

AMENDED IN SENATE AUGUST 30, 2011
AMENDED IN SENATE JUNE 6, 2011
AMENDED IN ASSEMBLY MARCH 31, 2011
CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 431

Introduced by Assembly Member Ma

February 14, 2011

An act to amend Sections 5109 and 5134 of, and to add Sections 5058.3 and 5070.1 to, the Business and Professions Code, relating to accountancy, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 431, as amended, 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, otherwise restricted, or, commencing on a specified date, delinquent. 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 require the holder of a retired license to adhere to certain restrictions on the use of accountancy titles and other references. The bill would require 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 5058.3 is added to the Business and
- 2 Professions Code, to read:
- 3 5058.3. The holder of a retired license issued by the board
- 4 pursuant to Section 5070.1, when lawfully using the title “certified
- 5 public accountant,” the CPA designation, or any other reference
- 6 that would suggest that the person is licensed by the board on
- 7 materials such as correspondence, Internet Web sites, business
- 8 cards, nameplates, or name plaques, shall place the term “retired”
- 9 immediately after that title, designation, or reference.
- 10 SEC. 2. Section 5070.1 is added to the Business and Professions
- 11 Code, to read:
- 12 5070.1. (a) The board may establish, by regulation, a system
- 13 for the placement of a license on a retired status, upon application,

1 for certified public accountants and public accountants who are
2 not actively engaged in the practice of public accountancy or any
3 activity which requires them to be licensed by the board.

4 (b) No licensee with a license on a retired status shall engage
5 in any activity for which a permit is required.

6 (c) The board shall deny an applicant's application for a retired
7 status license if the permit is canceled or if the permit is suspended,
8 revoked, or otherwise punitively restricted by the board or subject
9 to disciplinary action under this chapter.

10 (d) Beginning one year from the effective date of the regulations
11 adopted pursuant to subdivision (a), if an applicant's permit is
12 delinquent, the board shall deny an applicant's application for a
13 retired status license.

14 (e) The board shall 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 (f) The board may exempt the holder of a retired status license
18 from the renewal requirements described in Section 5070.5.

19 (g) The board shall establish minimum qualifications for the
20 restoration of a license in a retired status to an active status. These
21 minimum qualifications shall include, but are not limited to,
22 continuing education and payment of a fee as provided in
23 subdivision (h) of Section 5134.

24 SEC. 3. Section 5109 of the Business and Professions Code is
25 amended to read:

26 5109. The expiration, cancellation, forfeiture, or suspension
27 of a license, practice privilege, or other authority to practice public
28 accountancy by operation of law or by order or decision of the
29 board or a court of law, the placement of a license on a retired
30 status, or the voluntary surrender of a license by a licensee shall
31 not deprive the board of jurisdiction to commence or proceed with
32 any investigation of or action or disciplinary proceeding against
33 the licensee, or to render a decision suspending or revoking the
34 license.

35 SEC. 4. Section 5134 of the Business and Professions Code is
36 amended to read:

37 5134. The amount of fees prescribed by this chapter is as
38 follows:

39 (a) The fee to be charged to each applicant for the certified
40 public accountant examination shall be fixed by the board at an

1 amount not to exceed six hundred dollars (\$600). The board may
2 charge a reexamination fee not to exceed seventy-five dollars (\$75)
3 for each part that is subject to reexamination.

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

8 (c) The application fee to be charged to each applicant for
9 issuance of a certified public accountant certificate shall be fixed
10 by the board at an amount not to exceed two hundred fifty dollars
11 (\$250).

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

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

19 (f) The biennial fee for the renewal of each of the permits to
20 engage in the practice of public accountancy specified in Section
21 5070 shall not exceed two hundred fifty dollars (\$250).

22 (g) The application fee to be charged to each applicant for a
23 retired status license, as described in Section 5070.1, shall be fixed
24 by the board at an amount not to exceed two hundred fifty dollars
25 (\$250).

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

30 (i) The delinquency fee shall be 50 percent of the accrued
31 renewal fee.

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

1 (k) (1) The annual fee to be charged an individual for a practice
2 privilege pursuant to Section 5096 with an authorization to sign
3 attest reports shall be fixed by the board at an amount not to exceed
4 one hundred twenty-five dollars (\$125).

5 (2) The annual fee to be charged an individual for a practice
6 privilege pursuant to Section 5096 without an authorization to sign
7 attest reports shall be fixed by the board at an amount not to exceed
8 80 percent of the fee authorized under paragraph (1).

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

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

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