

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 58th Legislature (2022)

4 ENGROSSED SENATE

5 BILL NO. 1760

By: Dugger of the Senate

and

Kendrix of the House

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8
9 An Act relating to the Oklahoma Accountancy Act;
10 amending 59 O.S. 2021, Section 15.1A, which relates
11 to definitions; removing references; amending 59 O.S.
12 2021, Section 15.2, which relates to the Oklahoma
13 Accountancy Board; removing licensed public
14 accountant from board; reconfiguring membership of
15 board; amending 59 O.S. 2021, Section 15.8, which
16 relates to qualifications; removing qualifications
17 for candidacy for licensed public accountant;
18 amending 59 O.S. 2021, Section 15.9, which relates to
19 issuances of certificates and licenses; removing
20 conditions for issuances of licenses for public
21 accountants; amending 59 O.S. 2021, Section 15.10,
22 which relates to examinations; removing examination
23 for licensed public accountants; amending 59 O.S.
24 2021, Section 15.13, which relates to reciprocity;
 removing issuances of license to public accountants;
 amending 59 O.S. 2021, Section 15.13A, which relates
 to foreign reciprocity; updating statutory language;
 updating statutory reference; and providing an
 effective date.

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

SECTION 1. AMENDATORY 59 O.S. 2021, Section 15.1A, is
amended to read as follows:

1 Section 15.1A. As used in the Oklahoma Accountancy Act:

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

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

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

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

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

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

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

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

22 d. any engagement to be performed in accordance with the
23 Auditing Standards of the Public Company Accounting
24 Oversight Board (PCAOB).

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

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

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

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

19 9. "Certificate" means the Oklahoma document issued by the
20 Board to a candidate upon successful completion of the certified
21 public accountant examination designating the holder as a certified
22 public accountant pursuant to the laws of Oklahoma. "Certificate"
23 shall also mean the Oklahoma document issued by reciprocity to an
24

1 individual who has previously been certified in another
2 jurisdiction;

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

5 11. "Client" means the individual or entity which retains a
6 registrant, an individual granted practice privileges under Section
7 15.12A of this title, or a firm exempt from the permit and
8 registration requirements under Section 15.15C of this title to
9 perform professional services;

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

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

15 14. "Designated manager" means the Oklahoma certified public
16 accountant or public accountant appointed by the firm partners or
17 shareholders to be responsible for the administration of the office;

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

20 16. "Entity" means an organization whether for profit or not,
21 recognized by ~~the State of Oklahoma~~ this state to conduct business;

22 17. "Examination" means the test sections of Auditing and
23 Attestation, Business Environment and Concepts, Financial Accounting
24 and Reporting, and Regulation or their successors, administered,

1 supervised, and graded by, or at the direction of, the Board or
2 other jurisdiction that is required for a certificate as a certified
3 public accountant ~~or a license as a public accountant;~~

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

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

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

1 21. "Holding out" means any representation by an individual
2 that he or she holds a certificate or license and a valid permit, or
3 by an entity that it holds a valid permit. Any such representation
4 is presumed to invite the public to rely upon the professional
5 skills implied by the certificate or license and valid permit in
6 connection with the services or products offered;

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

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

11 24. "Individual" means a human being;

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

14 26. "License" means the Oklahoma document issued by the Board
15 to a candidate upon successful completion of the public accountant
16 examination designating the holder as a public accountant pursuant
17 to the laws of ~~Oklahoma~~ this state. "License" shall also mean the
18 Oklahoma document issued by the Board by reciprocity to a public
19 accountant who has previously been licensed by examination in
20 another jurisdiction;

21 27. "Management advisory services", also known as "management
22 consulting services", "management services", "business advisory
23 services" or other similar designation, hereinafter collectively
24 referred to as "MAS", means the function of providing advice and/or

1 technical assistance, performed in accordance with standards for MAS
2 engagements and MAS consultations such as those issued by the
3 American Institute of Certified Public Accountants, where the
4 primary purpose is to help the client improve the use of its
5 capabilities and resources to achieve its objectives including but
6 not limited to:

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

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

22 28. "NASBA" means the National Association of State Boards of
23 Accountancy;

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

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

7 31. "PCAOB" means the Public Company Accounting Oversight
8 Board;

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

12 33. "Permit" means the written authority granted annually by
13 the Board to individuals or firms to practice public accounting in
14 ~~Oklahoma~~ this state, which is issued pursuant to the Oklahoma
15 Accountancy Act;

16 34. a. "Practice of public accounting", also known as
17 "practice public accounting", "practice" and "practice
18 accounting", refers to the activities of a registrant,
19 an individual granted practice privileges under
20 Section 15.12A of this title, or a firm exempt from
21 the permit and registration requirements under Section
22 15.15C of this title in reference to accountancy. An
23 individual or firm shall be deemed to be engaged in
24 the practice of public accounting if the individual or

1 firm holds itself out to the public in any manner as
2 one skilled in the knowledge, science, and practice of
3 accounting and auditing, taxation and management
4 advisory services and is qualified to render such
5 professional services as a certified public accountant
6 or public accountant, and performs the following:

7 (1) maintains an office for the transaction of
8 business as a certified public accountant or
9 public accountant,

10 (2) offers to prospective clients to perform or who
11 does perform on behalf of clients professional
12 services that involve or require an audit,
13 verification, investigation, certification,
14 presentation, or review of financial transactions
15 and accounting records or an attestation
16 concerning any other written assertion,

17 (3) prepares or certifies for clients reports on
18 audits or investigations of books or records of
19 account, balance sheets, and other financial,
20 accounting and related schedules, exhibits,
21 statements, or reports which are to be used for
22 publication or for the purpose of obtaining
23 credit, or for filing with a court of law or with
24

any governmental agency, or for any other purpose,

(4) generally or incidentally to the work described herein, renders professional services to clients in any or all matters relating to accounting procedure and to the recording, presentation, or certification of financial information or data,

(5) keeps books, or prepares trial balances, financial statements, or reports, all as a part of bookkeeping services for clients,

(6) prepares or signs as the tax preparer, tax returns for clients, consults with clients on tax matters, conducts studies for clients on tax matters and prepares reports for clients on tax matters, unless the services are uncompensated and are limited solely to the registrant's, or the registrant's spouse's lineal and collateral heirs,

(7) prepares personal financial or investment plans or provides to clients products or services of others in implementation of personal financial or investment plans, or

(8) provides management advisory services to clients.

1 b. Except for an individual granted practice privileges
2 under Section 15.12A of this title or a firm exempt
3 from the permit and registration requirements under
4 Section 15.15C of this title, an individual or firm
5 not holding a certificate, license or permit shall not
6 be deemed to be engaged in the practice of public
7 accounting if the individual or firm does not hold
8 itself out, solicit, or advertise for clients using
9 the certified public accountant or public accountant
10 designation and engages only in the following
11 services:

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

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

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

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

15 (4) provides management advisory services to clients.

16 c. Only permit holders, individuals granted practice
17 privileges under Section 15.12A of this title, or
18 firms exempt from the permit and registration
19 requirements under Section 15.15C of this title may
20 render or offer to render any attest service, as
21 defined herein, or issue a report on financial
22 statements which purport to be in compliance with the
23 Statements on Standards for Accounting and Review
24 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, financial or tax documents of a
16 client, performance of any attest service or issuance
17 of a report constitutes the practice of public
18 accounting and requires a permit, practice privileges
19 under Section 15.12A of this title, or an exemption
20 from the permit and registration requirements under
21 Section 15.15C of this title;

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

reviewer to assess compliance with all applicable professional standards;

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

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

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

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

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

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

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

43. "Report", when used with reference to any attest or compilation service, means an opinion, report or other form of language that states or implies assurance as to the reliability of the attested information or complied financial statements, and that

1 also includes or is accompanied by any statement or implication that
2 the person or firm issuing it has special knowledge or competence in
3 accounting or auditing. Such a statement or implication of special
4 knowledge or competence may arise from use by the issuer of the
5 report of names or titles indicating that the person or firm is an
6 accountant or auditor, or from the language of the report itself.
7 The term "report" includes any form of language which disclaims an
8 opinion when such form of language is conventionally understood to
9 imply any positive assurance as to the reliability of the attested
10 information or compiled financial statements referred to and/or
11 special competence on the part of the person or firm issuing such
12 language; and it includes any other form of language that is
13 conventionally understood to imply such assurance and/or such
14 special knowledge or competence. This definition is not intended to
15 include a report prepared by a person not holding a certificate or
16 license or not granted practice privileges under Section 15.12A of
17 this title. However, such report shall not refer to "audit",
18 "audited", "exam", "examined", "review" or "reviewed", nor use the
19 language "in accordance with standards established by the American
20 Institute of Certified Public Accountants" or successor of said
21 entity, or governmental agency approved by the Board, except for the
22 Internal Revenue Service. Except for an individual granted practice
23 privileges under Section 15.12A of this title or a firm exempt from
24 the permit and registration requirements under Section 15.15C of

1 this title, nonregistrants may use the following disclaimer language
2 in connection with financial statements not to be in violation of
3 the Oklahoma Accountancy Act: "I (we) have not audited, examined,
4 or reviewed the accompanying financial statements and accordingly do
5 not express an opinion or any other form of assurance on them.";

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

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

21 46. "Substantial equivalency" is a determination by the
22 Oklahoma Accountancy Board or its designee that:

- 23 a. the education, examination and experience requirements
24 contained in the statutes and administrative rules of

1 another jurisdiction are comparable to, or exceed, the
2 education, examination and experience requirements
3 contained in the AICPA/NASBA Uniform Accountancy Act,
4 or

5 b. that an individual certified public accountant's or
6 public accountant's education, examination and
7 experience qualifications are comparable to or exceed
8 the education, examination and experience requirements
9 contained in the Oklahoma Accountancy Act and rules of
10 the Board.

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

15 SECTION 2. AMENDATORY 59 O.S. 2021, Section 15.2, is
16 amended to read as follows:

17 Section 15.2. A. There is hereby re-created, to continue until
18 July 1, 2023, in accordance with the provisions of the Oklahoma
19 Sunset Law, the Oklahoma Accountancy Board. The Oklahoma
20 Accountancy Board shall have the responsibility for administering
21 and enforcing the Oklahoma Accountancy Act. The Oklahoma
22 Accountancy Board shall be composed of seven (7) members, who shall
23 have professional or practical experience in the use of accounting
24 services and financial matters, so as to be qualified to make

1 judgments about the qualifications and conduct of persons and firms
2 subject to regulation under the Oklahoma Accountancy Act to be
3 appointed by the Governor and confirmed by the Senate. The number
4 of registrant members shall not be more than ~~six~~ five, not including
5 a firm, who shall serve terms of five (5) years. No member who has
6 served two successive complete terms shall be eligible for
7 reappointment, but an appointment to fill an unexpired term shall
8 not be considered a complete term for this purpose. ~~The~~ One public
9 member shall serve coterminously with the Governor appointing the
10 public member. The other public member shall serve a term of five
11 (5) years.

12 B. ~~One member shall be either a public accountant licensed and~~
13 ~~holding a permit pursuant to the provisions of the Oklahoma~~
14 ~~Accountancy Act, or a person with professional or practical~~
15 ~~experience in the use of accounting services and financial matters~~
16 ~~and who shall have met the educational requirements to qualify as a~~
17 ~~candidate for examination for the license of public accountant as~~
18 ~~provided in subsection B of Section 15.8 of this title. A list of~~
19 ~~qualified persons shall be compiled and submitted to the Governor by~~
20 ~~the Oklahoma Society of Public Accountants, or successor~~
21 ~~organization from time to time as appointment of the Board member is~~
22 ~~required to be made. A list of three names shall be submitted for~~
23 ~~each single appointment from which the Governor may make the~~
24 ~~appointment.~~

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

13 ~~D. One member~~ C. Two members shall be ~~a public member~~ members
14 who ~~is~~ are not ~~a certified public accountant or licensed public~~
15 ~~accountant~~ accountants. ~~The One~~ One public member shall be appointed by
16 the Governor to a term coterminous with the Governor. ~~The public~~
17 ~~member shall serve at the pleasure of the Governor,~~ to serve at his
18 or her pleasure. The other public member shall serve a term of five
19 (5) years and have professional or practical experience in the use
20 of accounting services and financial matters. A list of qualified
21 persons shall be compiled and submitted to the Governor by the
22 Oklahoma Society of Public Accountants, Oklahoma Society of
23 Certified Public Accountants, or successor organizations from time
24 to time as appointment of the Board member is required. A list of

1 three (3) names shall be submitted for each single appointment from
2 which the Governor may make the appointment.

3 ~~E.~~ D. 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. 2021, Section 15.8, is
8 amended to read as follows:

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

22 B. ~~On or after July 1, 1999, every qualification applicant to~~
23 ~~qualify as a candidate for examination for the license of public~~
24 ~~accountant shall have graduated from an accredited four-year college~~

~~or university with a major in accounting or with a nonaccounting major supplemented by what the Oklahoma Accountancy Board determines to be the equivalent of an accounting major of any four-year college or university in this state or any other four-year college or university recognized by the Board. Such major in accounting or nonaccounting major shall include satisfactory completion of forty-eight (48) semester hours, or the equivalent thereof, in accounting and related subjects. At least thirty (30) semester hours, or the equivalent thereof, of said forty-eight (48) semester hours, shall be in accounting courses, at least one of which shall be in auditing. The remainder of said forty-eight (48) semester hours, or the equivalent thereof, shall be in said related subjects, which shall be in any or all of the subjects of economics, statistics, business law, finance, business management, marketing, business communication, financial information systems or computer science or the equivalent of such subjects as determined by the Board.~~

6. On or after July 1, 2003, every qualification applicant to qualify as a candidate for examination for the certificate of certified public accountant shall have at least one hundred fifty (150) semester hours, or the equivalent thereof, of college education including a baccalaureate or higher degree conferred by a college or university acceptable to the Board from an accredited four-year college or university in this state or any other accredited four-year college or university recognized by the Board.

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

23 ~~D.~~ C. The costs associated with the national criminal history
24 record check shall be paid by the applicant.

SECTION 4. AMENDATORY 59 O.S. 2021, Section 15.9, is

amended to read as follows:

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

B. The Board shall issue certificates as certified public accountants to those applicants who have met the qualifications required by the provisions of the Oklahoma Accountancy Act and the applicable rules of the Board, and have passed an examination in accounting, auditing and related subjects as the Board determines appropriate with such grades that satisfy the Board that each 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.~~ D. 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
24 qualified applicant for the examination may take the certified

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

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

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

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

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

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

20 SECTION 5. AMENDATORY 59 O.S. 2021, Section 15.10, is
21 amended to read as follows:

22 Section 15.10. A. The Board shall provide an examination for
23 candidates to obtain a certificate ~~or license as accountants a~~
24 certified public accountant at least once each year. Additional

1 examinations may be held at such times and places as the Board may
2 deem advisable.

3 B. Each candidate allowed to sit at the examination shall file
4 a written application on a form prescribed by the Board.

5 C. In addition to the requirement of confidentiality of
6 examination results, the Board shall take such action as necessary
7 to assure the confidentiality of the examination prior to their
8 being administered to candidates.

9 SECTION 6. AMENDATORY 59 O.S. 2021, Section 15.13, is
10 amended to read as follows:

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

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

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

1 3. Met, on the date of becoming a candidate in another
2 jurisdiction, the requirements of becoming a candidate in ~~the State~~
3 ~~of Oklahoma~~ this state, except for residency.

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

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

22 D. The Board may issue a certificate ~~or license~~ by reciprocity
23 to the extent required by treaties entered into by the government of
24 the United States.

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

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

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

21 H. An applicant for the certificate of certified public
22 accountant ~~or license of a public accountant~~ under this section
23 shall submit to a national criminal history record check. The costs
24

1 associated with the national criminal history record check shall be
2 paid by the applicant.

3 SECTION 7. AMENDATORY 59 O.S. 2021, Section 15.13A, is
4 amended to read as follows:

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

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

12 2. The designation:

- 13 a. was duly issued by an authority of a foreign country
14 which regulates the practice of public accounting and
15 has not expired or been revoked or suspended,
16 b. entitles the holder to issue reports upon financial
17 statements, and
18 c. was issued upon the basis of substantially equivalent
19 educational, examination and experience requirements
20 established by the foreign authority or by law; and

21 3. The applicant:

- 22 a. received the designation based on educational and
23 examination standards substantially equivalent to
24

1 those in effect in this state at the time the foreign
2 designation was granted,

- 3 b. completed an experience requirement substantially
4 equivalent to the requirement set out under ~~this act~~
5 the Oklahoma Accountancy Act in the foreign country
6 which granted the foreign designation or has completed
7 four (4) years of professional experience in this
8 state, or ~~meets~~ satisfies equivalent requirements
9 prescribed by the Board by rule within the ten (10)
10 years immediately preceding the application,
11 c. passed a uniform qualifying examination in national
12 standards acceptable to the Board, and
13 d. is of good character.

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

18 B. An applicant under subsection A of this section shall in the
19 application list all jurisdictions, foreign and domestic, in which
20 the applicant has applied for or holds a designation to practice
21 public accounting, and each holder of a certificate issued under
22 this subsection shall notify the Board in writing, within thirty
23 (30) days after its occurrence, of any issuance, denial, revocation
24

1 or suspension of a designation or commencement of disciplinary or
2 enforcement action by any jurisdiction.

3 SECTION 8. This act shall become effective November 1, 2022.

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5 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE, dated
6 04/06/2022 - DO PASS.

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