

SB 2111

CORRECTED PRINTING

THE STATE SENATE

Monday, February 15, 2010

Senate Bill No. 2111

As Amended

SENATE BILL NO. 2111 - By: Burrage of the Senate and Jones of the House.

An Act relating to professions and occupations; 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, 15.12A, 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, Section 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 certificate within certain time after passing exam; requiring certain continuing education hours after failure to apply for certificate as CPA or PA; authorizing rules for waiver of time limits for application upon certain military service and good causes; clarifying person's title; including

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

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

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

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

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

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

17 3. "Applicant" means an individual or entity that has made
18 application to the Board for a certificate, license, or permit and
19 said application has not been approved;

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

23 5. "Attest" means providing the following financial statement
24 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~~ 15.15 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. "Pre-issuance review" means a review preformed pursuant to
22 a 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 15.8, as
22 last amended by Section 4, Chapter 45, O.S.L. 2009 (59 O.S. Supp.
23 2009, Section 15.8), is amended to read as follows:

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

15 B. On or after July 1, 1999, every qualification applicant to
16 qualify as a candidate for examination for the license of public
17 accountant shall have graduated from an accredited four-year college
18 or university with a major in accounting or with a nonaccounting
19 major supplemented by what the Oklahoma Accountancy Board determines
20 to be the equivalent of an accounting major of any four-year college
21 or university in this state or any other four-year college or
22 university recognized by the Board. Such major in accounting or
23 nonaccounting major shall include satisfactory completion of forty-

1 eight (48) semester hours, or the equivalent thereof, in accounting
2 and related subjects. At least thirty (30) semester hours, or the
3 equivalent thereof, of said forty-eight (48) semester hours, shall
4 be in accounting courses, at least one of which shall be in
5 auditing. The remainder of said forty-eight (48) semester hours, or
6 the equivalent thereof, shall be in said related subjects, which
7 shall be in any or all of the subjects of economics, statistics,
8 business law, finance, business management, marketing, business
9 communication, financial information systems or computer science or
10 the equivalent of such subjects as determined by the Board.

11 C. On or after July 1, 2003, every qualification applicant to
12 qualify as a candidate for examination for the certificate of
13 certified public accountant shall have at least one hundred fifty
14 (150) semester hours, or the equivalent thereof, of college
15 education including a baccalaureate or higher degree conferred by a
16 college or university acceptable to the Board from an accredited
17 four-year college or university in this state or any other
18 accredited four-year college or university recognized by the Board.
19 A minimum of seventy-six (76) semester hours must be earned at the
20 upper-division level of college or above or the equivalent thereof
21 as determined by the Board; this education requirement shall have
22 been completed prior to submitting an application to the Board; the
23 total educational program of the applicant for examination shall

1 include an accounting concentration or its equivalent as determined
2 acceptable by the Board which shall include not less than thirty
3 (30) semester hours, or the equivalent thereof, in accounting
4 courses above principles of accounting or introductory accounting,
5 with at least one course in auditing or assurance; the remaining
6 accounting courses shall be selected from financial accounting,
7 accounting theory, cost/managerial accounting, federal income tax,
8 governmental, not_for_profit accounting, accounting information
9 systems, accounting history and other accounting electives; at least
10 nine (9) semester hours shall be from any or all of the subjects of
11 economics, statistics, business law, finance, business management,
12 marketing, business communication, risk management, insurance,
13 management information systems, or computer science at the upper-
14 division level of college or above or the equivalent of such
15 subjects as determined by the Board; all the remaining semester
16 hours, if any, shall be elective but shall be at the upper-division
17 level of college or above.

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

20 SECTION 3. AMENDATORY 59 O.S. 2001, Section 15.9, as
21 last amended by Section 5, Chapter 45, O.S.L. 2009 (59 O.S. Supp.
22 2009, Section 15.9), is amended to read as follows:

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

16 B. The Board shall issue certificates as certified public
17 accountants to those applicants who have met the qualifications
18 required by the provisions of the Oklahoma Accountancy Act and the
19 applicable rules of the Board, and have passed an examination in
20 accounting, auditing and related subjects as the Board determines
21 appropriate with such grades that satisfy the Board that each
22 applicant is competent to practice as a certified public accountant.

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

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

14 E. An applicant for initial issuance of a certificate or
15 license under this section shall show that the applicant has had one
16 (1) year of experience. Experience shall be defined by the Board by
17 rule and shall include providing a type of service or advice
18 involving the use of accounting, attest, compilation, management
19 advisory, financial advisory, tax or consulting skills, and be
20 satisfied through work experience in government, industry, academia
21 or public practice, all of which shall be verified by a certificate
22 or license holder or an individual approved by the Board. Upon
23 completion of the requirements of Section 15.8 of this title, a

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

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

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

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

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

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

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

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

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

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

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

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

1 public accounting by such entity shall be maintained and registered
2 as required by the Oklahoma Accountancy Act.

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

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

1 not hold such a permit. The provisions of this subsection shall not
2 be construed to prohibit any officer, employee, partner or principal
3 of any entity from describing oneself by the position, title or
4 office one holds in such organization; nor shall this subsection
5 prohibit any act of public official or public employee in the
6 performance of the duties as such.

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

18 SECTION 5. AMENDATORY 59 O.S. 2001, Section 15.12A, as
19 last amended by Section 9, Chapter 45, O.S.L. 2009 (59 O.S. Supp.
20 2009, Section 15.12A), is amended to read as follows:

21 Section 15.12A A. 1. An individual whose principal place of
22 business is not in this state and who holds a valid certificate or
23 license as a Certified Public ~~Account~~ Accountant or Public

1 Accountant from any jurisdiction which the Oklahoma Accountancy
2 Board's designee has verified to be in substantial equivalence to
3 the Certified Public Accountant and 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. An individual
10 who offers or renders professional services, whether in person or by
11 mail, telephone or electronic means, under this section shall be
12 granted practice privileges in this state and no notice, fee or
13 submission shall be provided by any such individual. Such an
14 individual shall be subject to the requirements in paragraph 3 of
15 this subsection.

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

1 certificate and license holders of this state without the need to
2 obtain a certificate, license or permit required under Sections
3 15.9, 15.13, 15.14A, 15.15 and 15.15A of this title. Any individual
4 who passed the Uniform CPA Examination and holds a valid certificate
5 or license issued by any other state prior to January 1, 2012, may
6 be exempt from the education requirement of the Uniform Accountancy
7 Act for purposes of this paragraph. An individual who offers or
8 renders professional services, whether in person, or by mail,
9 telephone or electronic means, under this section, shall be granted
10 practice privileges in this state and no notice, fee or submission
11 shall be provided by any such individual. Such an individual shall
12 be subject to the requirements in paragraph 3 of this subsection.

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

- 18 a. to the personal and subject matter jurisdiction and
19 disciplinary authority of the Board,
20 b. to comply with the Oklahoma Accountancy Act and the
21 Board's rules,
22 c. that in the event the certificate holder or license
23 holder from the jurisdiction of the individual's

1 principal place of business is no longer valid, the
2 individual will cease offering or rendering
3 professional services in this state individually or on
4 behalf of a firm, and

5 d. to the appointment of the state board which issued the
6 certificate or license as the agent upon whom process
7 may be served in any action or proceeding by the Board
8 against the certificate or license holder.

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

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

- 1 a. any financial statement audit or other engagement to
2 be performed in accordance with Statements on Auditing
3 Standards,
4 b. any examination of prospective financial information
5 to be performed in accordance with Statements on
6 Standards for Attestation Engagements, or
7 c. any engagement to be performed in accordance with
8 Public Company Accounting Oversight Board (~~PSAOB~~)
9 (PCAOB) auditing standards,

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

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

19 SECTION 6. AMENDATORY 59 O.S. 2001, Section 15.13, as
20 last amended by Section 10, Chapter 45, O.S.L. 2009 (59 O.S. Supp.
21 2009, Section 15.13), is amended to read as follows:

22 Section 15.13 A. The Oklahoma Accountancy Board may issue a
23 certificate or license to an applicant who has been authorized to

1 practice public accounting as a certified public accountant or
2 public accountant pursuant to the laws of any jurisdiction if the
3 applicant passed a test administered for the purpose of authorizing
4 an individual to practice as a certified public accountant or public
5 accountant with grades which were equivalent to passing a test for
6 the same purpose in this state as of the date the applicant
7 originally passed the examination, and said applicant:

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

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

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

16 B. In the event an applicant does not meet the requirements of
17 subsection A of this section, but has passed a test administered for
18 the purpose of authorizing an individual to practice as a certified
19 public accountant or public accountant with grades which were
20 equivalent to passing a test for the same purpose in this state on
21 the date the applicant passed the examination, the Board may issue a
22 certificate or license to an applicant if such applicant has four
23 (4) years of experience practicing public accounting as a certified

1 public accountant or public accountant pursuant to the laws of any
2 jurisdiction. Such experience must have occurred within the ten
3 (10) years immediately preceding the application. Experience
4 acceptable to satisfy the requirements of this subsection shall be
5 determined by standards established by the Board.

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

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

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

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

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

11 H. An applicant for the certificate of certified public
12 accountant or license of a public accountant under this section
13 shall submit to a national criminal history record check. The costs
14 associated with the national criminal history record check shall be
15 paid by the applicant.

16 SECTION 7. AMENDATORY 59 O.S. 2001, Section 15.14, as
17 last amended by Section 12, Chapter 45, O.S.L. 2009 (59 O.S. Supp.
18 2009, Section 15.14), is amended to read as follows:

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

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

9 C. After the initial registration, renewal of registrations
10 shall be accomplished by registrants in good standing upon filing of
11 the registration and upon payment of the registration fee. Interim
12 registration shall be at full rates.

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

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

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

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

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

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

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

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

22 However, an individual whose certificate or license has been
23 expired, surrendered, canceled or revoked for five (5) years or more

1 may not renew the certificate or license. The individual may obtain
2 a new certificate or license by complying with the requirements and
3 procedures, including the examination requirements, for obtaining an
4 original certificate or license. This provision shall not apply to
5 an individual who is licensed to practice in another jurisdiction
6 for the five (5) years ~~prior to reapplication~~ immediately preceding
7 their application for reinstatement.

8 G. The Board shall establish rules whereby the registration fee
9 for certified public accountants and public accountants may, upon
10 written application to the Board, be reduced or waived by the Board
11 for registrants who have retired upon reaching retirement age, or
12 who have attained the age of sixty-five (65) years, or who have
13 become disabled to a degree precluding the continuance of their
14 practice for six (6) months or more prior to the due date of any
15 renewal fee. The Board shall use its discretion in determining
16 conditions required for retirement or disability.

17 H. All notifications of criminal arrests or charges,
18 disciplinary actions by any other jurisdiction or foreign country,
19 revocation or suspension by enforcement action of any professional
20 credential and all changes of employment or mailing address shall be
21 reported to the Board within thirty (30) calendar days of such
22 changes becoming effective.

1 I. At the direction of the Board, a register of registrants may
2 be published in any media format the Board considers appropriate for
3 public distribution.

4 SECTION 8. AMENDATORY 59 O.S. 2001, Section 15.14A, as
5 amended by Section 13, Chapter 45, O.S.L. 2009 (59 O.S. Supp.
6 2009, Section 15.14A), is amended to read as follows:

7 Section 15.14A A. Before any individual may practice public
8 accounting or hold himself or herself out as being engaged in the
9 practice of public accounting as a certified public accountant or
10 public accountant in this state, such person shall obtain a permit
11 from the Oklahoma Accountancy Board, unless such person is granted
12 practice privileges under Section 15.12A of this title. Any
13 individual, corporation or partnership or any other entity who
14 provides any of the services defined hereinabove as the "practice of
15 public accounting" without holding a license and permit, or without
16 holding a certificate and permit holder, shall be assessed a fine
17 not to exceed Ten Thousand Dollars (\$10,000.00) for each separate
18 offense, unless such person is granted practice privileges under
19 Section 15.12A of this title, or such entity is exempt from the
20 permit and registration requirements of Section ~~17~~ 15.15C of this
21 act title.

22 B. The Board shall promulgate rules establishing the
23 qualifications for obtaining a permit to practice public accounting

1 in this state. Such rules shall include but not be limited to
2 provisions that:

3 1. Any individual seeking a permit must have a valid
4 certificate or license;

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

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

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

11 C. All such individuals shall, upon application and compliance
12 with the rules establishing qualifications for obtaining a permit
13 and payment of the fees, be granted an annual permit to practice
14 public accounting in this state. Until January 1, 2010, all permits
15 issued shall expire on June 30 of each year and may be renewed from
16 year to year. Effective January 1, 2010, all permits issued shall
17 be renewed based on staggered expiration dates on the last day of
18 the ~~individuals'~~ individual's birth ~~months~~ month in conjunction with
19 the ~~registrants'~~ registrant's certificate or license renewal. The
20 Board may issue interim permits upon payment of the same fees
21 required for annual permits.

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

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

6 SECTION 9. AMENDATORY 59 O.S. 2001, Section 15.14B, as
7 last amended by Section 14, Chapter 45, O.S.L. 2009 (59 O.S. Supp.
8 2009, Section 15.14B), is amended to read as follows:

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

14 1. Fraud or deceit in obtaining a certificate, license,
15 practice privilege or permit;

16 2. Dishonesty, fraud, or gross negligence in accountancy or
17 financially related activities;

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

22 4. Conviction, plea of guilty, or plea of nolo contendere of
23 any misdemeanor, an element of which is dishonesty or fraud,

1 pursuant to the laws of the United States or any jurisdiction if the
2 acts involved would have constituted a misdemeanor under the laws of
3 this state;

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

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

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

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

1 Dollars (\$100.00). The following must register with the Board under
2 this section:

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

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

8 3. Any firm that does not have an office in this state but
9 performs services described in subparagraph a, c, or d of paragraph
10 5 of Section 15.1A of this title for a client having its home office
11 in this state.

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

16 C. Interim registrations shall be at full rates.

17 D. Upon failure of a firm to pay registration fees on or before
18 the last day of June, the Board shall notify the firm in writing by
19 certified mail to the last known address of the firm, as reflected
20 in the records of the Board, of the firm's failure to comply with
21 the Oklahoma Accountancy Act.

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

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

8 G. An individual who has practice privileges under Section
9 15.12A of this title who performs services for which firm
10 registration is required under this section shall not be required to
11 meet the certificate, license, registration or permit requirements
12 of Section 15.9, 15.13, 15.13A, 15.14 or 15.14A of this title.

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

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

1 B. Applicants for initial firm permits shall provide the Board
2 with the following information:

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

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

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

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

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

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

20 2. Changes in the structure of the firm;

21 3. Change of the designated manager of the firm;

22 4. Changes in the number or location of offices of the firm;

23 and

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

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

11 1. A list of all partners and shareholders at the time of
12 dissolution;

13 2. The location of each office of the firm at the time of
14 dissolution; and

15 3. The date the dissolution became effective.

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

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

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

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

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

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

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

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

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

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

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

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

16 4. Place a registrant, 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 on probation for a specified period of time, which
20 may be shortened or lengthened, as the Board deems appropriate;

21 5. Limit the scope of practice of a registrant, an individual
22 granted practice privileges under Section 15.12A of this title, or a

1 firm exempt from the permit and registration requirements under
2 Section ~~17~~ 15.15C of this ~~act~~ title;

3 6. Deny renewal of a permit;

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

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

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

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

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

22 C. Before reinstating or terminating the suspension of a
23 certificate, license, practice privilege or permit, or as a

1 condition to such reinstatement or termination, the Board may
2 require the applicant to show successful completion of specified
3 continuing professional education courses.

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

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

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

20 ~~F.~~ G. All monies, excluding costs, collected from civil
21 penalties authorized in this section, such penalties being
22 enforceable in the district courts of this state, shall be deposited

1 with the State Treasurer to be paid into the General Revenue Fund of
2 the state.

3 SECTION 13. AMENDATORY 59 O.S. 2001, Section 15.25, as
4 last amended by Section 20, Chapter 45, O.S.L. 2009 (59 O.S. Supp.
5 2009, Section 15.25), is amended to read as follows:

6 Section 15.25 Any individual or entity who:

- 7 1. Represents himself, herself or itself as having received a
8 certificate, license, or permit and otherwise presents himself,
9 herself or itself to the public as having specialized knowledge or
10 skills associated with CPAs and PAs without having received such
11 certificate, license, or permit; or
- 12 2. Continues to use such title or designation after such
13 certificate, license, or permit has been recalled, revoked,
14 surrendered, canceled, or suspended or refuses to surrender such
15 certificate, license, or permit; or
- 16 3. Falsely represents himself, herself or itself as being a CPA
17 or licensed as a public accountant, or firm of CPAs or licensed
18 public accountants, or who incorrectly designates the character of
19 the certificate, license or permit which he, she or it holds; or
- 20 4. Otherwise violates any of the provisions of the Oklahoma
21 Accountancy Act,
22 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 14. 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 15. This act shall become effective July 1, 2010.

15 SECTION 16. 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 2-8-10 -
20 DO PASS, As Amended and Coauthored.