other four-year college or  
8 university recognized by the Board. Such major in accounting or  
9 nonaccounting major shall include satisfactory completion of forty-  
10 eight (48) semester hours, or the equivalent thereof, in accounting  
11 and related subjects. At least thirty (30) semester hours, or the  
12 equivalent thereof, of said forty-eight (48) semester hours, shall  
13 be in accounting courses, at least one of which shall be in  
14 auditing. The remainder of said forty-eight (48) semester hours, or  
15 the equivalent thereof, shall be in said related subjects, which  
16 shall be in any or all of the subjects of economics, statistics,  
17 business law, finance, business management, marketing, business  
18 communication, financial information systems or computer science or  
19 the equivalent of such subjects as determined by the Board.

20 C. On or after July 1, 2003, every qualification applicant to  
21 qualify as a candidate for examination for the certificate of  
22 certified public accountant shall have at least one hundred fifty  
23 (150) semester hours, or the equivalent thereof, of college  
24 education including a baccalaureate or higher degree conferred by a

1 college or university acceptable to the Board from an accredited  
2 four-year college or university in this state or any other  
3 accredited four-year college or university recognized by the Board.  
4 A minimum of seventy-six (76) semester hours must be earned at the  
5 upper-division level of college or above or the equivalent thereof  
6 as determined by the Board; this education requirement shall have  
7 been completed prior to submitting an application to the Board; the  
8 total educational program of the applicant for examination shall  
9 include an accounting concentration or its equivalent as determined  
10 acceptable by the Board which shall include not less than thirty  
11 (30) semester hours, or the equivalent thereof, in accounting  
12 courses above principles of accounting or introductory accounting,  
13 with at least one course in auditing or assurance; the remaining  
14 accounting courses shall be selected from financial accounting,  
15 accounting theory, cost/managerial accounting, federal income tax,  
16 governmental, not\_for\_profit accounting, accounting information  
17 systems, accounting history and other accounting electives; at least  
18 nine (9) semester hours shall be from any or all of the subjects of  
19 economics, statistics, business law, finance, business management,  
20 marketing, business communication, risk management, insurance,  
21 management information systems, or computer science at the upper-  
22 division level of college or above or the equivalent of such  
23 subjects as determined by the Board; all the remaining semester  
24

1 hours, if any, shall be elective but shall be at the upper-division  
2 level of college or above.

3 D. The costs associated with the national criminal history  
4 record check shall be paid by the applicant.

5 SECTION 3. AMENDATORY 59 O.S. 2001, Section 15.9, as  
6 last amended by Section 5, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
7 2009, Section 15.9), is amended to read as follows:

8 Section 15.9 A. Upon payment of appropriate fees, the Oklahoma  
9 Accountancy Board shall grant a certificate or license to any  
10 individual of good character who meets the applicable education,  
11 experience and testing requirements provided for in this section and  
12 in Sections 15.8 and 15.10 of this title. For purposes of this  
13 subsection, good character means an individual who does not have a  
14 history of dishonest acts as demonstrated by documented evidence and  
15 has not been convicted, pled guilty, or pled nolo contendere to a  
16 felony charge. The Board may refuse to grant a certificate or  
17 license to an applicant for failure to satisfy the requirement of  
18 good character. The Board shall provide to the denied applicant  
19 written notification specifying grounds for denial of a certificate  
20 or license including failure to meet the good character criterion.  
21 Appeal of the action of the Board may be made in accordance with the  
22 provisions of the Administrative Procedures Act.

23 B. The Board shall issue certificates as certified public  
24 accountants to those applicants who have met the qualifications

1 required by the provisions of the Oklahoma Accountancy Act and the  
2 applicable rules of the Board, and have passed an examination in  
3 accounting, auditing and related subjects as the Board determines  
4 appropriate with such grades that satisfy the Board that each  
5 applicant is competent to practice as a certified public accountant.

6 C. The Board shall, upon request, issue licenses as public  
7 accountants only to those applicants who shall have qualified and  
8 complied with the provisions of this act and the rules of the Board,  
9 and shall have passed an examination in accounting, auditing, and  
10 other related subjects not to exceed seventy-five percent (75%) of  
11 the CPA Examination subjects with such grades that satisfy the Board  
12 that each applicant is competent to practice as a public accountant.  
13 The subjects examined shall be covered by the same examination, and  
14 grading thereon for passing, as those used by the Board to test  
15 candidates for the certified public accountant's certificate.

16 D. The Board may make use of all or any part of the Uniform  
17 Certified Public Accountant's Examination and any organization that  
18 assists in providing the examination.

19 E. An applicant for initial issuance of a certificate or  
20 license under this section shall show that the applicant has had one  
21 (1) year of experience. Experience shall be defined by the Board by  
22 rule and shall include providing a type of service or advice  
23 involving the use of accounting, attest, compilation, management  
24 advisory, financial advisory, tax or consulting skills, and be

1 satisfied through work experience in government, industry, academia  
2 or public practice, all of which shall be verified by a certificate  
3 or license holder or an individual approved by the Board. Upon  
4 completion of the requirements of Section 15.8 of this title, a  
5 qualified applicant for the examination may take the certified  
6 public accountant or public accountant examination prior to earning  
7 the experience required in this subsection, but shall not be issued  
8 a certificate until the experience requirement has been met.

9 F. On or after July 1, 2005, every applicant for the  
10 certificate of certified public accountant or license of public  
11 accountant shall provide evidence of successful completion of an  
12 ethics examination prescribed by the Board.

13 G. Every applicant for the certificate of certified public  
14 ~~accountancy~~ accountant or license of public accountant shall submit  
15 to a national criminal history record check. The costs associated  
16 with the national criminal history record check shall be paid by the  
17 applicant.

18 H. An individual applying for a certificate as a certified  
19 public accountant must make application for the certificate within  
20 five (5) years of the date the Board notifies the candidate that the  
21 candidate has successfully passed all sections of the C.P.A.  
22 Examination. If the candidate fails to make application for the  
23 certificate within five (5) years, the candidate must provide  
24 documentation showing he or she has completed at least one hundred

1 twenty (120) hours of qualifying continuing public accountancy  
2 education completed within the three-year period immediately  
3 preceding the date the individual applies for certification. The  
4 Board shall establish rules whereby time limits set for application  
5 pursuant to this provision may, upon written application to the  
6 Board, be waived or reduced if the candidate is called to active  
7 military service or becomes incapacitated as a result of illness or  
8 injury or for such other good causes as determined by the Board on a  
9 case-by-case basis.

10 I. An individual applying for a license as a public accountant  
11 must make application for the license within five (5) years of the  
12 date the Board notifies the candidate that the candidate has  
13 successfully passed all sections of the PA Examination. If the  
14 candidate fails to make application for the license within five (5)  
15 years, the candidate must provide documentation showing he or she  
16 has completed at least one hundred twenty (120) hours of qualifying  
17 continuing public accountancy education completed within the three-  
18 year period immediately preceding the date the individual applies  
19 for licensure. The Board shall establish rules whereby time limits  
20 set for application pursuant to this provision may, upon written  
21 application to the Board, be waived or reduced if the candidate is  
22 called to active military service or becomes incapacitated as a  
23 result of illness or injury or for such other good causes as  
24 determined by the Board on a case-by-case basis.

1 SECTION 4. AMENDATORY 59 O.S. 2001, Section 15.11, as  
2 last amended by Section 7, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
3 2009, Section 15.11), is amended to read as follows:

4 Section 15.11 A. No individual, other than as described in  
5 subparagraph d of paragraph 34 of Section 15.1A of this title, shall  
6 assume or use the title or designation "Certified Public Accountant"  
7 or the abbreviation "C.P.A." or any other title, designation, words,  
8 letters, abbreviation, sign, card, or device tending to indicate or  
9 represent that such individual is a certified public accountant,  
10 unless such individual has received a certificate as a certified  
11 public accountant and holds a valid permit issued pursuant to the  
12 provisions of the Oklahoma Accountancy Act or is granted practice  
13 privileges under Section ~~17~~ 15.15C of this ~~act~~ title. All offices  
14 in this state for the practice of public accounting by such  
15 individual shall be maintained and registered as required by the  
16 Oklahoma Accountancy Act.

17 B. No entity shall assume or use the title or designation  
18 "Certified Public Accountant" or the abbreviation "C.P.A." or any  
19 other title, designation, words, letters, abbreviation, sign, card  
20 or device tending to indicate or represent that such entity is  
21 composed of certified public accountants unless such entity is  
22 registered as a firm of certified public accountants and holds a  
23 valid permit issued pursuant to the provisions of the Oklahoma  
24 Accountancy Act or is exempt from the registration and permit

1 requirements under Section ~~17~~ 15.15C of this ~~act~~ title. All offices  
2 in this state for the practice of public accounting by such entity  
3 shall be maintained and registered as required by the Oklahoma  
4 Accountancy Act.

5 C. No individual, other than as described in subparagraph d of  
6 paragraph 34 of Section 15.1A of this title, shall assume or use the  
7 title or designation "Public Accountant" or the abbreviation "P.A."  
8 or any other title, designation, words, letters, abbreviation, sign,  
9 card, or device tending to indicate or represent that such  
10 individual is a public accountant, unless such individual is  
11 licensed as a public accountant, or is a certified public accountant  
12 and holds a valid permit issued pursuant to the provisions of the  
13 Oklahoma Accountancy Act. All offices in this state for the  
14 practice of public accounting by such individual shall be maintained  
15 and registered as required by the Oklahoma Accountancy Act.

16 D. No entity shall assume or use the title or designation  
17 "Public Accountant" or any other title, designation, words, letters,  
18 abbreviation, sign, card, or device tending to indicate or represent  
19 that such entity is composed of public accountants, unless such  
20 entity is registered as a firm of public accountants and holds a  
21 valid permit issued pursuant to the provisions of the Oklahoma  
22 Accountancy Act. All offices in this state for the practice of  
23 public accounting by such entity shall be maintained and registered  
24 as required by the Oklahoma Accountancy Act.

1 E. No individual or entity shall assume or use the title or  
2 designation "Certified Accountant", "Chartered Accountant",  
3 "Enrolled Accountant", "Licensed Accountant", "Registered  
4 Accountant" or any other title or designation which could be  
5 confused with "Certified Public Accountant" or "Public Accountant",  
6 or any of the abbreviations "CA", "EA", except as it relates to the  
7 term "enrolled agent" as defined by the Internal Revenue Service,  
8 "RA", or "LA", or similar abbreviations which could be confused with  
9 "CPA" or "PA"; provided, however, that anyone who holds a valid  
10 permit and whose offices in this state for the practice of public  
11 accounting are maintained and registered as required by the Oklahoma  
12 Accountancy Act or is granted practice privileges under Section  
13 15.12A of this title may hold oneself out to the public as an  
14 "Accountant" or "Auditor".

15 F. No individual or entity not holding a valid permit, not  
16 granted practice privileges under Section 15.12A of this title, or  
17 not exempt from the permit requirement under Section ~~17~~ 15.15C of  
18 this ~~act~~ title shall hold oneself or itself out to the public as an  
19 "Accountant" or "Auditor" by use of either or both of such words on  
20 any sign, card, letterhead, or in any advertisement or directory,  
21 without specifically indicating that such individual or entity does  
22 not hold such a permit. The provisions of this subsection shall not  
23 be construed to prohibit any officer, employee, partner or principal  
24 of any entity from describing oneself by the position, title or

1 office one holds in such organization; nor shall this subsection  
2 prohibit any act of public official or public employee in the  
3 performance of the duties as such.

4 G. Any individual or entity who is registered with the Board  
5 but does not hold a valid permit issued pursuant to the Oklahoma  
6 Accountancy Act may not issue a report on financial statements of  
7 any other person, firm, organization recognized by the State of  
8 Oklahoma, or governmental unit. This prohibition does not apply to  
9 an officer, partner, or employee of any firm or organization  
10 affixing a signature to any statement or report in reference to the  
11 financial affairs of such firm or organization with any wording  
12 designating the position, title, or office that is held therein; nor  
13 prohibit any act of a public official or employee in the performance  
14 of the duties as such.

15 SECTION 5. AMENDATORY 59 O.S. 2001, Section 15.12A, as  
16 last amended by Section 9, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
17 2009, Section 15.12A), is amended to read as follows:

18 Section 15.12A A. 1. An individual whose principal place of  
19 business is not in this state and who holds a valid certificate or  
20 license as a Certified Public ~~Account~~ Accountant or Public  
21 Accountant from any jurisdiction which the Oklahoma Accountancy  
22 Board's designee has verified to be in substantial equivalence to  
23 the Certified Public Accountant and Public Accountant licensure  
24 requirements of the AICPA/NASBA Uniform Accountancy Act shall be

1 presumed to have qualifications substantially equivalent to this  
2 state's requirements and shall have all the privileges of  
3 certificate and license holders of this state without the need to  
4 obtain a certificate, license or permit required under Sections  
5 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title. An individual  
6 who offers or renders professional services, whether in person or by  
7 mail, telephone or electronic means, under this section shall be  
8 granted practice privileges in this state and no notice, fee or  
9 submission shall be provided by any such individual. Such an  
10 individual shall be subject to the requirements in paragraph 3 of  
11 this subsection.

12 2. An individual whose principal place of business is not in  
13 this state who holds a valid certificate or license as a Certified  
14 Public Accountant or Public Accountant from any jurisdiction which  
15 the Oklahoma Accountancy Board's designee has not verified to be in  
16 substantial equivalence to the Certified Public Accountant licensure  
17 requirements of the AICPA/NASBA Uniform Accountancy Act shall be  
18 presumed to have qualifications substantially equivalent to this  
19 state's requirements and shall have all the privileges of  
20 certificate and license holders of this state without the need to  
21 obtain a certificate, license or permit required under Sections  
22 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title. Any individual  
23 who passed the Uniform CPA Examination and holds a valid certificate  
24 or license issued by any other state prior to January 1, 2012, may

1 be exempt from the education requirement of the Uniform Accountancy  
2 Act for purposes of this paragraph. An individual who offers or  
3 renders professional services, whether in person, or by mail,  
4 telephone or electronic means, under this section, shall be granted  
5 practice privileges in this state and no notice, fee or submission  
6 shall be provided by any such individual. Such an individual shall  
7 be subject to the requirements in paragraph 3 of this subsection.

8 3. An individual certificate holder or license holder of  
9 another jurisdiction exercising the privilege afforded under this  
10 section, and any firm which employs that certificate holder or  
11 license holder hereby simultaneously consent, as a condition of the  
12 granting of this privilege:

- 13 a. to the personal and subject matter jurisdiction and  
14 disciplinary authority of the Board,
- 15 b. to comply with the Oklahoma Accountancy Act and the  
16 Board's rules,
- 17 c. that in the event the certificate holder or license  
18 holder from the jurisdiction of the individual's  
19 principal place of business is no longer valid, the  
20 individual will cease offering or rendering  
21 professional services in this state individually or on  
22 behalf of a firm, and
- 23 d. to the appointment of the state board which issued the  
24 certificate or license as the agent upon whom process

1           may be served in any action or proceeding by the Board  
2           against the certificate or license holder.

3           4. A certified public accounting or public accounting firm that  
4 is licensed and has its primary place of business in another state,  
5 does not have an office in this state and does not provide the  
6 professional services described in subparagraphs a, b, and c of  
7 paragraph 5 of this subsection for a client whose home office is in  
8 this state, may practice in this state without a firm license,  
9 permit, or notice to the Board if the firm's practice in this state  
10 is performed by an individual who is licensed in Oklahoma or who has  
11 been granted practice privileges under paragraph 1 or 2 of this  
12 subsection.

13           5. An individual who has been granted practice privileges under  
14 this section who, for any entity with its home office in this state,  
15 performs any of the following services:

- 16           a. any financial statement audit or other engagement to  
17           be performed in accordance with Statements on Auditing  
18           Standards,
- 19           b. any examination of prospective financial information  
20           to be performed in accordance with Statements on  
21           Standards for Attestation Engagements, or
- 22           c. any engagement to be performed in accordance with  
23           Public Company Accounting Oversight Board ~~(PSAOB)~~  
24           (PCAOB) auditing standards,

1 may only do so through a firm which has obtained a permit issued  
2 under Section 15.15A of this title.

3 B. A registrant of this state offering or rendering services or  
4 using the registrant's CPA or PA title in another jurisdiction shall  
5 be subject to disciplinary action in this state for an act committed  
6 in another jurisdiction which would subject the certificate or  
7 license holder to discipline in that jurisdiction. The Board shall  
8 be required to investigate any complaint made by the board of  
9 accountancy of another jurisdiction.

10 SECTION 6. AMENDATORY 59 O.S. 2001, Section 15.13, as  
11 last amended by Section 10, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
12 2009, Section 15.13 ), is amended to read as follows:

13 Section 15.13 A. The Oklahoma Accountancy Board may issue a  
14 certificate or license to an applicant who has been authorized to  
15 practice public accounting as a certified public accountant or  
16 public accountant pursuant to the laws of any jurisdiction if the  
17 applicant passed a test administered for the purpose of authorizing  
18 an individual to practice as a certified public accountant or public  
19 accountant with grades which were equivalent to passing a test for  
20 the same purpose in this state as of the date the applicant  
21 originally passed the examination, and said applicant:

22 1. Meets the requirements for issuance of a certificate or  
23 license in this state on the date of making application;

24

1           2. Met, on the date the certificate or license was issued by  
2 the other jurisdiction, the requirements in effect on that date for  
3 issuance of a certificate or license in this state; or

4           3. Met on the date of becoming a candidate in another  
5 jurisdiction, the requirements of becoming a candidate in the State  
6 of Oklahoma, except for residency.

7           B. In the event an applicant does not meet the requirements of  
8 subsection A of this section, but has passed a test administered for  
9 the purpose of authorizing an individual to practice as a certified  
10 public accountant or public accountant with grades which were  
11 equivalent to passing a test for the same purpose in this state on  
12 the date the applicant passed the examination, the Board may issue a  
13 certificate or license to an applicant if such applicant has four  
14 (4) years of experience practicing public accounting as a certified  
15 public accountant or public accountant pursuant to the laws of any  
16 jurisdiction. Such experience must have occurred within the ten  
17 (10) years immediately preceding the application. Experience  
18 acceptable to satisfy the requirements of this subsection shall be  
19 determined by standards established by the Board.

20           C. An applicant who is seeking a permit to practice under this  
21 section must also provide satisfactory documentation to the Board  
22 that such applicant has met the continuing professional education  
23 requirements, as provided in Section 15.35 of this title, in effect  
24 on the date of the application.

1 D. The Board may issue a certificate or license by reciprocity  
2 to the extent required by treaties entered into by the government of  
3 the United States.

4 E. A fee in the amount equal to the registration fee and permit  
5 fee, if applicable, plus an administrative fee, the total of which  
6 shall not exceed Three Hundred Dollars (\$300.00), shall be paid by  
7 an applicant seeking a certificate or license pursuant to the  
8 provisions of this section. The total amount shall be established  
9 by Board rule.

10 F. On or after July 1, 2005, an applicant for the certificate  
11 of certified public accountant or license of public accountant under  
12 this section shall provide evidence of successful completion of an  
13 ethics examination prescribed by the Board.

14 G. As an alternative to the requirements of subsection A, B or  
15 C of this section, a certificate holder licensed by another  
16 jurisdiction who establishes the certificate holder's principal  
17 place of business in this state shall request the issuance of a  
18 certificate from the Board prior to establishing such principal  
19 place of business. The Board shall issue a certificate to such  
20 person who obtains from the NASBA National Qualification Appraisal  
21 Service verification that such individual's CPA qualifications are  
22 substantially equivalent to the CPA licensure requirements of the  
23 AICPA/NASBA Uniform Accountancy Act.

24

1 H. An applicant for the certificate of certified public  
2 accountant or license of a public accountant under this section  
3 shall submit to a national criminal history record check. The costs  
4 associated with the national criminal history record check shall be  
5 paid by the applicant.

6 SECTION 7. AMENDATORY 59 O.S. 2001, Section 15.14, as  
7 last amended by Section 12, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
8 2009, Section 15.14), is amended to read as follows:

9 Section 15.14 A. In addition to obtaining a certificate or  
10 license, certified public accountants and public accountants, unless  
11 granted practice privileges under Section 15.12A of this title,  
12 shall register with the Oklahoma Accountancy Board and pay a  
13 registration fee.

14 B. Until January 1, 2010, all valid certificates and licenses  
15 ending in an odd number shall expire on July 31 of each odd-numbered  
16 year. All valid certificates and licenses ending in an even number  
17 shall expire on July 31 of each even-numbered year. All such  
18 registrations shall expire on the last day of July and may be  
19 renewed for a period of two (2) years. The Board shall implement  
20 rules for the scheduling of expiration and renewal of certificates  
21 and licenses, including the prorating of fees.

22 C. After the initial registration, renewal of registrations  
23 shall be accomplished by registrants in good standing upon filing of  
24

1 the registration and upon payment of the registration fee. Interim  
2 registration shall be at full rates.

3 D. Effective January 1, 2010, all valid certificates or  
4 licenses shall be renewed based on staggered expiration dates on the  
5 last day of the individuals' birth months. Renewal will be  
6 effective for a twelve-month period. The Board shall implement  
7 rules for the scheduling of expiration and renewal of certificates  
8 and licenses, including the prorating of fees.

9 E. Not less than thirty (30) calendar days before the  
10 expiration of a valid certificate or license, written notice of the  
11 expiration date shall be mailed to the individual holding the valid  
12 certificate or license at the last-known address of such individual  
13 according to the official records of the Board.

14 F. A certificate or license shall be renewed by payment of a  
15 registration renewal fee set by the Board which shall not exceed Two  
16 Hundred Dollars (\$200.00) for each two-year period.

17 1. Upon failure of an individual to pay registration fees on or  
18 before the expiration date, the Board shall notify the individual in  
19 writing by certified mail to the last known address of the  
20 individual, as reflected in the records of the Board, of the  
21 individual's failure to comply with the Oklahoma Accountancy Act.

22 2. A certificate or license granted under authority of the  
23 Oklahoma Accountancy Act shall automatically be revoked if the  
24

1 individual fails to pay registration fees within thirty (30) days  
2 after the expiration date.

3 3. Any individual whose certificate or license is automatically  
4 revoked by this provision may be reinstated by the Board upon  
5 payment of:

6 a. a fee set by the Board which shall not exceed Three  
7 Hundred Dollars (\$300.00) for a renewal within one (1)  
8 year of the due date, or

9 b. a fee set by the Board which shall not exceed Six  
10 Hundred Dollars (\$600.00) for a renewal after the  
11 expiration of a year.

12 However, an individual whose certificate or license has been  
13 expired, surrendered, canceled or revoked for five (5) years or more  
14 may not renew the certificate or license. The individual may obtain  
15 a new certificate or license by complying with the requirements and  
16 procedures, including the examination requirements, for obtaining an  
17 original certificate or license. This provision shall not apply to  
18 an individual who is licensed to practice in another jurisdiction  
19 for the five (5) years prior to reapplication immediately preceding  
20 their application for reinstatement.

21 G. The Board shall establish rules whereby the registration fee  
22 for certified public accountants and public accountants may, upon  
23 written application to the Board, be reduced or waived by the Board  
24 for registrants who have retired upon reaching retirement age, or

1 who have attained the age of sixty-five (65) years, or who have  
2 become disabled to a degree precluding the continuance of their  
3 practice for six (6) months or more prior to the due date of any  
4 renewal fee. The Board shall use its discretion in determining  
5 conditions required for retirement or disability.

6 H. All notifications of criminal arrests or charges,  
7 disciplinary actions by any other jurisdiction or foreign country,  
8 revocation or suspension by enforcement action of any professional  
9 credential and all changes of employment or mailing address shall be  
10 reported to the Board within thirty (30) calendar days of such  
11 changes becoming effective.

12 I. At the direction of the Board, a register of registrants may  
13 be published in any media format the Board considers appropriate for  
14 public distribution.

15 SECTION 8. AMENDATORY 59 O.S. 2001, Section 15.14A, as  
16 amended by Section 13, Chapter 45, O.S.L. 2009 (59 O.S. Supp. 2009,  
17 Section 15.14A ), is amended to read as follows:

18 Section 15.14A A. Before any individual may practice public  
19 accounting or hold himself or herself out as being engaged in the  
20 practice of public accounting as a certified public accountant or  
21 public accountant in this state, such person shall obtain a permit  
22 from the Oklahoma Accountancy Board, unless such person is granted  
23 practice privileges under Section 15.12A of this title. Any  
24 individual, corporation or partnership or any other entity who

1 provides any of the services defined hereinabove as the "practice of  
2 public accounting" without holding a license and permit, or without  
3 holding a certificate and permit holder, shall be assessed a fine  
4 not to exceed Ten Thousand Dollars (\$10,000.00) for each separate  
5 offense, unless such person is granted practice privileges under  
6 Section 15.12A of this title, or such entity is exempt from the  
7 permit and registration requirements of Section ~~17~~ 15.15C of this  
8 act title.

9 B. The Board shall promulgate rules establishing the  
10 qualifications for obtaining a permit to practice public accounting  
11 in this state. Such rules shall include but not be limited to  
12 provisions that:

13 1. Any individual seeking a permit must have a valid  
14 certificate or license;

15 2. Any individual or entity seeking a permit must be registered  
16 pursuant to the provisions of the Oklahoma Accountancy Act;

17 3. Any individual seeking a permit must meet continuing  
18 professional education requirements as set forth by the Oklahoma  
19 Accountancy Act and rules promulgated by the Board; and

20 4. There shall be no examination for obtaining a permit.

21 C. All such individuals shall, upon application and compliance  
22 with the rules establishing qualifications for obtaining a permit  
23 and payment of the fees, be granted an annual permit to practice  
24 public accounting in this state. Until January 1, 2010, all permits

1 issued shall expire on June 30 of each year and may be renewed from  
2 year to year. Effective January 1, 2010, all permits issued shall  
3 be renewed based on staggered expiration dates on the last day of  
4 the ~~individuals'~~ individual's birth ~~months~~ month in conjunction with  
5 the ~~registrants'~~ registrant's certificate or license renewal. The  
6 Board may issue interim permits upon payment of the same fees  
7 required for annual permits.

8 D. Failure to apply for and obtain a permit shall disqualify an  
9 individual from practicing public accounting in this state until  
10 such time as a valid permit has been obtained.

11 E. The Board shall charge a fee for each individual permit not  
12 to exceed One Hundred Dollars (\$100.00).

13 SECTION 9. AMENDATORY 59 O.S. 2001, Section 15.14B, as  
14 last amended by Section 14, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
15 2009, Section 15.14B), is amended to read as follows:

16 Section 15.14B After notice and hearing, the Oklahoma  
17 Accountancy Board may impose any one or more of the penalties  
18 authorized in Section 15.24 of this title on a certified public  
19 accountant or a public accountant for any one or more of the  
20 following causes:

21 1. Fraud or deceit in obtaining a certificate, license,  
22 practice privilege or permit;

23 2. Dishonesty, fraud, or gross negligence in accountancy or  
24 financially related activities;

1           3. Conviction, plea of guilty, or plea of nolo contendere of a  
2 felony in a court of competent jurisdiction of any state or federal  
3 court of the United States if the acts involved would have  
4 constituted a felony under the laws of this state;

5           4. Conviction, plea of guilty, or plea of nolo contendere of  
6 any misdemeanor, an element of which is dishonesty or fraud,  
7 pursuant to the laws of the United States or any jurisdiction if the  
8 acts involved would have constituted a misdemeanor under the laws of  
9 this state;

10          5. Failure to comply with professional standards in the Board's  
11 professional code of conduct to the attest and/or compilation  
12 competency requirement for those who supervise attest and/or  
13 compilation engagements and sign the report on financial statements  
14 or other compilation communications with respect to financial  
15 statements; and

16          6. Violation of any of the provisions of the Oklahoma  
17 Accountancy Act and rules promulgated for its implementation by the  
18 Board.

19           SECTION 10.           AMENDATORY           59 O.S. 2001, Section 15.15, as  
20 last amended by Section 15, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
21 2009, Section 15.15), is amended to read as follows:

22           Section 15.15 A. The Oklahoma Accountancy Board, upon  
23 application, shall grant or register any firm, including sole  
24 proprietorships, seeking to provide public accounting services to

1 the public in this state if such firm demonstrates its  
2 qualifications therefore in accordance with this section. All  
3 firms, except sole proprietorships with an office in this state,  
4 shall pay an annual registration fee not to exceed One Hundred  
5 Dollars (\$100.00). The following must register with the Board under  
6 this section:

7 1. Any firm with an office in this state engaged in the  
8 practice of public accounting or the practice of attest services as  
9 defined in paragraph 5 of Section 15.1A of this title;

10 2. Any firm with an office in this state that uses the title  
11 "CPA", "PA", "CPA firm" or "PA firm"; or

12 3. Any firm that does not have an office in this state but  
13 performs services described in subparagraph a, c, or d of paragraph  
14 5 of Section 15.1A of this title for a client having its home office  
15 in this state.

16 B. All such registrations shall expire on June 30 of each year  
17 and may be renewed annually for a period of one (1) year by  
18 registrants in good standing upon filing the registration and upon  
19 payment of the annual fee not later than June 30 of each year.

20 C. Interim registrations shall be at full rates.

21 D. Upon failure of a firm to pay registration fees on or before  
22 the last day of June, the Board shall notify the firm in writing by  
23 certified mail to the last known address of the firm, as reflected  
24

1 in the records of the Board, of the firm's failure to comply with  
2 the Oklahoma Accountancy Act.

3 E. A registration granted under authority of this section shall  
4 automatically be revoked if the firm fails to renew its registration  
5 on or before June 30.

6 F. A firm whose registration is automatically revoked pursuant  
7 to this section may be reinstated by the Board upon payment of a fee  
8 to be set by the Board which shall not exceed Two Hundred Dollars  
9 (\$200.00).

10 G. An individual who has practice privileges under Section  
11 15.12A of this title who performs services for which firm  
12 registration is required under this section shall not be required to  
13 meet the certificate, license, registration or permit requirements  
14 of Section 15.9, 15.13, 15.13A, 15.14 or 15.14A of this title.

15 SECTION 11. AMENDATORY 59 O.S. 2001, Section 15.15A, as  
16 last amended by Section 16, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
17 2009, Section 15.15A), is amended to read as follows:

18 Section 15.15A A. The Oklahoma Accountancy Board, upon  
19 application, shall issue a permit to practice public accounting to  
20 each firm seeking to provide professional services to the public in  
21 this state except that a firm not required to register with the  
22 Board under paragraph 4 of subsection A of Section 15.12A of this  
23 title shall also not be required to obtain a permit under this  
24

1 section. Renewals of firm permits shall be applied for during the  
2 month of May of each year.

3 B. Applicants for initial firm permits shall provide the Board  
4 with the following information:

5 1. A list of all states in which the firm has applied for or  
6 been issued a permit or its equivalent within the five (5) years  
7 immediately preceding the date of application;

8 2. Relevant details as to a denial, revocation, or suspension  
9 of a permit or its equivalent of the firm, or any partner or  
10 shareholder of the firm ~~other than in this state~~ in any other state  
11 or jurisdiction;

12 3. Documentary proof that the firm has complied with the  
13 requirements of the Oklahoma Office of the Secretary of State  
14 applicable to such entities; and

15 4. Such other information as the Board deems appropriate for  
16 demonstrating that the qualifications of the firm are sufficient for  
17 the practice of public accounting in this state.

18 C. The following changes in a firm affecting the offices in  
19 this state shall be reported to the Board within thirty (30)  
20 calendar days from the date of occurrence:

- 21 1. Changes in the partners or shareholders of the firm;  
22 2. Changes in the structure of the firm;  
23 3. Change of the designated manager of the firm;

24

1 4. Changes in the number or location of offices of the firm;  
2 and

3 5. Denial, revocation, or suspension of certificates, licenses,  
4 permits, or their equivalent to the firm or its partners,  
5 shareholders, or employees other than in this state.

6 D. The Board shall be notified in the event the firm is  
7 dissolved. Such notification shall be made within thirty (30)  
8 calendar days of the dissolution. The Board shall adopt rules for  
9 notice and rules appointing the responsible party to receive such  
10 notice for the various types of firms authorized to receive permits.  
11 Such notice of dissolution shall contain but not be limited to the  
12 following information:

13 1. A list of all partners and shareholders at the time of  
14 dissolution;

15 2. The location of each office of the firm at the time of  
16 dissolution; and

17 3. The date the dissolution became effective.

18 E. The Board shall set a fee of not more than Two Hundred  
19 Dollars (\$200.00) for each initial or renewal firm permit except for  
20 sole proprietorships.

21 F. Each firm seeking a permit to practice accounting as a CPA  
22 firm shall be issued a permit by the Board upon application and  
23 payment of appropriate fees. A firm applying for a permit shall  
24 provide documentary proof to the Board that:

1           1. Each partner or shareholder is engaged in the practice of  
2 public accounting in the United States and is holding a certificate  
3 as a certified public accountant in one or more jurisdictions; and

4           2. Each designated manager of an office in this state is a  
5 holder of a valid Oklahoma certificate and permit to practice as a  
6 certified public accountant.

7           G. Each firm seeking a permit to practice accounting as a PA  
8 firm shall be issued a permit by the Board upon application and  
9 payment of appropriate fees. A firm applying for a permit shall  
10 provide documentary proof to the Board that:

11           1. Each partner or shareholder is engaged in the practice of  
12 public accounting in the ~~State of Oklahoma as public accountants~~  
13 United States and holds a license as a public accountant or  
14 certificate as a certified public accountant in one or more  
15 jurisdictions; and

16           2. Each designated manager of an office in this state has  
17 received an Oklahoma license and permit to practice as a public  
18 accountant or certificate and permit to practice as a certified  
19 public accountant.

20           SECTION 12.           AMENDATORY           59 O.S. 2001, Section 15.24, as  
21 last amended by Section 19, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
22 2009, Section 15.24), is amended to read as follows:

23           Section 15.24 A. In the event an individual, certified public  
24 accountant, public accountant, firm or entity, after proper notice

1 and hearing, is found to have violated one or more provisions of the  
2 Oklahoma Accountancy Act, the Board may impose one or more of the  
3 following penalties on the offending individual, firm or entity:

4 1. Revoke any certificate, license, practice privilege or  
5 permit issued pursuant to the provisions of the Oklahoma Accountancy  
6 Act;

7 2. Suspend any certificate, license, practice privilege or  
8 permit for not more than five (5) years, subject to such terms,  
9 conditions, or limitations as deemed appropriate by the Board;

10 3. Reprimand a registrant, an individual granted practice  
11 privileges under Section 15.12A of this title, or a firm exempt from  
12 the permit and registration requirements under Section ~~17~~ 15.15C of  
13 this ~~act~~ title;

14 4. Place a registrant, an individual granted practice  
15 privileges under Section 15.12A of this title, or a firm exempt from  
16 the permit and registration requirements under Section ~~17~~ 15.15C of  
17 this ~~act~~ title on probation for a specified period of time, which  
18 may be shortened or lengthened, as the Board deems appropriate;

19 5. Limit the scope of practice of a registrant, an individual  
20 granted practice privileges under Section 15.12A of this title, or a  
21 firm exempt from the permit and registration requirements under  
22 Section ~~17~~ 15.15C of this ~~act~~ title;

23 6. Deny renewal of a permit;

24

1        7. Require ~~an~~ a pre-issuance review or accelerated peer review  
2 of the registrant, subject to such procedures, as the Board deems  
3 appropriate;

4        8. Require successful completion of continuing professional  
5 educational programs deemed appropriate;

6        9. Assess a fine not to exceed Ten Thousand Dollars  
7 (\$10,000.00) for each separate offense; and

8        10. Require the registrant, individual or entity to pay all  
9 costs incurred by the Board as a result of hearings conducted  
10 regarding accountancy actions of the registrant, individual, or  
11 entity, including, but not limited to, attorney fees, investigation  
12 costs, hearing officer costs, renting of special facilities costs,  
13 and court reporter costs.

14        B. Upon application in writing, the Board may reinstate a  
15 certificate, license, practice privilege or permit which has been  
16 revoked, or may modify, upon good cause as to why ~~said~~ the  
17 individual or entity should be reinstated, the suspension of any  
18 certificate, license, practice privilege or permit.

19        C. Before reinstating or terminating the suspension of a  
20 certificate, license, practice privilege or permit, or as a  
21 condition to such reinstatement or termination, the Board may  
22 require the applicant to show successful completion of specified  
23 continuing professional education courses.

24

1 D. Before reinstating or terminating the suspension of a  
2 certificate, license, practice privilege or permit, or as a  
3 condition to such reinstatement or termination, the Board may make  
4 the reinstatement of a certificate, license, or permit conditional  
5 and subject to satisfactory completion of a peer review conducted in  
6 such fashion as the Board may specify.

7 E. Before reinstating or terminating the suspension of a  
8 certificate or license or as a condition to such reinstatement or  
9 termination, the Board may require the applicant to submit to a  
10 national criminal history records search. The costs associated with  
11 the national criminal history records search shall be paid by the  
12 applicant.

13 F. The provisions of this section shall not be construed to  
14 preclude the Board from entering into any agreement to resolve a  
15 complaint prior to a formal hearing or before the Board enters a  
16 final order.

17 ~~F.~~ G. All monies, excluding costs, collected from civil  
18 penalties authorized in this section, such penalties being  
19 enforceable in the district courts of this state, shall be deposited  
20 with the State Treasurer to be paid into the General Revenue Fund of  
21 the state.

22 SECTION 13. AMENDATORY 59 O.S. 2001, Section 15.25, as  
23 last amended by Section 20, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
24 2009, Section 15.25), is amended to read as follows:

1 Section 15.25 Any individual or entity who:

2 1. Represents himself, herself or itself as having received a  
3 certificate, license, or permit and otherwise presents himself,  
4 herself or itself to the public as having specialized knowledge or  
5 skills associated with CPAs and PAs without having received such  
6 certificate, license, or permit; or

7 2. Continues to use such title or designation after such  
8 certificate, license, or permit has been recalled, revoked,  
9 surrendered, canceled, or suspended or refuses to surrender such  
10 certificate, license, or permit; or

11 3. Falsely represents himself, herself or itself as being a CPA  
12 or licensed as a public accountant, or firm of CPAs or licensed  
13 public accountants, or who incorrectly designates the character of  
14 the certificate, license or permit which he, she or it holds; or

15 4. Otherwise violates any of the provisions of the Oklahoma  
16 Accountancy Act,  
17 upon conviction shall be deemed guilty of a misdemeanor.

18 Provided, however, that an individual granted practice  
19 privileges under Section 15.12A of this title, or a firm exempt from  
20 the permit and registration requirements under Section ~~17~~ 15.15C of  
21 this ~~act~~ title may hold out as a CPA or a firm of CPAs,  
22 respectively, without violation of this section.

1 SECTION 14. AMENDATORY 59 O.S. 2001, Section 15.37, as  
2 last amended by Section 24, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
3 2009, Section 15.37), is amended to read as follows:

4 Section 15.37 ~~From and after June 24, 1971, no~~ No ordinance,  
5 trust or other legal instrument shall provide for any audit services  
6 to be performed other than by a registrant holding a valid permit or  
7 an individual granted practice privileges under Section 15.12A of  
8 this title.

9 SECTION 15. This act shall become effective July 1, 2010.

10 SECTION 16. It being immediately necessary for the preservation  
11 of the public peace, health and safety, an emergency is hereby  
12 declared to exist, by reason whereof this act shall take effect and  
13 be in full force from and after its passage and approval.

14 Passed the Senate the 23rd day of February, 2010.

15

16

\_\_\_\_\_  
Presiding Officer of the Senate

17

18 Passed the House of Representatives the \_\_\_\_ day of \_\_\_\_\_,  
19 2010.

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21

\_\_\_\_\_  
Presiding Officer of the House  
of Representatives

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