

AMENDED IN ASSEMBLY APRIL 20, 2009

CALIFORNIA LEGISLATURE—2009—10 REGULAR SESSION

ASSEMBLY BILL

No. 1005

Introduced by Assembly Member Block

February 27, 2009

An act to add Sections ~~5017.5~~ 5017.1, 5017.5, and 5103.5 to the Business and Professions Code, relating to accountants.

LEGISLATIVE COUNSEL'S DIGEST

AB 1005, as amended, Block. California Board of Accountancy.

Existing law provides for the licensure and regulation of accountants by the California Board of Accountancy. Existing law sets forth the duties of the board in that regard, and requires all board meetings to be open and public. Existing law authorizes the board to receive and investigate complaints against an accountant licensee or any person acting as an accountant without a license.

This bill would require *the board to post the minutes from these open and public board meetings on its Internet Web site.* ~~the board to broadcast, live, each of its board meetings from its Internet Web site.~~ *The bill would require the board to provide a live broadcast, on its Internet Web site, of its board meetings that are open and public. The bill would also specify that a technical failure prohibiting a live broadcast would not prohibit the board from meeting and taking actions.* The bill would also require the board to post on its Internet Web site ~~notice of any all formal accusation~~ *accusations* filed by the board against a licensee, *as specified.* ~~The bill would make specified findings and declarations.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 ~~SECTION 1. The Legislature finds and declares all of the~~
2 ~~following:~~
3 ~~(a) The Enron, WorldCom, Tyco, and similar stock scandals,~~
4 ~~the subprime mortgage scandal, and the Madoff scandal have cost~~
5 ~~Americans and California consumers, nonprofits, and businesses~~
6 ~~billions of dollars of lost wealth.~~
7 ~~(b) In each scandal, accountants and accounting firms have~~
8 ~~played a key role in facilitating these frauds.~~
9 ~~(c) Despite the hundreds of millions in settlements paid by~~
10 ~~accounting firms as a result of these and similar scandals, the~~
11 ~~amount of wealth lost and damage done to pensions, savings, and~~
12 ~~investment capital has not and never will be recovered.~~
13 ~~(d) Accountants are not regulated nationally, and only the states~~
14 ~~can prevent a person from acting as a certified public accountant.~~
15 ~~The most vigorous regulation of the profession in California is~~
16 ~~required to help ensure that future Californians will not be harmed~~
17 ~~by similar scandals.~~
18 ~~(e) Therefore, to ensure that the regulation of accountants is~~
19 ~~transparent and that the California Board of Accountancy is held~~
20 ~~accountable to the public, it is necessary to enact the provisions~~
21 ~~of this act.~~
22 ~~SEC. 2. Section 5017.1 is added to the Business and Professions~~
23 ~~Code, to read:~~
24 ~~5017.1. The board shall post the minutes from meetings of the~~
25 ~~board that are open and public pursuant to Section 5017 on the~~
26 ~~board's Internet Web site.~~
27 ~~SEC. 2. Section 5017.5 is added to the Business and Professions~~
28 ~~Code, to read:~~
29 ~~5017.5. The board shall provide a live broadcast of each of its~~
30 ~~board meetings from its Internet Web site.~~
31 ~~5017.5. (a) The board shall provide a live broadcast, on its~~
32 ~~Internet Web site, of each of its board meetings that are open and~~
33 ~~public.~~
34 ~~(b) (1) If technical failure prevents the board from providing~~
35 ~~a live broadcast as specified in subdivision (a), that failure shall~~
36 ~~not constitute a violation of this section if the board exercised~~
37 ~~reasonable diligence in providing a live broadcast.~~

1 (2) *Failure to provide a live broadcast of its board meetings*
2 *due to technical failure shall not prohibit the board from meeting*
3 *and taking actions. The minutes from these meetings without a live*
4 *broadcast shall be posted on the board's Internet Web site pursuant*
5 *to Section 5017.1.*

6 SEC. 3. Section 5103.5 is added to the Business and Professions
7 Code, to read:

8 ~~5103.5. The board shall post on its Internet Web site notice of~~
9 ~~all formal accusations filed by the board against a licensee.~~

10 5103.5. *The board shall post on its Internet Web site, in an*
11 *easily marked and identifiable location, all formal accusations,*
12 *including the basis for the accusation and alleged violations filed*
13 *by the board against a licensee.*