

**THE HOUSE OF REPRESENTATIVES**  
Thursday, February 12, 2009

**House Bill No. 1779**

HOUSE BILL NO. 1779 - By: JONES AND JACKSON of the House and BURRAGE of the Senate.

An Act relating to professions and occupations; amending 59 O.S. 2001, Sections 15.1A, as last amended by Section 2, Chapter 125, O.S.L. 2004, 15.5, as amended by Section 5, Chapter 125, O.S.L. 2004, 15.6A, 15.8 and 15.9, as last amended by Sections 6, 8 and 9, Chapter 125, O.S.L. 2004, 15.10A and 15.11, as amended by Sections 11 and 12, Chapter 125, O.S.L. 2004, 15.12, as last amended by Section 13, Chapter 125, O.S.L. 2004, Section 8, Chapter 312, O.S.L. 2002, as amended by Section 14, Chapter 125, O.S.L. 2004 and 15.13, as last amended by Section 15, Chapter 125, O.S.L. 2004, Section 16, Chapter 125, O.S.L. 2004, 15.14, as last amended by Section 17, Chapter 125, O.S.L. 2004, 15.14A, 15.14B, as amended by Section 18, Chapter 125, O.S.L. 2004, 15.15 and 15.15A, as last amended by Sections 19 and 20, Chapter 125, O.S.L. 2004, 15.23, as amended by Section 13, Chapter 312, O.S.L. 2002, 15.24, 15.25 and 15.27, as amended by Sections 22, 23 and 25, Chapter 125, O.S.L. 2004, 15.35, as last amended by Section 30, Chapter 125, O.S.L. 2004, 15.36 and 15.37, as amended by Sections 31 and 32, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Sections 15.1A, 15.5, 15.6A, 15.8, 15.9, 15.10A, 15.11, 15.12, 15.12A, 15.13, 15.13A, 15.14, 15.14B, 15.15, 15.15A, 15.23, 15.24, 15.25, 15.27, 15.35, 15.36 and 15.37), which relate to the Oklahoma Accountancy Act; modifying definitions; providing for definitions; providing certain authority for the executive director; allowing the Board to disclose certain information; modifying certain qualification for applicants; modifying the issuance of certificates; modifying examination fees; modifying use of titles; providing exceptions; modifying out-of-state license and reciprocity; providing alternative to certain requirements; providing for criminal history record check; modifying registration requirements; modifying permit requirements; modifying partnerships of certain accountants; providing exception for certain firms; modifying hearings; modifying penalties; modifying violations; modifying cease and desist order; modifying continuing education requirements; modifying persons entitled to perform required audits; providing for codification; and providing an effective date.

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

1 SECTION 1. AMENDATORY 59 O.S. 2001, Section 15.1A, as last amended by  
2 Section 2, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.1A), is amended to  
3 read as follows:

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

5 1. "Accountancy" means the profession or practice of accounting;

6 2. "AICPA" means the American Institute of Certified Public Accountants;

7 3. "Applicant" means an individual or entity that has made application to the  
8 Board for a certificate, license, or permit ~~or an individual who has made application to~~  
9 ~~take the examination~~ and said application has not been approved;

10 4. "Assurance" means independent professional services that improve the quality of  
11 information, or its context, for decision makers;

12 5. "Attest" means providing the following financial statement services:

13 a. any audit or other engagement to be performed in accordance with  
14 ~~generally accepted auditing standards~~ the Statements on Auditing  
15 Standards (SAS),

16 b. any review of a financial statement to be performed in accordance with  
17 the Statements on Standards for Accounting and Review Services  
18 (SSARS), ~~and~~

19 c. any report performed in accordance with the Statements on Standards  
20 for Attestation Engagements (SSAE), and

1           d.     any engagement to be performed in accordance with the Auditing  
2                     Standards of the Public Company Accounting Oversight Board  
3                     (PCAOB).

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

8           6. “Audit” can only be performed by an individual or entity who is registered with  
9 the Board and holding a valid permit issued pursuant to the Oklahoma Accountancy Act,  
10 or an individual granted practice privileges under Section 15.12A of this title, and means  
11 a systematic investigation or appraisal of information, procedures, or operations  
12 performed in accordance with generally accepted auditing standards in the United  
13 States, for the purpose of determining conformity with established criteria and  
14 communicating the results to interested parties;

15           7. “Board” means the Oklahoma Accountancy Board;

16           8. “Candidate” means an individual who has been qualified and approved by the  
17 Board to take an examination for a certificate or license;

18           9. “Certificate” means the Oklahoma document issued by the Board to a candidate  
19 upon successful completion of the certified public accountant examination designating  
20 the holder as a certified public accountant pursuant to the laws of Oklahoma.

21 “Certificate” shall also mean the Oklahoma document issued by reciprocity to an  
22 individual who has previously been certified in another jurisdiction;

1           10. “Certified public accountant” means any person who has received a certificate  
2 from the Board or other jurisdictions;

3           11. “Client” means the individual or entity which retains a registrant, an individual  
4 granted practice privileges under Section 15.12A of this title, or a firm exempt from the  
5 permit and registration requirements under Section 17 of this act to perform professional  
6 services;

7           12. “Compilation” when used with reference to financial statements, means  
8 presenting information in the form of financial statements which is the representation of  
9 management or owners without undertaking to express any assurance on the  
10 statements;

11           13. “CPA” or “C.P.A.” means certified public accountant;

12           14. “Designated manager” means the individual domiciled in Oklahoma and  
13 appointed by the firm partners or shareholders to be responsible for the administration  
14 of the office;

15           15. “Designee” means the National Association of State Boards of Accountancy  
16 (NASBA), ~~American Institute of Certified Public Accountants (AICPA) or other~~  
17 ~~professional bodies approved as acceptable to the Board to provide a qualification~~  
18 ~~appraisal in determining whether any jurisdiction’s qualifications for certificate or~~  
19 ~~license are substantially equivalent to Oklahoma’s requirements~~ or other entities so  
20 designated by the Board;

21           16. “Entity” means an organization whether for profit or not, recognized by the  
22 State of Oklahoma to conduct business;

1           17. “Examination” means the test sections of Auditing and Attestation, Business  
2 Environment and Concepts, Financial Accounting and Reporting and Regulation or their  
3 successors, administered, supervised, and graded by, or at the direction of, the Board or  
4 other jurisdiction that is required for a certificate as a certified public accountant or a  
5 license as a public accountant;

6           18. “Executive director” means the chief administrative officer of the Board;

7           19. “Financial statements” means statements and footnotes related thereto that  
8 undertake to present an actual or anticipated financial position as of a point in time, or  
9 results of operations, cash flow, or changes in financial position for a period of time, in  
10 conformity with generally accepted accounting principles or another comprehensive basis  
11 of accounting. The term does not include incidental financial data included in  
12 management advisory service reports to support recommendations to a client; nor does it  
13 include tax returns and supporting schedules;

14           20. “Firm” means an entity that is either a sole proprietorship, partnership,  
15 professional limited liability company, professional limited liability partnership, limited  
16 liability partnership or professional corporation, or any other professional form of  
17 organization ~~recognized by~~ organized under the laws of the State of Oklahoma or the  
18 laws of another jurisdiction and issued a permit in accordance with Section 15.15A of this  
19 title or exempt from the permit requirement under Section 17 of this act, including  
20 individual partners or shareholders, that is engaged in accountancy;

21           21. “Holding out” means any representation by an individual that he or she holds a  
22 certificate or license and a valid permit, or by an entity that it holds a valid permit. Any

1 such representation is presumed to invite the public to rely upon the professional skills  
2 implied by the certificate or license and valid permit in connection with the services or  
3 products offered;

4 22. “Home office” means the location specified by the client as the address to which  
5 a service described in Section 15.12A of this title is directed;

6 23. “IFAC” means the International Federation of Accountants;

7 24. “Individual” means a human being;

8 ~~23.~~ 25. “Jurisdiction” means any state or territory of the United States and the  
9 District of Columbia;

10 ~~24.~~ 26. “License” means the Oklahoma document issued by the Board to a  
11 candidate upon successful completion of the public accountant examination designating  
12 the holder as a public accountant pursuant to the laws of Oklahoma. “License” shall also  
13 mean the Oklahoma document issued by the Board by reciprocity to a public accountant  
14 who has previously been licensed by examination in another jurisdiction;

15 ~~25.~~ 27. “Management advisory services”, also known as “management consulting  
16 services”, “management services”, “business advisory services” or other similar  
17 designation, hereinafter collectively referred to as “MAS”, means the function of  
18 providing advice and/or technical assistance, performed in accordance with standards for  
19 MAS engagements and MAS consultations such as those issued by the American  
20 Institute of Certified Public Accountants, where the primary purpose is to help the client  
21 improve the use of its capabilities and resources to achieve its objectives including but  
22 not limited to:

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

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

12 ~~26. 28.~~ 28. “NASBA” means the National Association of State Boards of Accountancy;

13 ~~27. 29.~~ 29. “PA” or “P.A.” means public accountant;

14 ~~28. 30.~~ 30. “Partnership” means a contractual relationship based upon a written, oral,  
15 or implied agreement between two or more individuals who combine their resources and  
16 activities in a joint enterprise and share in varying degrees and by specific agreement in  
17 the management and in the profits or losses. A partnership may be general or limited as  
18 the laws of this state define those terms;

19 ~~29. 31.~~ 31. “PCAOB” means the Public Company Auditing Oversight Board;

20 32. “Peer Review” means a review performed pursuant to a set of peer review rules  
21 established by the Board. The term “peer review” also encompasses the term “quality  
22 review”;



1 review of financial transactions and accounting records or an  
2 attestation concerning any other written assertion,  
3 (3) prepares or certifies for clients reports on audits or  
4 investigations of books or records of account, balance sheets, and  
5 other financial, accounting and related schedules, exhibits,  
6 statements, or reports which are to be used for publication or for  
7 the purpose of obtaining credit, or for filing with a court of law  
8 or with any governmental agency, or for any other purpose,  
9 (4) generally or incidentally to the work described herein, renders  
10 professional services to clients in any or all matters relating to  
11 accounting procedure and to the recording, presentation, or  
12 certification of financial information or data,  
13 (5) keeps books, or prepares trial balances, financial statements, or  
14 reports, all as a part of bookkeeping services for clients,  
15 (6) prepares or signs as the tax preparer, tax returns for clients,  
16 consults with clients on tax matters, conducts studies for clients  
17 on tax matters and prepares reports for clients on tax matters,  
18 unless the services are uncompensated and are limited solely to  
19 the registrant's, or the registrant's spouse's lineal and collateral  
20 heirs,

- 1 (7) prepares personal financial or investment plans or provides to  
2 clients products or services of others in implementation of  
3 personal financial or investment plans, or  
4 (8) provides management advisory services to clients.
- 5 b. ~~An~~ Except for an individual granted practice privileges under Section  
6 15.12A of this title or a firm exempt from the permit and registration  
7 requirements under Section 17 of this act, an individual or firm not  
8 holding a certificate, license or permit shall not be deemed to be  
9 engaged in the practice of public accounting if the individual or firm  
10 does not hold itself out, solicit, or advertise for clients using the  
11 certified public accountant or public accountant designation and  
12 engages only in the following services:
- 13 (1) keeps books, or prepares trial balances, financial statements, or  
14 reports, provided such instruments do not use the terms “audit”,  
15 “audited”, “exam”, “examined”, “review” or “reviewed” or are not  
16 exhibited as having been prepared by a certified public  
17 accountant or public accountant. ~~Nonregistrants~~ Except for an  
18 individual granted practice privileges under Section 15.12A of  
19 this title or a firm exempt from the permit and registration  
20 requirements under Section 17 of this act, nonregistrants may  
21 use the following disclaimer language in connection with  
22 financial statements to not be in violation of the Oklahoma

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 Accountancy Act: “I (we) have not audited, examined or  
2 reviewed the accompanying financial statements and  
3 accordingly do not express an opinion or any other form of  
4 assurance on them.”,

- 5 (2) prepares or signs as the tax preparer, tax returns for clients,  
6 consults with clients on tax matters, conducts studies for clients  
7 on tax matters and prepares reports for clients on tax matters,  
8 (3) prepares personal financial or investment plans or provides to  
9 clients products or services of others in implementation of  
10 personal financial or investment plans, or  
11 (4) provides management advisory services to clients.

12 c. Only permit holders, individuals granted practice privileges under  
13 Section 15.12A of this title, or firms exempt from the permit and  
14 registration requirements under Section 17 of this act may render or  
15 offer to render any attest service, as defined herein, or issue a report  
16 on financial statements which purport to be in compliance with the  
17 Statements on Standards for Accounting and Review Services  
18 (SSARS). This restriction shall not prohibit any act of a public official  
19 or public employee in the performance of that person’s duties. This  
20 restriction shall not be construed to prohibit the performance by any  
21 unlicensed individual of other services as set out in subparagraph b of  
22 this paragraph<sub>5</sub>.

1 d. A person is not deemed to be practicing public accounting within the  
2 meaning of this section solely by displaying a an Oklahoma CPA  
3 certificate or a PA license in an office, identifying himself or herself as  
4 a CPA or PA on letterhead or business cards, or identifying himself or  
5 herself as a CPA or PA. However, the designation of CPA or PA on  
6 such letterheads, business cards, public signs, advertisements,  
7 publications directed to clients or potential clients, or financial or tax  
8 documents of a client constitutes the practice of public accounting and  
9 requires a permit, practice privileges under Section 15.12A of this title,  
10 or an exemption from the permit and registration requirements under  
11 Section 17 of this act;

12 ~~32. 35.~~ “Principal place of business” means ~~that physical location identified by an~~  
13 ~~individual to another jurisdiction’s accountancy regulatory agency where substantial~~  
14 ~~administrative or management activities are conducted. For purposes of substantial~~  
15 ~~equivalency, the physical location cannot be in this state. the office location designated~~  
16 ~~by the licensee for the purposes of substantial equivalency and reciprocity;~~

17 ~~33. 36.~~ “Professional corporation” means a corporation organized pursuant to the  
18 laws of this state;

19 ~~34. 37.~~ “Professional” means arising out of or related to the specialized knowledge  
20 or skills associated with CPAs or PAs;

21 ~~35. 38.~~ “Public accountant” means any individual who has received a license from  
22 the Board;

1       ~~36.~~ 39. “Public interest” means the collective well-being of the community of people  
2 and institutions the profession serves;

3       ~~37.~~ 40. “Qualification applicant” means an individual who has made application to  
4 the Board to qualify to become a candidate for examination;

5       41. “Registrant” means a CPA, PA, or firm composed of certified public accountants  
6 or public accountants or combination of both currently registered with the Board  
7 pursuant to the authority of the Oklahoma Accountancy Act;

8       ~~38.~~ 42. “Report”, when used with reference to financial statements, or specified  
9 elements, accounts or items of a financial statement, means an opinion, report or other  
10 form of language that states or implies assurance as to the reliability of any financial  
11 statements, or specified elements, accounts or items of a financial statement, and that  
12 also includes or is accompanied by any statement or implication that the person or firm  
13 issuing it has special knowledge or competence in accounting or auditing. Such a  
14 statement or implication of special knowledge or competence may arise from use by the  
15 issuer of the report of names or titles indicating that the person or firm is an accountant  
16 or auditor, or from the language of the report itself. The term “report” includes any form  
17 of language which disclaims an opinion when such form of language is conventionally  
18 understood to imply any positive assurance as to the reliability of the financial  
19 statements referred to and/or special competence on the part of the person or firm issuing  
20 such language; and it includes any other form of language that is conventionally  
21 understood to imply such assurance and/or such special knowledge or competence. This  
22 definition is not intended to include a report on financial statements prepared by a

1 person not holding a certificate or license or not granted practice privileges under Section  
2 15.12A of this title. However, such report shall not refer to “audit”, “audited”, “exam”,  
3 “examined”, “review” or “reviewed”, nor use the language “in accordance with standards  
4 established by the American Institute of Certified Public Accountants” or successor of  
5 said entity, or governmental agency approved by the Board, except for the Internal  
6 Revenue Service. ~~Nonregistrants~~ Except for an individual granted practice privileges  
7 under Section 15.12A of this title or a firm exempt from the permit and registration  
8 requirements under Section 17 of this act, nonregistrants may use the following  
9 disclaimer language in connection with financial statements to not be in violation of the  
10 Oklahoma Accountancy Act: “I (we) have not audited, examined, or reviewed the  
11 accompanying financial statements and accordingly do not express an opinion or any  
12 other form of assurance on them.”;

13 ~~39. 43.~~ “Representation” means any oral or written communication including but  
14 not limited to the use of title or legends on letterheads, business cards, office doors,  
15 advertisements, and listings conveying the fact that an individual or entity holds a  
16 certificate, license or permit;

17 ~~40. 44.~~ “Review”, when used with reference to financial statements, means a  
18 registrant or an individual granted practice privileges under Section 15.12A of this title,  
19 or a firm exempt from the permit and registration requirements under Section 17 of this  
20 act performing inquiry and analytical procedures that provide the registrant with a  
21 reasonable basis for expressing limited assurance that there are no material  
22 modifications that should be made to the statements in order for them to be in conformity

1 with generally accepted accounting principles or if applicable, with another  
2 comprehensive basis of accounting; and

3 ~~41.~~ 45. "Substantial equivalency" is a determination by the Oklahoma Accountancy  
4 Board or its designee that:

- 5 a. the education, examination and experience requirements contained in  
6 the statutes and administrative rules of another jurisdiction are  
7 comparable to, or exceed, the education, examination and experience  
8 requirements contained in the ~~Oklahoma~~ AICPA/NASBA Uniform  
9 Accountancy Act and rules of the Board, or  
10 b. that an individual certified public accountant's or public accountant's  
11 education, examination and experience qualifications are comparable  
12 to or exceed the education, examination and experience requirements  
13 contained in the Oklahoma Accountancy Act and rules of the Board.

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

17 SECTION 2. AMENDATORY 59 O.S. 2001, Section 15.5, as amended by  
18 Section 5, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.5), is amended to  
19 read as follows:

20 Section 15.5 A. The Oklahoma Accountancy Board shall be responsible for the  
21 administration and enforcement of the Oklahoma Accountancy Act. A majority of the  
22 Board shall constitute a quorum for the transaction of business.

1 B. In addition to the other duties imposed on the Board by law, the Board shall:

2 1. Have a seal that shall be judicially noticed and shall be affixed to all certificates

3 and licenses, and such other documents as the Board deems appropriate;

4 2. Keep correct records of all official proceedings including minutes of meetings,

5 applications and related documents of applicants, registry of the names and addresses of

6 registrants, official documents filed in any hearings conducted by the Board and in any

7 proceeding in any court arising out of any provision of the Oklahoma Accountancy Act or

8 the rules and regulations adopted by the Board. Copies of said records certified by the

9 secretary under the seal of the Board shall, if material, be admissible in evidence;

10 3. Employ such executive staff as may be necessary to implement and administer

11 the Oklahoma Accountancy Act, to fix and pay their salaries or fees. Such executive staff

12 shall include an Executive Director, Deputy Director and legal counsel. The Board shall

13 have the authority to employ other staff and contract with or hire special prosecutors,

14 investigators, expert witnesses, hearing examiners and clerical personnel in furtherance

15 of its duties under the Oklahoma Accountancy Act;

16 4. Lease office space and pay the rent thereon, purchase office equipment and

17 supplies, and make such other expenditures as are necessary for the administration and

18 enforcement of the provisions of the Oklahoma Accountancy Act;

19 5. Pay the costs of such research programs in accounting and other subjects as in

20 the determination of the Board would be beneficial to registrants; and

1           6. Adopt rules and regulations for the implementation of the provisions of the  
2 Oklahoma Accountancy Act in accordance with the procedures prescribed in the  
3 Administrative Procedures Act.

4           C. The Board may delegate to the executive director the authority to employ other  
5 staff and clerical personnel.

6           SECTION 3. AMENDATORY   59 O.S. 2001, Section 15.6A, as last amended by  
7 Section 6, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.6A), is amended to  
8 read as follows:

9           Section 15.6A A. The Oklahoma Accountancy Board, its employees, independent  
10 contractors, appointed committee members or other agents shall keep confidential all  
11 information obtained during an investigation into allegations of violations of the  
12 Oklahoma Accountancy Act, including any review or investigation made to determine  
13 whether to allow an applicant to take an examination, or whether the Board shall grant  
14 a certificate, license, or permit. All information obtained in the course of conducting a  
15 peer review, including peer review reports provided to the Board by a registrant,  
16 examinations and test scores shall also be held confidential by the Board, its employees  
17 and independent contractors.

18           B. To ensure the confidentiality of such information for the protection of the  
19 affected individual or entity, the information obtained shall not be deemed to be a  
20 “record” as that term is defined in the Oklahoma Open Records Act.

21           C. Rules adopted to implement the provisions of this subsection shall assure the  
22 privacy of the information obtained. Such rules shall include but not be limited to:

1 1. Assuring availability of the information for inspection by the individual or entity  
2 affected or their designated representatives during the normal business hours of the  
3 Board;

4 2. A method for obtaining a written release for the affected individual or entity to  
5 allow inspection of their confidential records to the public at large; and

6 3. A method for making available to the public all final written orders of the Board  
7 concerning an individual or entity.

8 D. Information obtained by the Board or any of its agents as set out in subsection A  
9 of this section shall be considered competent evidence in a court of competent jurisdiction  
10 only in matters directly related to actions of the Board and the affected individual or  
11 entity as a result of the Board obtaining the information. Such information shall not be  
12 admissible as evidence in any other type of civil or criminal action.

13 E. The Board may disclose information concerning investigations into allegations of  
14 violations of the Oklahoma Accountancy Act under this section to another governmental,  
15 regulatory, or law enforcement agency engaged in an enforcement action. The provisions  
16 of this subsection shall not apply to information concerning whether to allow an  
17 applicant to take an examination, peer review or test scores.

18 SECTION 4. AMENDATORY 59 O.S. 2001, Section 15.8, as last amended by  
19 Section 8, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.8), is amended to  
20 read as follows:

21 Section 15.8 A. ~~An~~ A qualification applicant to qualify as a candidate for the  
22 examination shall file an application for qualification on a form to be approved by the

1 Oklahoma Accountancy Board. The fee for the qualification application shall be  
2 determined by the Board and shall not exceed Three Hundred Dollars (\$300.00). Every  
3 qualification applicant ~~for the examination~~ to qualify as a candidate for the certificate of  
4 certified public accountant or license of public accountant must be of good moral  
5 character, shall submit to a national criminal history record check, must be a resident of  
6 this state immediately prior to making application and, except as otherwise provided in  
7 this section, shall meet the education and experience requirements provided in this  
8 section.

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

1 marketing, business communication, financial information systems or computer science  
2 or the equivalent of such subjects as determined by the Board.

3 C. On or after July 1, 2003, every qualification applicant to qualify as a candidate  
4 for examination for the certificate of certified public accountant shall have at least one  
5 hundred fifty (150) semester hours, or the equivalent thereof, of college education  
6 including a baccalaureate or higher degree conferred by a college or university acceptable  
7 to the Board from an accredited four-year college or university in this state or any other  
8 accredited four-year college or university recognized by the Board. A minimum of  
9 seventy-six (76) semester hours must be earned at the upper-division level of college or  
10 above or the equivalent thereof as determined by the Board; this education requirement  
11 shall have been completed prior to submitting an application to the Board; the total  
12 educational program of the applicant for examination shall include an accounting  
13 concentration or its equivalent as determined acceptable by the Board which shall  
14 include not less than thirty (30) semester hours, or the equivalent thereof, in accounting  
15 courses above principles of accounting or introductory accounting, with at least one  
16 course in auditing or assurance; the remaining accounting courses shall be selected from  
17 financial accounting, accounting theory, cost/managerial accounting, federal income tax,  
18 governmental, not for profit accounting, accounting information systems, accounting  
19 history and other accounting electives; at least nine (9) semester hours shall be from any  
20 or all of the subjects of economics, statistics, business law, finance, business  
21 management, marketing, business communication, risk management, insurance,  
22 management information systems or computer science at the upper-division level of

1 college or above or the equivalent of such subjects as determined by the Board; all the  
2 remaining semester hours, if any, shall be elective but shall be at the upper-division level  
3 of college or above.

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

6 SECTION 5. AMENDATORY 59 O.S. 2001, Section 15.9, as last amended by  
7 Section 9, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.9), is amended to  
8 read as follows:

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

21 B. The Board shall issue certificates as certified public accountants to those  
22 applicants who have met the qualifications required by the provisions of the Oklahoma

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

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

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

16 E. An applicant for initial issuance of a certificate or license under this section shall  
17 show that the applicant has had one (1) year of experience. Experience shall be defined  
18 by the Board by rule and shall include providing a type of service or advice involving the  
19 use of accounting, attest, compilation, management advisory, financial advisory, tax or  
20 consulting skills, and be satisfied through work experience in government, industry,  
21 academia or public practice, all of which shall be verified by a certificate or license holder  
22 or an individual approved by the Board. Upon completion of the requirements of Section

1 15.8 of this title, a qualified applicant for the examination may take the certified public  
2 accountant or public accountant examination prior to earning the experience required in  
3 this subsection, but shall not be issued a certificate until the experience requirement has  
4 been met.

5 ~~E. F.~~ On or after July 1, 2005, every applicant for the certificate of certified public  
6 accountant or license of public accountant shall provide evidence of successful completion  
7 of an ethics examination prescribed by the Board.

8 ~~F. The Board may make use of all or any part of the Uniform Certified Public~~  
9 ~~Accountant's Examination and any organization that assists in providing this~~  
10 ~~examination.~~

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

14 SECTION 6. AMENDATORY 59 O.S. 2001, Section 15.10A, as amended by  
15 Section 11, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.10A), is amended to  
16 read as follows:

17 Section 15.10A Each candidate shall pay fees, to be determined by the Oklahoma  
18 Accountancy Board, not to exceed One Thousand Dollars (\$1,000.00) for each  
19 examination.

20 An application fee, payable to the Board, shall be paid by the candidate at the time  
21 the application for the examination is filed. The application fee shall not be refunded  
22 unless the Board determines that the candidate is unqualified to sit for the examination

1 or for such other good causes as determined by the Board on a case-by-case basis. Also,  
2 each candidate shall pay test fees to the organizations designated by the Board to provide  
3 a computer-based examination. In no event shall the total fees paid by a candidate for  
4 each examination exceed One Thousand Dollars (\$1,000.00).

5 SECTION 7. AMENDATORY 59 O.S. 2001, Section 15.11, as amended by  
6 Section 12, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.11), is amended to  
7 read as follows:

8 Section 15.11 A. No individual, other than as described in subparagraph d of  
9 paragraph ~~31~~ 34 of Section 15.1A of this title, shall assume or use the title or designation  
10 “Certified Public Accountant” or the abbreviation “C.P.A.” or any other title, designation,  
11 words, letters, abbreviation, sign, card, or device tending to indicate or represent that  
12 such individual is a certified public accountant, unless such individual has received a  
13 certificate as a certified public accountant and holds a valid permit issued pursuant to  
14 the provisions of the Oklahoma Accountancy Act or is granted practice privileges under  
15 Section 17 of this act. All offices in this state for the practice of public accounting by such  
16 individual shall be maintained and registered as required by the Oklahoma Accountancy  
17 Act.

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

1 the Oklahoma Accountancy Act or is exempt from the registration and permit  
2 requirements under Section 17 of this act. All offices in this state for the practice of  
3 public accounting by such entity shall be maintained and registered as required by the  
4 Oklahoma Accountancy Act.

5 C. No individual, other than as described in subparagraph d of paragraph ~~31~~ 34 of  
6 Section 15.1A of this title, shall assume or use the title or designation “Public  
7 Accountant” or the abbreviation “P.A.” or any other title, designation, words, letters,  
8 abbreviation, sign, card, or device tending to indicate or represent that such individual is  
9 a public accountant, unless such individual is licensed as a public accountant, or is a  
10 certified public accountant and holds a valid permit issued pursuant to the provisions of  
11 the Oklahoma Accountancy Act. All offices in this state for the practice of public  
12 accounting by such individual shall be maintained and registered as required by the  
13 Oklahoma Accountancy Act.

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

21 E. No individual or entity shall assume or use the title or designation “Certified  
22 Accountant”, “Chartered Accountant”, “Enrolled Accountant”, “Licensed Accountant”,

1 “Registered Accountant” or any other title or designation which could be confused with  
2 “Certified Public Accountant” or “Public Accountant”, or any of the abbreviations “CA”,  
3 “EA”, except as it relates to the term “enrolled agent” as defined by the Internal Revenue  
4 Service, “RA”, or “LA”, or similar abbreviations which could be confused with “CPA” or  
5 “PA”; provided, however, that anyone who holds a valid permit and whose offices in this  
6 state for the practice of public accounting are maintained and registered as required by  
7 the Oklahoma Accountancy Act or is granted privileges under Section 15.12A of this title  
8 may hold oneself out to the public as an “Accountant” or “Auditor”.

9 F. No individual or entity not holding a valid permit, not granted practice  
10 privileges under Section 15.12A of this title, or not exempt from the permit requirement  
11 under Section 17 of this act shall hold oneself or itself out to the public as an  
12 “Accountant” or “Auditor” by use of either or both of such words on any sign, card,  
13 letterhead, or in any advertisement or directory, without specifically indicating that such  
14 individual or entity does not hold such a permit. The provisions of this subsection shall  
15 not be construed to prohibit any officer, employee, partner or principal of any entity from  
16 describing oneself by the position, title or office one holds in such organization; nor shall  
17 this subsection prohibit any act of public official or public employee in the performance of  
18 the duties as such.

19 G. Any individual or entity who is registered with the Board but does not hold a  
20 valid permit issued pursuant to the Oklahoma Accountancy Act may not issue a report  
21 on financial statements of any other person, firm, organization recognized by the State of  
22 Oklahoma, or governmental unit. This prohibition does not apply to an officer, partner,

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

1 or employee of any firm or organization affixing a signature to any statement or report in  
2 reference to the financial affairs of such firm or organization with any wording  
3 designating the position, title, or office that is held therein; nor prohibit any act of a  
4 public official or employee in the performance of the duties as such.

5 SECTION 8. AMENDATORY 59 O.S. 2001, Section 15.12, as last amended by  
6 Section 13, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.12), is amended to  
7 read as follows:

8 Section 15.12 An individual who is not a certified public accountant or public  
9 accountant in any jurisdiction may serve as an employee of a firm composed of certified  
10 public accountants or public accountants holding a valid permit ~~provided that such.~~  
11 Such employee or assistant shall not issue any accounting or financial statements over  
12 the employee's or assistant's name.

13 SECTION 9. AMENDATORY Section 8, Chapter 312, O.S.L. 2002, as amended  
14 by Section 14, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.12A), is  
15 amended to read as follows:

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

1 privileges, ~~including responsibilities and obligations~~, of certificate and license holders of  
2 this state without the need to obtain a certificate, license or permit required under  
3 Sections 15.9 ~~and~~, 15.13, 15.14A, 15.15 and 15.15A of this title. ~~However, an~~ An  
4 individual shall ~~notify the Board of the individual's intent to practice in the state under~~  
5 ~~this provision. Notification shall be waived to a certificate or license holder of another~~  
6 ~~jurisdiction exercising the privilege afforded under this section by that jurisdiction to an~~  
7 ~~Oklahoma certificate or license holder for the equivalent privilege to practice in that~~  
8 ~~jurisdiction~~ who offers or renders professional services, whether in person or by mail,  
9 telephone or electronic means, under this section shall be granted practice privileges in  
10 this state and no notice, fee or submission shall be provided by any such individual.  
11 Such an individual shall be subject to the requirements in paragraph 3 of this subsection.

12 2. An individual whose principal place of business is not in this state, ~~having who~~  
13 holds a valid certificate or license as a Certified Public Accountant or Public Accountant  
14 from any jurisdiction which the ~~Board or its~~ Oklahoma Accountancy Board's designee  
15 has not verified to be ~~substantially equivalent~~ in substantial equivalence to the ~~CPA and~~  
16 ~~PA~~ Certified Public Accountant licensure requirements of ~~this title~~, the AICPA/NASBA  
17 Uniform Accountancy Act shall be presumed to have qualifications substantially  
18 equivalent to this state's requirements and shall have all the privileges, ~~including~~  
19 ~~responsibilities and obligations~~, of certificate and license holders of this state without the  
20 need to obtain a certificate, license or permit required under Sections 15.9 ~~and~~, 15.13,  
21 15.14A, 15.15 and 15.15A of this title, ~~if such individual obtains from the Board or its~~  
22 ~~designee verification that such individual's CPA or PA qualifications are substantially~~

1 equivalent to the CPA or PA licensure requirements of this title. However, such  
2 individuals shall notify the Board of their intent to practice in the state under this  
3 provision. Notification shall be waived to a certificate or license holder of another  
4 jurisdiction exercising the privilege afforded under this section by that jurisdiction to an  
5 Oklahoma certificate or license holder for the equivalent privilege to practice in that  
6 jurisdiction. Any individual who passed the Uniform CPA Examination and holds a valid  
7 certificate or license issued by any other state prior to January 1, 2012, may be exempt  
8 from the education requirement of the Uniform Accountancy Act for purposes of this  
9 paragraph. An individual who offers or renders professional services, whether in person,  
10 or by mail, telephone or electronic means, under this section, shall be granted practice  
11 privileges in this state and no notice, fee or submission shall be provided by any such  
12 individual. Such an individual shall be subject to the requirements in paragraph 3 of  
13 this subsection.

14 3. ~~Any~~ An individual certificate holder or license holder of another jurisdiction  
15 exercising the privilege afforded under this section, and any firm which employs that  
16 certificate holder or license holder hereby ~~consents~~ simultaneously consent, as a  
17 condition of the granting of this privilege:

- 18 a. to the personal and subject matter jurisdiction and disciplinary  
19 authority of the Board,  
20 b. to comply with the Oklahoma Accountancy Act and the Board's rules,  
21 and

- 1           c.     that in the event the certificate holder or license holder from the  
2                     jurisdiction of the individual's principal place of business is no longer  
3                     valid, the individual will cease offering or rendering professional  
4                     services in this state individually or on behalf of a firm, and  
5           d.     to the appointment of the state board which issued the ~~individual's~~  
6                     certificate or license as the ~~individual's~~ agent upon whom process may  
7                     be served in any action or proceeding by the Board against the  
8                     certificate or license holder.

9           4. ~~The Oklahoma Accountancy Board shall charge a fee to a certificate or license~~  
10 ~~holder of another jurisdiction exercising the privilege afforded under this section in an~~  
11 ~~amount equal to the fees charged by that jurisdiction to an Oklahoma certificate or~~  
12 ~~license holder for the equivalent privilege to practice in that jurisdiction. A certified~~  
13 ~~public accounting or public accounting firm that is licensed and has its primary place of~~  
14 ~~business in another state, does not have an office in this state and does not provide the~~  
15 ~~professional services described in subparagraphs a, b, and c of paragraph 5 of this~~  
16 ~~subsection for a client whose home office is in this state, may practice in this state~~  
17 ~~without a firm license, permit, or notice to the Board if the firm's practice in this state is~~  
18 ~~performed by an individual who is licensed in Oklahoma or who has been granted~~  
19 ~~practice privileges under paragraph 1 or 2 of this subsection.~~

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

- 1           a.     any financial statement audit or other engagement to be performed in  
2                     accordance with Statements on Auditing Standards.  
3           b.     any examination of prospective financial information to be performed  
4                     in accordance with Statements on Standards for Attestation  
5                     Engagements, or  
6           c.     any engagement to be performed in accordance with Public Company  
7                     Accounting Oversight Board (PSAOB) auditing standards.  
8     may only do so through a firm which has obtained a permit issued under Section 15.15A  
9     of this title.

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

15           SECTION 10.    AMENDATORY    59 O.S. 2001, Section 15.13, as last amended by  
16 Section 15, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.13), is amended to  
17 read as follows:

18           Section 15.13 A. The Oklahoma Accountancy Board may issue a certificate or  
19 license to an applicant who has been authorized to practice public accounting as a  
20 certified public accountant or public accountant pursuant to the laws of any jurisdiction  
21 if the applicant passed a test administered for the purpose of authorizing an individual to  
22 practice as a certified public accountant or public accountant with grades which were

1 equivalent to passing a test for the same purpose in this state as of the date the applicant  
2 originally passed the examination, and said applicant:

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

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

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

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

1 continuing professional education requirements, as provided in Section 15.35 of this title,  
2 in effect on the date of the application.

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

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

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

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

20 H. An applicant for the certificate of certified public accountant under this section  
21 shall submit to a national criminal history record check. The costs associated with the  
22 national criminal history record check shall be paid by the applicant.

1 SECTION 11. AMENDATORY Section 16, Chapter 125, O.S.L. 2004 (59 O.S.  
2 Supp. 2008, Section 15.13A), is amended to read as follows:

3 Section 15.13A A. The Board shall issue a certificate to a holder of a substantially  
4 equivalent designation issued by a foreign country, provided that:

5 1. The foreign authority which granted the designation makes similar provision to  
6 allow a registrant who holds a valid certificate issued by this state to obtain such foreign  
7 authority's comparable designation;

8 2. The designation:

9 a. was duly issued by an authority of a foreign country which regulates  
10 the practice of public accounting and has not expired or been revoked  
11 or suspended,

12 b. entitles the holder to issue reports upon financial statements, and

13 c. was issued upon the basis of substantially equivalent educational,  
14 examination and experience requirements established by the foreign  
15 authority or by law; ~~and~~

16 3. The applicant:

17 a. received the designation based on educational and examination  
18 standards substantially equivalent to those in effect in this state at the  
19 time the foreign designation was granted,

20 b. completed an experience requirement substantially equivalent to the  
21 requirement set out under this act in the foreign country which  
22 granted the foreign designation or has completed four (4) years of

1 professional experience in this state, or meets equivalent requirements  
2 prescribed by the Board by rule within the ten (10) years immediately  
3 preceding the application,

4 c. passed a uniform qualifying examination in national standards  
5 acceptable to the Board, and

6 d. is of good character.

7 An applicant for the certificate of certified public accountant under this section shall  
8 submit to a national criminal history record check. The costs associated with the  
9 national criminal history record check shall be paid by the applicant.

10 B. An applicant under subsection A of this section shall in the application list all  
11 jurisdictions, foreign and domestic, in which the applicant has applied for or holds a  
12 designation to practice public accounting, and each holder of a certificate issued under  
13 this subsection shall notify the Board in writing, within thirty (30) days after its  
14 occurrence, of any issuance, denial, revocation or suspension of a designation or  
15 commencement of disciplinary or enforcement action by any jurisdiction.

16 SECTION 12. AMENDATORY 59 O.S. 2001, Section 15.14, as last amended by  
17 Section 17, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.14), is amended to  
18 read as follows:

19 Section 15.14 A. In addition to obtaining a certificate or license, certified public  
20 accountants and public accountants, unless granted practice privileges under Section  
21 15.12A of this title, shall register with the Oklahoma Accountancy Board and pay a  
22 registration fee.

UNDERLINED language denotes Amendments to present Statutes.  
**BOLD FACE CAPITALIZED** language denotes Committee Amendments.  
~~Strike thru~~ language denotes deletion from present Statutes.

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

7 C. After the initial registration, renewal of registrations shall be accomplished by  
8 registrants in good standing upon filing of the registration and upon payment of the  
9 registration fee ~~not later than July 31~~. Interim registration shall be at full rates.

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

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

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

1           1. Upon failure of an individual to pay registration fees on or before ~~July 31~~ the  
2 expiration date, the Board shall notify the individual in writing by certified mail to the  
3 last known address of the individual, as reflected in the records of the Board, of the  
4 individual's failure to comply with the Oklahoma Accountancy Act.

5           2. A certificate or license granted under authority of the Oklahoma Accountancy  
6 Act shall automatically be revoked if the individual fails to pay registration fees ~~on or~~  
7 ~~before August 31~~ within thirty (30) days after the expiration date.

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

- 10           a.       a fee set by the Board which shall not exceed Three Hundred Dollars  
11                   (\$300.00) for a renewal within one (1) year of the due date, or  
12           b.       a fee set by the Board which shall not exceed Six Hundred Dollars  
13                   (\$600.00) for a renewal after the expiration of a year.

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

21           ~~F. G.~~ The Board shall establish rules whereby the registration fee for certified  
22 public accountants and public accountants may, upon written application to the Board,

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

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

11 ~~H. I.~~ At the direction of the Board, a register of registrants may be ~~printed and/or~~  
12 published in any media format the Board considers appropriate for public distribution.  
13 ~~Any such publication shall contain the names arranged alphabetically of all individuals~~  
14 ~~and firms holding valid certificates, licenses, permits, the names of the members of the~~  
15 ~~Board, and such other information as may be deemed appropriate by the Board.~~

16 SECTION 13. AMENDATORY 59 O.S. 2001, Section 15.14A, is amended to  
17 read as follows:

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

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

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

10 1. Any individual seeking a permit must have a valid certificate or license ~~on the~~  
11 ~~date the permit is applied for;~~

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

14 3. Any individual seeking a permit must meet continuing professional education  
15 requirements as set forth by ~~this act~~ the Oklahoma Accountancy Act and rules  
16 promulgated by the Board; and

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

18 C. All such individuals shall, upon application and compliance with the rules  
19 establishing qualifications for obtaining a permit and payment of the fees, be granted an  
20 annual permit to practice public accounting in this state. ~~All~~ Until January 1, 2010, all  
21 permits issued shall expire on June 30 of each year and may be renewed from year to  
22 year. Effective January 1, 2010, all permits issued shall be renewed based on staggered

1 expiration dates on the last day of the individuals' birth months in conjunction with the  
2 registrants' certificate or license renewal. The Board may issue interim permits upon  
3 payment of the same fees required for annual permits.

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

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

9 SECTION 14. AMENDATORY 59 O.S. 2001, Section 15.14B, as amended by  
10 Section 18, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.14B), is amended to  
11 read as follows:

12 Section 15.14B After notice and hearing, the Oklahoma Accountancy Board may  
13 impose any one or more of the penalties authorized in Section 15.24 of this title on a  
14 certified public accountant or a public accountant for any one or more of the following  
15 causes:

- 16 1. Fraud or deceit in obtaining a certificate, license privilege or permit;
- 17 2. Dishonesty, fraud, or gross negligence in accountancy or financially related  
18 activities;
- 19 3. Conviction, plea of guilty, or plea of nolo contendere of a felony in a court of  
20 competent jurisdiction of any state or federal court of the United States if the acts  
21 involved would have constituted a felony under the laws of this state;

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

5 5. Failure to comply with professional standards ~~as in the Board's professional code~~  
6 of conduct to the attest and/or compilation competency requirement for those who  
7 supervise attest and/or compilation engagements and sign the report on financial  
8 statements or other compilation communications with respect to financial statements;  
9 and

10 6. Violation of any of the provisions of the Oklahoma Accountancy Act and rules  
11 promulgated for its implementation by the Board.

12 SECTION 15. AMENDATORY 59 O.S. 2001, Section 15.15, as last amended by  
13 Section 19, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.15), is amended to  
14 read as follows:

15 Section 15.15 A. The Oklahoma Accountancy Board, upon application, shall grant  
16 or register any firm, including sole proprietorships, seeking to provide public accounting  
17 services to the public in this state if such firm demonstrates its qualifications therefore in  
18 accordance with this section. All firms, except sole proprietorships, shall pay an annual  
19 registration fee not to exceed One Hundred Dollars (\$100.00). The following must  
20 register with the Board under this section:

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

1        2. Any firm with an office in this state that uses the title “CPA”, “PA”, “CPA firm”  
2 or “PA firm”; or

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

6        B. All such registrations shall expire on ~~May 31~~ June 30 of each year and may be  
7 renewed annually for a period of one (1) year by registrants in good standing upon filing  
8 the registration and upon payment of the annual fee not later than ~~May 31~~ June 30 of  
9 each year.

10       C. Interim registrations shall be at full rates.

11       D. Upon failure of a firm to pay registration fees on or before the last day of ~~May~~  
12 June, the Board shall notify the firm in writing by certified mail to the last known  
13 address of the firm, as reflected in the records of the Board, of the firm’s failure to comply  
14 with the Oklahoma Accountancy Act.

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

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

20       G. An individual who has practice privileges under Section 15.12A of this title who  
21 performs services for which firm registration is required under this section shall not be

1 required to meet the certificate, license, registration or permit requirements of Section  
2 15.9, 15.13, 15.13A, 15.14 or 15.14A of this title.

3 SECTION 16. AMENDATORY 59 O.S. 2001, Section 15.15A, as last amended  
4 by Section 20, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.15A), is  
5 amended to read as follows:

6 Section 15.15A A. The Oklahoma Accountancy Board, upon application, shall issue  
7 a permit to practice public accounting to each firm seeking to provide professional  
8 services to the public in this state except that a firm not required to register with the  
9 Board under paragraph 4 of subsection A of Section 15.12A of this title shall also not be  
10 required to obtain a permit under this section. Renewals of firm permits shall be applied  
11 for during the month of May of each year.

12 B. Applicants for initial firm permits shall provide the Board with the following  
13 information:

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

16 2. Relevant details as to a denial, revocation, or suspension of a permit or its  
17 equivalent of the firm, or any partner or shareholder of the firm other than in this state;

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

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

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

- 3 1. Changes in the partners or shareholders of the firm;
- 4 2. Changes in the structure of the firm;
- 5 3. Change of the designated manager of the firm;
- 6 4. Changes in the number or location of offices of the firm; and
- 7 5. Denial, revocation, or suspension of certificates, licenses, permits, or their  
8 equivalent to the firm or its partners, shareholders, or employees other than in this state.

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

- 14 1. A list of all partners and shareholders at the time of dissolution;
- 15 2. The location of each office of the firm at the time of dissolution; and
- 16 3. The date the dissolution became effective.

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

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

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

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

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

9           1. Each partner or shareholder is engaged in the practice of public accounting in  
10 the State of Oklahoma as public accountants; and

11           2. Each designated manager of an office in this state has received an Oklahoma  
12 license and permit to practice as a public accountant or certificate and permit to practice  
13 as a certified public accountant.

14           SECTION 17.   NEW LAW   A new section of law to be codified in the Oklahoma  
15 Statutes as Section 15.15C of Title 59, unless there is created a duplication in  
16 numbering, reads as follows:

17           It shall not be a violation of the Oklahoma Accountancy Act for a firm which is not  
18 registered under Section 15.15 of Title 59 of the Oklahoma Statutes and does not hold a  
19 valid permit under Section 15.15A of Title 59 of the Oklahoma Statutes and which does  
20 not have an office in this state to provide its professional services in this state so long as  
21 it complies with the requirements of paragraph 4 of subsection A of Section 15.12A of  
22 Title 59 of the Oklahoma Statutes.

1 SECTION 18. AMENDATORY 59 O.S. 2001, Section 15.23, as amended by  
2 Section 13, Chapter 312, O.S.L. 2002 (59 O.S. Supp. 2008, Section 15.23), is amended to  
3 read as follows:

4 Section 15.23 A. The Oklahoma Accountancy Board shall conduct investigations  
5 and hearings when it believes a registrant, individual practicing under ~~Section 8~~ the  
6 provisions of this act the Oklahoma Accountancy Act, other individual or entity has  
7 violated any of the provisions of the Oklahoma Accountancy Act or rules promulgated  
8 thereunder wherever or whenever appropriate for the exercise of authority granted to the  
9 Board either on its own motion or on the complaint of any person or entity. Such  
10 proceedings shall be conducted in accordance with the provisions of the Administrative  
11 Procedures Act. The Board shall have all powers granted to administrative agencies for  
12 the conduct of individual proceedings; and judicial review thereof shall be in accordance  
13 with the provisions of such general laws relating to administrative procedure.

14 B. At all hearings, the Attorney General of this state, or an Assistant Attorney  
15 General, shall represent the Board. If the Attorney General is unable or declines to  
16 provide the Board with counsel, the Board is authorized to employ other legal counsel to  
17 represent it at a hearing. The counsel who presents the evidence supporting the  
18 complaint shall not be the counsel who advises the Board.

19 SECTION 19. AMENDATORY 59 O.S. 2001, Section 15.24, as amended by  
20 Section 22, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.24), is amended to  
21 read as follows:

1 Section 15.24 A. In the event an individual, certified public accountant, public  
2 accountant, firm or entity, after proper notice and hearing, is found to have violated one  
3 or more provisions of the Oklahoma Accountancy Act, the Board may impose one or more  
4 of the following penalties on the offending individual, firm or entity:

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

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

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

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

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

20 6. Deny renewal of a permit;

21 7. Require an accelerated peer review of the registrant, subject to such procedures,  
22 as the Board deems appropriate;

1           8. Require successful completion of continuing professional educational programs  
2 deemed appropriate;

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

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

9           B. Upon application in writing, the Board may reinstate a certificate, license,  
10 practice privilege or permit which has been revoked, or may modify, upon good cause as  
11 to why said individual or entity should be reinstated, the suspension of any certificate,  
12 license, practice privilege or permit.

13           C. Before reinstating or terminating the suspension of a certificate, license, practice  
14 privilege or permit, or as a condition to such reinstatement or termination, the Board  
15 may require the applicant to show successful completion of specified continuing  
16 professional education courses.

17           D. Before reinstating or terminating the suspension of a certificate, license,  
18 practice privilege or permit, or as a condition to such reinstatement or termination, the  
19 Board may make the reinstatement of a certificate, license, or permit conditional and  
20 subject to satisfactory completion of a peer review conducted in such fashion as the Board  
21 may specify.

1 E. The provisions of this section shall not be construed to preclude the Board from  
2 entering into any agreement to resolve a complaint prior to a formal hearing or before  
3 the Board enters a final order.

4 F. All monies, excluding costs, collected from civil penalties authorized in this  
5 section, such penalties being enforceable in the district courts of this state, shall be  
6 deposited with the State Treasurer to be paid into the General Revenue Fund of the  
7 state.

8 SECTION 20. AMENDATORY 59 O.S. 2001, Section 15.25, as amended by  
9 Section 23, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.25), is amended to  
10 read as follows:

11 Section 15.25 Any individual or entity who:

12 1. Represents himself, herself or itself as having received a certificate, license, or  
13 permit and otherwise presents himself, herself or itself to the public as having  
14 specialized knowledge or skills associated with CPAs and PAs without having received  
15 such certificate, license, or permit; or

16 2. Continues to use such title or designation after such certificate, license, or permit  
17 has been recalled, revoked, surrendered, canceled, or suspended or refuses to surrender  
18 such certificate, license, or permit; or

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

22 4. Otherwise violates any of the provisions of the Oklahoma Accountancy Act,

1 upon conviction shall be deemed guilty of a misdemeanor.

2 Provided, however, that an individual granted practice privileges under Section  
3 15.12A of this title, or a firm exempt from the permit and registration requirements  
4 under Section 17 of this act may hold out as a CPA or a firm of CPAs, respectively,  
5 without violation of this section.

6 SECTION 21. AMENDATORY 59 O.S. 2001, Section 15.27, as amended by  
7 Section 25, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.27), is amended to  
8 read as follows:

9 Section 15.27 A. In addition to any other powers conferred on the Board to impose  
10 penalties for violations of the provisions of the Oklahoma Accountancy Act, whenever in  
11 the judgment of the Board any individual or entity has engaged in any acts or practices,  
12 that constitute a violation of the Oklahoma Accountancy Act, the Board may:

13 1. After notice and hearing, issue a cease and desist order to any individual who  
14 should have obtained a certificate, license, practice privilege or permit or to an entity  
15 which should have obtained a permit;

16 2. Impose a fine of not more than Ten Thousand Dollars (\$10,000.00) for each  
17 violation in the event after the issuance of an order to cease and desist the illegal  
18 activity, the individual or entity to whom the order is directed commits any act in  
19 violation of the order; and

20 3. Make application to the appropriate court for an order enjoining such acts or  
21 practices, and upon a showing by the Board that such person has engaged in any such

1 acts or practices, an injunction, restraining order, or such other order as may be  
2 appropriate shall be granted by such court, without bond.

3 B. Each day a violation is continuing shall constitute a separate offense.

4 C. Administrative fines imposed pursuant to this section shall be enforceable in the  
5 district courts of this state.

6 D. Notices and hearings required by this section shall be in accordance with the  
7 Administrative Procedures Act.

8 E. Appeals from orders entered pursuant to this section shall be in accordance with  
9 the Administrative Procedures Act.

10 SECTION 22. AMENDATORY 59 O.S. 2001, Section 15.35, as last amended by  
11 Section 30, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.35), is amended to  
12 read as follows:

13 Section 15.35 A. In order to assure continuing professional competence of  
14 individuals in accountancy, and as a condition for issuance of a certificate or license  
15 and/or renewal of a permit to practice, certificate and license holders shall furnish  
16 evidence of participation in continuing professional education.

17 B. ~~All certificate and license holders shall complete a minimum of forty (40) hours~~  
18 ~~of continuing professional education per compliance period to obtain a permit to practice~~  
19 ~~public accounting.~~ Continuing professional education compliance periods shall be  
20 established by rule.

21 C. ~~Effective January 1, 2006, all~~ All certificate and license holders shall complete at  
22 least one hundred twenty (120) hours of continuing professional education within a

1 three-year period with completion of not less than twenty (20) hours of continuing  
2 professional education in any year.

3 D. The Oklahoma Accountancy Board shall adopt rules and regulations regarding  
4 such continuing professional education. Such rules shall include but not be limited to:

5 1. Requiring reporting of continuing professional education to coincide with the  
6 annual permit renewal date;

7 2. Provisions for exempting retired, inactive and disabled individuals as defined by  
8 the Board in the rules from the requirement of continuing professional education; and

9 3. Adopt standards for determining approved continuing professional education  
10 courses.

11 SECTION 23. AMENDATORY 59 O.S. 2001, Section 15.36, as amended by  
12 Section 31, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.36), is amended to  
13 read as follows:

14 Section 15.36 Any CPA or PA holding a valid permit, or an individual granted  
15 practice privileges under Section 15.12A of this title, may perform assurance services,  
16 including audit services, and issue a report required by any statute, charter, ordinance,  
17 trust or other legal instrument.

18 SECTION 24. AMENDATORY 59 O.S. 2001, Section 15.37, as amended by  
19 Section 32, Chapter 125, O.S.L. 2004 (59 O.S. Supp. 2008, Section 15.37), is amended to  
20 read as follows:

21 Section 15.37 From and after June 24, 1971, no ordinance, trust or other legal  
22 instrument shall provide for any audit services to be performed other than by a

1 registrant holding a valid permit or an individual granted practice privileges under  
2 Section 15.12A of this title.

3 SECTION 25. This act shall become effective November 1, 2009.

4 COMMITTEE REPORT BY: COMMITTEE ON ECONOMIC DEVELOPMENT AND  
5 FINANCIAL SERVICES, dated 02-11-09 - DO PASS, As Coauthored.