

EHB 3190

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THE STATE SENATE  
Wednesday, March 24, 2010

ENGROSSED

House Bill No. 3190

ENGROSSED HOUSE BILL NO. 3190 - By: Sanders and Hickman of the House and Anderson and Leftwich of the Senate.

An Act relating to professions and occupations; amending 59 O.S. 2001, Section 15.2, as last amended by Section 85, Chapter 1, O.S.L. 2005 (59 O.S. Supp. 2009, Section 15.2), which relates to the Oklahoma Accountancy Act; re-creating the Oklahoma Accountancy Board; modifying the membership, qualifications, and terms of the Board; amending 59 O.S. 2001, Sections 15.1A, as last amended by Section 1, Chapter 45, O.S.L. 2009, 15.8, as last amended by Section 4, Chapter 45, O.S.L. 2009, 15.9, as last amended by Section 5, Chapter 45, O.S.L. 2009, 15.11, as last amended by Section 7, Chapter 45, O.S.L. 2009, Section 8, Chapter 312, O.S.L. 2002, as last amended by Section 9, Chapter 45, O.S.L. 2009, 15.13, as last amended by Section 10, Chapter 45, O.S.L. 2009, 15.14, as last amended by Section 12, Chapter 45, O.S.L. 2009, 15.14A, as amended by Section 13, Chapter 45, O.S.L. 2009, 15.14B, as last amended by Section 14, Chapter 45, O.S.L. 2009, 15.15, as last amended by Section 15, Chapter 45, O.S.L. 2009, 15.15A, as last amended by Section 16, Chapter 45, O.S.L. 2009, 15.24, as last amended by Section 19, Chapter 45, O.S.L. 2009, 15.25, as last amended by 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

1 waiver of time limits for application upon certain military  
2 service and good causes; clarifying person's title;  
3 including license of public accountant; exempting certain  
4 person from reinstatement; requiring proof of licensure in  
5 certain jurisdictions for firm permit; requiring a  
6 preissuance review; requiring national criminal history  
7 search and payment of costs for reinstatement of license;  
8 deleting language; providing an effective date; and  
9 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:

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

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

17           6.    "Audit" can only be performed by an individual or entity who  
18 is registered with the Board and holding a valid permit issued  
19 pursuant to the Oklahoma Accountancy Act, or an individual granted  
20 practice privileges under Section 15.12A of this title, and means a  
21 systematic investigation or appraisal of information, procedures, or  
22 operations performed in accordance with generally accepted auditing  
23 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

1 statements which is the representation of management or owners  
2 without undertaking to express any assurance on the statements;

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

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

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

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

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

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

19 19. "Financial statements" means statements and footnotes  
20 related thereto that undertake to present an actual or anticipated  
21 financial position as of a point in time, or results of operations,  
22 cash flow, or changes in financial position for a period of time, in  
23 conformity with generally accepted accounting principles or another

1 comprehensive basis of accounting. The term does not include  
2 incidental financial data included in management advisory service  
3 reports to support recommendations to a client; nor does it include  
4 tax returns and supporting schedules;

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

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

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

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

2           24. "Individual" means a human being;

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

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

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

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

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

16           28.   "NASBA" means the National Association of State Boards of  
17   Accountancy;

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

19           30.   "Partnership" means a contractual relationship based upon a  
20   written, oral, or implied agreement between two or more individuals  
21   who combine their resources and activities in a joint enterprise and  
22   share in varying degrees and by specific agreement in the management

1 and in the profits or losses. A partnership may be general or  
2 limited as the laws of this state define those terms;

3 31. "PCAOB" means the Public Company ~~Auditing~~ Accounting  
4 Oversight Board;

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

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

11 34. a. "Practice of public accounting", also known as  
12 "practice public accounting", "practice" and "practice  
13 accounting", refers to the activities of a registrant,  
14 an individual granted practice privileges under  
15 Section 15.12A of this title, or a firm exempt from  
16 the permit and registration requirements under Section  
17 15.15C of this ~~act~~ title in reference to  
18 accountancy. An individual or firm shall be deemed to  
19 be engaged in the practice of public accounting if the  
20 individual or firm holds itself out to the public in  
21 any manner as one skilled in the knowledge, science,  
22 and practice of accounting and auditing, taxation and  
23 management advisory services and is qualified to

1 render such professional services as a certified  
2 public accountant or public accountant, and performs  
3 the following:

- 4 (1) maintains an office for the transaction of  
5 business as a certified public accountant or  
6 public accountant,  
7 (2) offers to prospective clients to perform or who  
8 does perform on behalf of clients professional  
9 services that involve or require an audit,  
10 verification, investigation, certification,  
11 presentation, or review of financial transactions  
12 and accounting records or an attestation  
13 concerning any other written assertion,  
14 (3) prepares or certifies for clients reports on  
15 audits or investigations of books or records of  
16 account, balance sheets, and other financial,  
17 accounting and related schedules, exhibits,  
18 statements, or reports which are to be used for  
19 publication or for the purpose of obtaining  
20 credit, or for filing with a court of law or with  
21 any governmental agency, or for any other  
22 purpose,

- 1 (4) generally or incidentally to the work described  
2 herein, renders professional services to clients  
3 in any or all matters relating to accounting  
4 procedure and to the recording, presentation, or  
5 certification of financial information or data,  
6 (5) keeps books, or prepares trial balances,  
7 financial statements, or reports, all as a part  
8 of bookkeeping services for clients,  
9 (6) prepares or signs as the tax preparer, tax  
10 returns for clients, consults with clients on tax  
11 matters, conducts studies for clients on tax  
12 matters and prepares reports for clients on tax  
13 matters, unless the services are uncompensated  
14 and are limited solely to the registrant's, or  
15 the registrant's spouse's lineal and collateral  
16 heirs,  
17 (7) prepares personal financial or investment plans  
18 or provides to clients products or services of  
19 others in implementation of personal financial or  
20 investment plans, or  
21 (8) provides management advisory services to clients.  
22 b. Except for an individual granted practice privileges  
23 under Section 15.12A of this title or a firm exempt

1 from the permit and registration requirements under  
2 Section ~~17~~ 15.15C of this ~~act~~ title, an individual or  
3 firm not holding a certificate, license or permit  
4 shall not be deemed to be engaged in the practice of  
5 public accounting if the individual or firm does not  
6 hold itself out, solicit, or advertise for clients  
7 using the certified public accountant or public  
8 accountant designation and engages only in the  
9 following services:

- 10 (1) keeps books, or prepares trial balances,  
11 financial statements, or reports, provided such  
12 instruments do not use the terms "audit",  
13 "audited", "exam", "examined", "review" or  
14 "reviewed" or are not exhibited as having been  
15 prepared by a certified public accountant or  
16 public accountant. Except for an individual  
17 granted practice privileges under Section 15.12A  
18 of this title or a firm exempt from the permit  
19 and registration requirements under Section ~~17~~  
20 15.15C of this ~~act~~ title, nonregistrants may use  
21 the following disclaimer language in connection  
22 with financial statements ~~to not~~ and be in  
23 ~~violation of~~ compliance with the Oklahoma

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

5 (2) prepares or signs as the tax preparer, tax  
6 returns for clients, consults with clients on tax  
7 matters, conducts studies for clients on tax  
8 matters and prepares reports for clients on tax  
9 matters,

10 (3) prepares personal financial or investment plans  
11 or provides to clients products or services of  
12 others in implementation of personal financial or  
13 investment plans, or

14 (4) provides management advisory services to clients.

15 c. Only permit holders, individuals granted practice  
16 privileges under Section 15.12A of this title, or  
17 firms exempt from the permit and registration  
18 requirements under Section ~~17~~ 15.15C of this ~~act~~ title  
19 may render or offer to render any attest service, as  
20 defined herein, or issue a report on financial  
21 statements which purport to be in compliance with the  
22 Statements on Standards for Accounting and Review  
23 Services (SSARS). This restriction shall not prohibit

1 any act of a public official or public employee in the  
2 performance of that person's duties. This restriction  
3 shall not be construed to prohibit the performance by  
4 any unlicensed individual of other services as set out  
5 in subparagraph b of this paragraph.

6 d. A person is not deemed to be practicing public  
7 accounting within the meaning of this section solely  
8 by displaying an Oklahoma CPA certificate or a PA  
9 license in an office, identifying himself or herself  
10 as a CPA or PA on letterhead or business cards, or  
11 identifying himself or herself as a CPA or PA.  
12 However, the designation of CPA or PA on such  
13 letterheads, business cards, public signs,  
14 advertisements, publications directed to clients or  
15 potential clients, or financial or tax documents of a  
16 client constitutes the practice of public accounting  
17 and requires a permit, practice privileges under  
18 Section 15.12A of this title, or an exemption from the  
19 permit and registration requirements under Section ~~17~~  
20 15.15C of this ~~act~~ title;

21 35. "Preissuance review" means a review preformed pursuant to a  
22 set of procedures that include review of engagement document,  
23 report, and clients' financial statements in order to permit the

1 reviewer to assess compliance with all applicable professional  
2 standards;

3 36. "Principal place of business" means the office location  
4 designated by the licensee for the purposes of substantial  
5 equivalency and reciprocity;

6 ~~36.~~ 37. "Professional corporation" means a corporation  
7 organized pursuant to the laws of this state;

8 ~~37.~~ 38. "Professional" means arising out of or related to the  
9 specialized knowledge or skills associated with CPAs or PAs;

10 ~~38.~~ 39. "Public accountant" means any individual who has  
11 received a license from the Board;

12 ~~39.~~ 40. "Public interest" means the collective well-being of  
13 the community of people and institutions the profession serves;

14 ~~40.~~ 41. "Qualification applicant" means an individual who has  
15 made application to the Board to qualify to become a candidate for  
16 examination;

17 ~~41.~~ 42. "Registrant" means a CPA, PA, or firm composed of  
18 certified public accountants or public accountants or combination of  
19 both currently registered with the Board pursuant to the authority  
20 of the Oklahoma Accountancy Act;

21 ~~42.~~ 43. "Report", when used with reference to financial  
22 statements, or specified elements, accounts or items of a financial  
23 statement, means an opinion, report or other form of language that

1 states or implies assurance as to the reliability of any financial  
2 statements, or specified elements, accounts or items of a financial  
3 statement, and that also includes or is accompanied by any statement  
4 or implication that the person or firm issuing it has special  
5 knowledge or competence in accounting or auditing. Such a statement  
6 or implication of special knowledge or competence may arise from use  
7 by the issuer of the report of names or titles indicating that the  
8 person or firm is an accountant or auditor, or from the language of  
9 the report itself. The term "report" includes any form of language  
10 which disclaims an opinion when such form of language is  
11 conventionally understood to imply any positive assurance as to the  
12 reliability of the financial statements referred to and/or special  
13 competence on the part of the person or firm issuing such language;  
14 and it includes any other form of language that is conventionally  
15 understood to imply such assurance and/or such special knowledge or  
16 competence. This definition is not intended to include a report on  
17 financial statements prepared by a person not holding a certificate  
18 or license or not granted practice privileges under Section 15.12A  
19 of this title. However, such report shall not refer to "audit",  
20 "audited", "exam", "examined", "review" or "reviewed", nor use the  
21 language "in accordance with standards established by the American  
22 Institute of Certified Public Accountants" or successor of said  
23 entity, or governmental agency approved by the Board, except for the

1 Internal Revenue Service. Except for an individual granted practice  
2 privileges under Section 15.12A of this title or a firm exempt from  
3 the permit and registration requirements under Section ~~17~~ 15.15C of  
4 this ~~act~~ title, nonregistrants may use the following disclaimer  
5 language in connection with financial statements ~~to~~ to be in  
6 violation of the Oklahoma Accountancy Act: "I (we) have not  
7 audited, examined, or reviewed the accompanying financial statements  
8 and accordingly do not express an opinion or any other form of  
9 assurance on them.";

10 ~~43.~~ 44. "Representation" means any oral or written  
11 communication including but not limited to the use of title or  
12 legends on letterheads, business cards, office doors,  
13 advertisements, and listings conveying the fact that an individual  
14 or entity holds a certificate, license or permit;

15 ~~44.~~ 45. "Review", when used with reference to financial  
16 statements, means a registrant or an individual granted practice  
17 privileges under Section 15.12A of this title, or a firm exempt from  
18 the permit and registration requirements under Section ~~17~~ 15.15C of  
19 this ~~act~~ title performing inquiry and analytical procedures that  
20 provide the registrant with a reasonable basis for expressing  
21 limited assurance that there are no material modifications that  
22 should be made to the statements in order for them to be in

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

3 ~~45.~~ 46. "Substantial equivalency" is a determination by the  
4 Oklahoma Accountancy Board or its designee that:

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

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

21 SECTION 2. AMENDATORY 59 O.S. 2001, Section 15.2, as  
22 last amended by Section 85, Chapter 1, O.S.L. 2005 (59 O.S. Supp.  
23 2009, Section 15.2), is amended to read as follows:

1 Section 15.2 A. There is hereby re-created, to continue until  
2 July 1, ~~2010~~ 2014, in accordance with the provisions of the Oklahoma  
3 Sunset Law, the Oklahoma Accountancy Board. The Oklahoma  
4 Accountancy Board shall have the responsibility for administering  
5 and enforcing the Oklahoma Accountancy Act. The Oklahoma  
6 Accountancy Board shall be composed of seven (7) members, who shall  
7 have professional or practical experience in the use of accounting  
8 services and financial matters, so as to be qualified to make  
9 judgments about the qualifications and conduct of persons and firms  
10 subject to regulation under this act to be appointed by the Governor  
11 and confirmed by the Senate. The number of registrant members shall  
12 not be more than six, not including a firm, who shall serve terms of  
13 five (5) years. No member who has served two successive complete  
14 terms shall be eligible for reappointment, but an appointment to  
15 fill an unexpired term shall not be considered a complete term for  
16 this purpose. The public member shall serve coterminously with the  
17 Governor appointing the public member.

18 B. One member shall be either a public accountant licensed and  
19 holding a permit pursuant to the provisions of the Oklahoma  
20 Accountancy Act, or a person with professional or practical  
21 experience in the use of accounting services and financial matters  
22 and who shall have met the educational requirements to qualify as a  
23 candidate for examination for the license of public accountant as

1 provided in subsection B of Section 15.8 of this title. A list of  
2 qualified persons shall be compiled and submitted to the Governor by  
3 the Oklahoma Society of Public Accountants, or successor  
4 organization from time to time as appointment of the ~~public~~  
5 ~~accountant~~ Board member is required to be made. A list of three  
6 names shall be submitted for each single appointment from which the  
7 Governor may make the appointment.

8 C. Five members shall be certified public accountants holding  
9 certificates and four shall hold permits issued pursuant to the  
10 provisions of the Oklahoma Accountancy Act, at least four of whom  
11 shall have been engaged in the practice of public accounting as a  
12 certified public accountant continuously for not less than five (5)  
13 out of the last fifteen (15) years immediately preceding their  
14 appointments. A list of qualified persons shall be compiled and  
15 submitted to the Governor by the Oklahoma Society of Certified  
16 Public Accountants from time to time as appointments of the  
17 certified public accountant Board members are required. A list of  
18 three names shall be submitted for each single appointment from  
19 which the Governor may make the appointment.

20 D. One member shall be a public member who is not a certified  
21 public accountant or licensed public accountant. The public member  
22 shall be appointed by the Governor to a term coterminous with the

1 Governor. The public member shall serve at the pleasure of the  
2 Governor.

3 E. Upon the expiration of the term of office, a member shall  
4 continue to serve until a qualified successor has been appointed.  
5 Confirmation by the Senate is required during the next regular  
6 session of the Oklahoma Senate for the member to continue to serve.

7 SECTION 3. AMENDATORY 59 O.S. 2001, Section 15.8, as  
8 last amended by Section 4, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
9 2009, Section 15.8), is amended to read as follows:

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

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

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

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

6 SECTION 4. AMENDATORY 59 O.S. 2001, Section 15.9, as  
7 last amended by Section 5, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
8 2009, Section 15.9), is amended to read as follows:

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

1           B. The Board shall issue certificates as certified public  
2 accountants to those applicants who have met the qualifications  
3 required by the provisions of the Oklahoma Accountancy Act and the  
4 applicable rules of the Board, and have passed an examination in  
5 accounting, auditing and related subjects as the Board determines  
6 appropriate with such grades that satisfy the Board that each  
7 applicant is competent to practice as a certified public accountant.

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

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

21           E. An applicant for initial issuance of a certificate or  
22 license under this section shall show that the applicant has had one  
23 (1) year of experience. Experience shall be defined by the Board by

1 rule and shall include providing a type of service or advice  
2 involving the use of accounting, attest, compilation, management  
3 advisory, financial advisory, tax or consulting skills, and be  
4 satisfied through work experience in government, industry, academia  
5 or public practice, all of which shall be verified by a certificate  
6 or license holder or an individual approved by the Board. Upon  
7 completion of the requirements of Section 15.8 of this title, a  
8 qualified applicant for the examination may take the certified  
9 public accountant or public accountant examination prior to earning  
10 the experience required in this subsection, but shall not be issued  
11 a certificate until the experience requirement has been met.

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

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

21 H. An individual applying for a certificate as a certified  
22 public accountant must make application for the certificate within  
23 five (5) years of the date the Board notifies the candidate that the

1 candidate has successfully passed all sections of the C.P.A.  
2 Examination. If the candidate fails to make application for the  
3 certificate within five (5) years, the candidate must provide  
4 documentation showing he or she has completed at least one hundred  
5 twenty (120) hours of qualifying continuing public accountancy  
6 education completed within the three-year period immediately  
7 preceding the date the individual applies for certification. The  
8 Board shall establish rules whereby time limits set for application  
9 pursuant to this provision may, upon written application to the  
10 Board, be waived or reduced if the candidate is called to active  
11 military service or becomes incapacitated as a result of illness or  
12 injury or for such other good causes as determined by the Board on a  
13 case-by-case basis.

14 I. An individual applying for a license as a public accountant  
15 must make application for the license within five (5) years of the  
16 date the Board notifies the candidate that the candidate has  
17 successfully passed all sections of the PA Examination. If the  
18 candidate fails to make application for the license within five (5)  
19 years, the candidate must provide documentation showing he or she  
20 has completed at least one hundred twenty (120) hours of qualifying  
21 continuing public accountancy education completed within the three-  
22 year period immediately preceding the date the individual applies  
23 for licensure. The Board shall establish rules whereby time limits

1 set for application pursuant to this provision may, upon written  
2 application to the Board, be waived or reduced if the candidate is  
3 called to active military service or becomes incapacitated as a  
4 result of illness or injury or for such other good causes as  
5 determined by the Board on a case-by-case basis.

6 SECTION 5. AMENDATORY 59 O.S. 2001, Section 15.11, as  
7 last amended by Section 7, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
8 2009, Section 15.11), is amended to read as follows:

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

22 B. No entity shall assume or use the title or designation  
23 "Certified Public Accountant" or the abbreviation "C.P.A." or any

1 other title, designation, words, letters, abbreviation, sign, card  
2 or device tending to indicate or represent that such entity is  
3 composed of certified public accountants unless such entity is  
4 registered as a firm of certified public accountants and holds a  
5 valid permit issued pursuant to the provisions of the Oklahoma  
6 Accountancy Act or is exempt from the registration and permit  
7 requirements under Section ~~17~~ 15.15C of this ~~act~~ title. All offices  
8 in this state for the practice of public accounting by such entity  
9 shall be maintained and registered as required by the Oklahoma  
10 Accountancy Act.

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

22 D. No entity shall assume or use the title or designation  
23 "Public Accountant" or any other title, designation, words, letters,

1 abbreviation, sign, card, or device tending to indicate or represent  
2 that such entity is composed of public accountants, unless such  
3 entity is registered as a firm of public accountants and holds a  
4 valid permit issued pursuant to the provisions of the Oklahoma  
5 Accountancy Act. All offices in this state for the practice of  
6 public accounting by such entity shall be maintained and registered  
7 as required by the Oklahoma Accountancy Act.

8 E. No individual or entity shall assume or use the title or  
9 designation "Certified Accountant", "Chartered Accountant",  
10 "Enrolled Accountant", "Licensed Accountant", "Registered  
11 Accountant" or any other title or designation which could be  
12 confused with "Certified Public Accountant" or "Public Accountant",  
13 or any of the abbreviations "CA", "EA", except as it relates to the  
14 term "enrolled agent" as defined by the Internal Revenue Service,  
15 "RA", or "LA", or similar abbreviations which could be confused with  
16 "CPA" or "PA"; provided, however, that anyone who holds a valid  
17 permit and whose offices in this state for the practice of public  
18 accounting are maintained and registered as required by the Oklahoma  
19 Accountancy Act or is granted practice privileges under Section  
20 15.12A of this title may hold oneself out to the public as an  
21 "Accountant" or "Auditor".

22 F. No individual or entity not holding a valid permit, not  
23 granted practice privileges under Section 15.12A of this title, or

1 not exempt from the permit requirement under Section ~~17~~ 15.15C of  
2 this ~~act~~ title shall hold oneself or itself out to the public as an  
3 "Accountant" or "Auditor" by use of either or both of such words on  
4 any sign, card, letterhead, or in any advertisement or directory,  
5 without specifically indicating that such individual or entity does  
6 not hold such a permit. The provisions of this subsection shall not  
7 be construed to prohibit any officer, employee, partner or principal  
8 of any entity from describing oneself by the position, title or  
9 office one holds in such organization; nor shall this subsection  
10 prohibit any act of public official or public employee in the  
11 performance of the duties as such.

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

1 SECTION 6. AMENDATORY Section 8, Chapter 312, O.S.L.  
2 2002, as last amended by Section 9, Chapter 45, O.S.L. 2009 (59 O.S.  
3 Supp. 2009, Section 15.12A), is amended to read as follows:

4 Section 15.12A A. 1. An individual whose principal place of  
5 business is not in this state and who holds a valid certificate or  
6 license as a Certified Public ~~Account~~ Accountant or Public  
7 Accountant from any jurisdiction which the Oklahoma Accountancy  
8 Board's designee has verified to be in substantial equivalence to  
9 the Certified Public Accountant and Public Accountant licensure  
10 requirements of the AICPA/NASBA Uniform Accountancy Act shall be  
11 presumed to have qualifications substantially equivalent to this  
12 state's requirements and shall have all the privileges of  
13 certificate and license holders of this state without the need to  
14 obtain a certificate, license or permit required under Sections  
15 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title. An individual  
16 who offers or renders professional services, whether in person or by  
17 mail, telephone or electronic means, under this section shall be  
18 granted practice privileges in this state and no notice, fee or  
19 submission shall be provided by any such individual. Such an  
20 individual shall be subject to the requirements in paragraph 3 of  
21 this subsection.

22 2. An individual whose principal place of business is not in  
23 this state who holds a valid certificate or license as a Certified

1 Public Accountant or Public Accountant from any jurisdiction which  
2 the Oklahoma Accountancy Board's designee has not verified to be in  
3 substantial equivalence to the Certified Public Accountant licensure  
4 requirements of the AICPA/NASBA Uniform Accountancy Act shall be  
5 presumed to have qualifications substantially equivalent to this  
6 state's requirements and shall have all the privileges of  
7 certificate and license holders of this state without the need to  
8 obtain a certificate, license or permit required under Sections  
9 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title. Any individual  
10 who passed the Uniform CPA Examination and holds a valid certificate  
11 or license issued by any other state prior to January 1, 2012, may  
12 be exempt from the education requirement of the Uniform Accountancy  
13 Act for purposes of this paragraph. An individual who offers or  
14 renders professional services, whether in person, or by mail,  
15 telephone or electronic means, under this section, shall be granted  
16 practice privileges in this state and no notice, fee or submission  
17 shall be provided by any such individual. Such an individual shall  
18 be subject to the requirements in paragraph 3 of this subsection.

19 3. An individual certificate holder or license holder of  
20 another jurisdiction exercising the privilege afforded under this  
21 section, and any firm which employs that certificate holder or  
22 license holder hereby simultaneously consent, as a condition of the  
23 granting of this privilege:

- 1           a.    to the personal and subject matter jurisdiction and  
2                   disciplinary authority of the Board,  
3           b.    to comply with the Oklahoma Accountancy Act and the  
4                   Board's rules,  
5           c.    that in the event the certificate holder or license  
6                   holder from the jurisdiction of the individual's  
7                   principal place of business is no longer valid, the  
8                   individual will cease offering or rendering  
9                   professional services in this state individually or on  
10                  behalf of a firm, and  
11           d.    to the appointment of the state board which issued the  
12                   certificate or license as the agent upon whom process  
13                   may be served in any action or proceeding by the Board  
14                   against the certificate or license holder.

15           4.    A certified public accounting or public accounting firm that  
16           is licensed and has its primary place of business in another state,  
17           does not have an office in this state and does not provide the  
18           professional services described in subparagraphs a, b, and c of  
19           paragraph 5 of this subsection for a client whose home office is in  
20           this state, may practice in this state without a firm license,  
21           permit, or notice to the Board if the firm's practice in this state  
22           is performed by an individual who is licensed in Oklahoma or who has

1 been granted practice privileges under paragraph 1 or 2 of this  
2 subsection.

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

6 a. any financial statement audit or other engagement to  
7 be performed in accordance with Statements on Auditing  
8 Standards,

9 b. any examination of prospective financial information  
10 to be performed in accordance with Statements on  
11 Standards for Attestation Engagements, or

12 c. any engagement to be performed in accordance with  
13 Public Company Accounting Oversight Board ~~(PSAOB)~~  
14 (PCAOB) auditing standards,

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

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

1 SECTION 7. AMENDATORY 59 O.S. 2001, Section 15.13, as  
2 last amended by Section 10, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
3 2009, Section 15.13), is amended to read as follows:

4 Section 15.13 A. The Oklahoma Accountancy Board may issue a  
5 certificate or license to an applicant who has been authorized to  
6 practice public accounting as a certified public accountant or  
7 public accountant pursuant to the laws of any jurisdiction if the  
8 applicant passed a test administered for the purpose of authorizing  
9 an individual to practice as a certified public accountant or public  
10 accountant with grades which were equivalent to passing a test for  
11 the same purpose in this state as of the date the applicant  
12 originally passed the examination, and said applicant:

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

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

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

21 B. In the event an applicant does not meet the requirements of  
22 subsection A of this section, but has passed a test administered for  
23 the purpose of authorizing an individual to practice as a certified

1 public accountant or public accountant with grades which were  
2 equivalent to passing a test for the same purpose in this state on  
3 the date the applicant passed the examination, the Board may issue a  
4 certificate or license to an applicant if such applicant has four  
5 (4) years of experience practicing public accounting as a certified  
6 public accountant or public accountant pursuant to the laws of any  
7 jurisdiction. Such experience must have occurred within the ten  
8 (10) years immediately preceding the application. Experience  
9 acceptable to satisfy the requirements of this subsection shall be  
10 determined by standards established by the Board.

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

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

19 E. A fee in the amount equal to the registration fee and permit  
20 fee, if applicable, plus an administrative fee, the total of which  
21 shall not exceed Three Hundred Dollars (\$300.00), shall be paid by  
22 an applicant seeking a certificate or license pursuant to the

1 provisions of this section. The total amount shall be established  
2 by Board rule.

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

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

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

1 SECTION 8. AMENDATORY 59 O.S. 2001, Section 15.14, as  
2 last amended by Section 12, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
3 2009, Section 15.14), is amended to read as follows:

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

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

17 C. After the initial registration, renewal of registrations  
18 shall be accomplished by registrants in good standing upon filing of  
19 the registration and upon payment of the registration fee. Interim  
20 registration shall be at full rates.

21 D. Effective January 1, 2010, all valid certificates or  
22 licenses shall be renewed based on staggered expiration dates on the  
23 last day of the individuals' birth months. Renewal will be

1 effective for a twelve-month period. The Board shall implement  
2 rules for the scheduling of expiration and renewal of certificates  
3 and licenses, including the prorating of fees.

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

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

12 1. Upon failure of an individual to pay registration fees on or  
13 before the expiration date, the Board shall notify the individual in  
14 writing by certified mail to the last known address of the  
15 individual, as reflected in the records of the Board, of the  
16 individual's failure to comply with the Oklahoma Accountancy Act.

17 2. A certificate or license granted under authority of the  
18 Oklahoma Accountancy Act shall automatically be revoked if the  
19 individual fails to pay registration fees within thirty (30) days  
20 after the expiration date.

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

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

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

16           G. The Board shall establish rules whereby the registration fee  
17 for certified public accountants and public accountants may, upon  
18 written application to the Board, be reduced or waived by the Board  
19 for registrants who have retired upon reaching retirement age, or  
20 who have attained the age of sixty-five (65) years, or who have  
21 become disabled to a degree precluding the continuance of their  
22 practice for six (6) months or more prior to the due date of any

1 renewal fee. The Board shall use its discretion in determining  
2 conditions required for retirement or disability.

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

9 I. At the direction of the Board, a register of registrants may  
10 be published in any media format the Board considers appropriate for  
11 public distribution.

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

15 Section 15.14A A. Before any individual may practice public  
16 accounting or hold himself or herself out as being engaged in the  
17 practice of public accounting as a certified public accountant or  
18 public accountant in this state, such person shall obtain a permit  
19 from the Oklahoma Accountancy Board, unless such person is granted  
20 practice privileges under Section 15.12A of this title. Any  
21 individual, corporation or partnership or any other entity who  
22 provides any of the services defined hereinabove as the "practice of  
23 public accounting" without holding a license and permit, or without

1 holding a certificate and permit ~~holder~~, shall be assessed a fine  
2 not to exceed Ten Thousand Dollars (\$10,000.00) for each separate  
3 offense, unless such person is granted practice privileges under  
4 Section 15.12A of this title, or such entity is exempt from the  
5 permit and registration requirements of Section ~~17~~ 15.15C of this  
6 ~~act~~ title.

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

11 1. Any individual seeking a permit must have a valid  
12 certificate or license;

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

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

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

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

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

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

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

12 SECTION 10. AMENDATORY 59 O.S. 2001, Section 15.14B, as  
13 last amended by Section 14, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
14 2009, Section 15.14B), is amended to read as follows:

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

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

22 2. Dishonesty, fraud, or gross negligence in accountancy or  
23 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 11.           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

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

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

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

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

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

21 C. Interim registrations shall be at full rates.

22 D. Upon failure of a firm to pay registration fees on or before  
23 the last day of June, the Board shall notify the firm in writing by

1 certified mail to the last known address of the firm, as reflected  
2 in the records of the Board, of the firm's failure to comply with  
3 the Oklahoma Accountancy Act.

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

7 F. A firm whose registration is automatically revoked pursuant  
8 to this section may be reinstated by the Board upon payment of a fee  
9 to be set by the Board which shall not exceed Two Hundred Dollars  
10 (\$200.00).

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

16 SECTION 12. AMENDATORY 59 O.S. 2001, Section 15.15A, as  
17 last amended by Section 16, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
18 2009, Section 15.15A), is amended to read as follows:

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

1 title shall also not be required to obtain a permit under this  
2 section. Renewals of firm permits shall be applied for during the  
3 month of May of each year.

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

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

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

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

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

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

22 1. Changes in the partners or shareholders of the firm;

23 2. Changes in the structure of the firm;

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

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

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

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

18           3. The date the dissolution became effective.

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

22           F. Each firm seeking a permit to practice accounting as a CPA  
23 firm shall be issued a permit by the Board upon application and

1 payment of appropriate fees. A firm applying for a permit shall  
2 provide documentary proof to the Board that:

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

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

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

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

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

1 SECTION 13. AMENDATORY 59 O.S. 2001, Section 15.24, as  
2 last amended by Section 19, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
3 2009, Section 15.24), is amended to read as follows:

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

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

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

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

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

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

5           6. Deny renewal of a permit;

6           7. Require ~~an~~ a preissuance review or accelerated peer review  
7 of the registrant~~,~~ subject to such procedures~~,~~ as the Board deems  
8 appropriate;

9           8. Require successful completion of continuing professional  
10 educational programs deemed appropriate;

11          9. Assess a fine not to exceed Ten Thousand Dollars  
12 (\$10,000.00) for each separate offense; and

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

19          B. Upon application in writing, the Board may reinstate a  
20 certificate, license, practice privilege or permit which has been  
21 revoked, or may modify, upon good cause as to why ~~said~~ the  
22 individual or entity should be reinstated, the suspension of any  
23 certificate, license, practice privilege or permit.

1 C. 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  
4 require the applicant to show successful completion of specified  
5 continuing professional education courses.

6 D. Before reinstating or terminating the suspension of a  
7 certificate, license, practice privilege or permit, or as a  
8 condition to such reinstatement or termination, the Board may make  
9 the reinstatement of a certificate, license, or permit conditional  
10 and subject to satisfactory completion of a peer review conducted in  
11 such fashion as the Board may specify.

12 E. Before reinstating or terminating the suspension of a  
13 certificate or license or as a condition to such reinstatement or  
14 termination, the Board may require the applicant to submit to a  
15 national criminal history records search. The costs associated with  
16 the national criminal history records search shall be paid by the  
17 applicant.

18 F. The provisions of this section shall not be construed to  
19 preclude the Board from entering into any agreement to resolve a  
20 complaint prior to a formal hearing or before the Board enters a  
21 final order.

22 ~~F.~~ G. All monies, excluding costs, collected from civil  
23 penalties authorized in this section, such penalties being

1 enforceable in the district courts of this state, shall be deposited  
2 with the State Treasurer to be paid into the General Revenue Fund of  
3 the state.

4 SECTION 14. AMENDATORY 59 O.S. 2001, Section 15.25, as  
5 last amended by Section 20, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
6 2009, Section 15.25), is amended to read as follows:

7 Section 15.25 Any individual or entity who:

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

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

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

21 4. Otherwise violates any of the provisions of the Oklahoma  
22 Accountancy Act<sup>7j</sup>;

23 upon conviction shall be deemed guilty of a misdemeanor.

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

6        SECTION 15.        AMENDATORY        59 O.S. 2001, Section 15.37, as  
7 last amended by Section 24, Chapter 45, O.S.L. 2009 (59 O.S. Supp.  
8 2009, Section 15.37), is amended to read as follows:

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

14        SECTION 16. This act shall become effective July 1, 2010.

15        SECTION 17. It being immediately necessary for the preservation  
16 of the public peace, health and safety, an emergency is hereby  
17 declared to exist, by reason whereof this act shall take effect and  
18 be in full force from and after its passage and approval.

19        COMMITTEE REPORT BY: COMMITTEE ON BUSINESS & LABOR, dated 3-22-10 -  
20 DO PASS, As Coauthored.