

ASSEMBLY BILL

No. 431

Introduced by Assembly Member Ma

February 14, 2011

An act to amend Sections 5109 and 5134 of, and to add Section 5070.1 to, the Business and Professions Code, relating to accountancy, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 431, as introduced, Ma. Retired public accountants.

Existing law provides for the issuance of permits to practice public accountancy to certified public accountants and public accountants and for the regulation of these accountants by the California Board of Accountancy.

Existing law authorizes a permit holder to have his or her license placed in an inactive status subject to certain limitations. Existing law imposes initial fees and renewal fees for these permits and for the inactive status and directs the deposit of these fees into the Accountancy Fund, from which funds other than penalty revenue are continuously appropriated.

This bill would authorize the board to establish, by regulation, a system for the placement of a license on a retired status, upon application, for those accountants who are not actively engaged in the practice of public accountancy or any activity which requires them to be licensed. The bill would require the board to deny an application for a retired status license if the applicant's permit is canceled, suspended, revoked, or otherwise restricted. The bill would prohibit the holder of a retired status license from engaging in any activity for which a permit is required. The bill would authorize the board to establish minimum

qualifications for the restoration of a retired status license to active status, including, but not limited to, continuing education and the payment of a fee. The bill would provide for that application fee for a retired status license and for the restoration of a retired status license to active status to be fixed by the board in an amount not to exceed \$250 and \$1,000, respectively. By increasing that part of the revenue in the Accountancy Fund that is continuously appropriated, the bill would make an appropriation.

Existing law prohibits the expiration, cancellation, forfeiture, or suspension of a license from depriving the board of jurisdiction to commence or proceed with any investigation of or action or disciplinary proceeding against a licensee, or to render a decision suspending or revoking the license.

This bill would additionally specify that the current status of a retired status license shall not deprive the board of the above-described jurisdiction.

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

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

- 1 SECTION 1. Section 5070.1 is added to the Business and
- 2 Professions Code, to read:
- 3 5070.1. (a) The board may establish, by regulation, a system
- 4 for the placement of a license on a retired status, upon application,
- 5 for certified public accountants and public accountants who are
- 6 not actively engaged in the practice of public accountancy or any
- 7 activity which requires them to be licensed by the board.
- 8 (b) No licensee with a license on a retired status shall engage
- 9 in any activity for which a permit is required.
- 10 (c) The board shall deny an applicant’s application for a retired
- 11 status license if the permit is canceled or if the permit is suspended,
- 12 revoked, or otherwise punitively restricted by the board or subject
- 13 to disciplinary action under this chapter.
- 14 (d) The board may establish minimum qualifications for a retired
- 15 status license which may include, but are not limited to, a minimum
- 16 age requirement and minimum years as a licensee.
- 17 (e) A retired status license shall not be subject to any renewal
- 18 requirements.

1 (f) The board may establish minimum qualifications for the
2 restoration of a license in a retired status to an active status. These
3 minimum qualifications shall include, but are not limited to,
4 continuing education and payment of a fee as provided in
5 subdivision (h) of Section 5134.

6 SEC. 2. Section 5109 of the Business and Professions Code is
7 amended to read:

8 5109. The expiration, cancellation, forfeiture, or suspension
9 of a license, practice privilege, or other authority to practice public
10 accountancy by operation of law or by order or decision of the
11 board or a court of law, *the placement of a license on a retired*
12 *status*, or the voluntary surrender of a license by a licensee shall
13 not deprive the board of jurisdiction to commence or proceed with
14 any investigation of or action or disciplinary proceeding against
15 the licensee, or to render a decision suspending or revoking the
16 license.

17 SEC. 3. Section 5134 of the Business and Professions Code is
18 amended to read:

19 5134. The amount of fees prescribed by this chapter is as
20 follows:

21 (a) The fee to be charged to each applicant for the certified
22 public accountant examination shall be fixed by the board at an
23 amount not to exceed six hundred dollars (\$600). The board may
24 charge a reexamination fee not to exceed seventy-five dollars (\$75)
25 for each part that is subject to reexamination.

26 (b) The fee to be charged to out-of-state candidates for the
27 certified public accountant examination shall be fixed by the board
28 at an amount not to exceed six hundred dollars (\$600) per
29 candidate.

30 (c) The application fee to be charged to each applicant for
31 issuance of a certified public accountant certificate shall be fixed
32 by the board at an amount not to exceed two hundred fifty dollars
33 (\$250).

34 (d) The application fee to be charged to each applicant for
35 issuance of a certified public accountant certificate by waiver of
36 examination shall be fixed by the board at an amount not to exceed
37 two hundred fifty dollars (\$250).

38 (e) The fee to be charged to each applicant for registration as a
39 partnership or professional corporation shall be fixed by the board
40 at an amount not to exceed two hundred fifty dollars (\$250).

1 (f) The board shall fix the biennial renewal fee so that, together
 2 with the estimated amount from revenue other than that generated
 3 by subdivisions (a) to (e), inclusive, the reserve balance in the
 4 board's contingent fund shall be equal to approximately nine
 5 months of annual authorized expenditures. Any increase in the
 6 renewal fee shall be made by regulation upon a determination by
 7 the board that additional moneys are required to fund authorized
 8 expenditures and maintain the board's contingent fund reserve
 9 balance equal to nine months of estimated annual authorized
 10 expenditures in the fiscal year in which the expenditures will occur.
 11 The biennial fee for the renewal of each of the permits to engage
 12 in the practice of public accountancy specified in Section 5070
 13 shall not exceed two hundred fifty dollars (\$250).

14 (g) *The application fee to be charged to each applicant for a*
 15 *retired status license, as described in Section 5070.1, shall be fixed*
 16 *by the board at an amount not to exceed two hundred fifty dollars*
 17 *(\$250).*

18 (h) *The application fee to be charged to each applicant for*
 19 *restoration of a license in a retired status to an active status*
 20 *pursuant to subdivision (f) of Section 5070.1 shall be fixed by the*
 21 *board at an amount not to exceed one thousand dollars (\$1,000).*

22 ~~(g)~~

23 (i) The delinquency fee shall be 50 percent of the accrued
 24 renewal fee.

25 ~~(h)~~

26 (j) The initial permit fee is an amount equal to the renewal fee
 27 in effect on the last regular renewal date before the date on which
 28 the permit is issued, except that, if the permit is issued one year
 29 or less before it will expire, then the initial permit fee is an amount
 30 equal to 50 percent of the renewal fee in effect on the last regular
 31 renewal date before the date on which the permit is issued. The
 32 board may, by regulation, provide for the waiver or refund of the
 33 initial permit fee where the permit is issued less than 45 days before
 34 the date on which it will expire.

35 ~~(i)~~

36 (k) (1) ~~On and after the enactment of Assembly Bill 1868 of~~
 37 ~~the 2005-06 Regular Session, the~~ *The annual fee to be charged an*
 38 *individual for a practice privilege pursuant to Section 5096 with*
 39 *an authorization to sign attest reports shall be fixed by the board*
 40 *at an amount not to exceed one hundred twenty-five dollars (\$125).*

1 ~~(2) On and after enactment of Assembly Bill 1868 of the~~
2 ~~2005-06 Regular Session, the~~ *The* annual fee to be charged an
3 individual for a practice privilege pursuant to Section 5096 without
4 an authorization to sign attest reports shall be fixed by the board
5 at an amount not to exceed 80 percent of the fee authorized under
6 paragraph (1).

7 ~~(j)~~

8 *(l)* The fee to be charged for the certification of documents
9 evidencing passage of the certified public accountant examination,
10 the certification of documents evidencing the grades received on
11 the certified public accountant examination, or the certification of
12 documents evidencing licensure shall be twenty-five dollars (\$25).

13 ~~(k)~~

14 *(m)* The board shall fix the fees in accordance with the limits
15 of this section and, ~~on and after July 1, 1990,~~ any increase in a fee
16 fixed by the board shall be pursuant to regulation duly adopted by
17 the board in accordance with the limits of this section.

18 ~~(t)~~

19 *(n)* It is the intent of the Legislature that, to ease entry into the
20 public accounting profession in California, any administrative cost
21 to the board related to the certified public accountant examination
22 or issuance of the certified public accountant certificate that
23 exceeds the maximum fees authorized by this section shall be
24 covered by the fees charged for the biennial renewal of the permit
25 to practice.