

Introduced by Committee on Business, Professions and Economic Development (Senators Price (Chair), Corbett, Correa, Emmerson, Hernandez, Negrete McLeod, Strickland, Vargas, and Wyland)

March 12, 2012

An act to amend Sections 5072, 5076, 5093, 5094.6, 5107, 7011.8, and 7076 of, and to repeal and add Section 5019 of, the Business and Professions Code, relating to professions and vocations.

LEGISLATIVE COUNSEL'S DIGEST

SB 1576, as introduced, Committee on Business, Professions and Economic Development. Professions and vocations.

Existing law provides for the licensure and regulation of professions and vocations by boards within the Department of Consumer Affairs.

(1) Existing law provides for the licensure and regulation of the practice of accountancy by the California Board of Accountancy. Under existing law, permits to engage in the practice of public accountancy are required to be issued by the board only to holders of the certificate of certified public accountant, and to those partnerships, corporations, and other persons who, upon application approved by the board, are registered with the board.

Under existing law, the rules of professional conduct adopted by the board are required to be printed as a part of the application blanks for both certificates and registration and every applicant for either a certificate or registration is required to subscribe thereto when making an application.

This bill would require such an applicant to acknowledge the fact that the applicant has read and understands the rules of professional conduct adopted by the board.

Existing law authorizes a partnership, except as specified, to be registered by the board to engage in the practice of public accountancy provided it meets certain requirements, including, but not limited to, that each partner personally engaged within this state in the practice of public accountancy has a valid permit or certificate to practice in this state and that, except as specified, each partner not personally engaged in the practice of public accountancy within this state is required to be a certified public accountant in good standing of some state.

This bill would modify those requirements to instead include that each partner engaged within this state in the practice of public accountancy has a valid permit or certificate to practice in this state and that, except as specified, each partner not engaged in the practice of public accountancy within this state is required to be a certified public accountant in good standing of some state.

Existing law requires a firm, in order to renew its registration, to have a specified peer review report accepted by a board-recognized peer review group. Existing law requires the board to adopt regulations and emergency regulations to implement, interpret, and make specific these peer review requirements.

This bill would delete that requirement to adopt emergency regulations.

Existing law requires an applicant for the certified public accountant license to comply with certain education, examination, and experience requirements under one of 2 provisions that set forth different standards, commonly referred to as the 2 “pathways.” Existing law, under the 2nd pathway, requires an applicant to present satisfactory evidence that the applicant has completed certain education, and after December 31, 2013, that education is required to include specified ethics study. Existing law authorizes the Advisory Committee on Accounting Ethics Curriculum to determine that a course satisfies the ethics study requirement. No later than June 1, 2012, existing law also requires the Advisory Committee on Accounting Ethics Curriculum to recommend to the board ethics study guidelines, as defined, to be included as part of the educational requirements.

This bill would delete those provisions establishing the responsibilities of the committee.

Existing law authorizes the board to conditionally renew or reinstate for a maximum of one year the permit or certificate of a holder who demonstrates financial hardship and who enters into a formal agreement

with the board to reimburse the board within that one-year period for those unpaid costs.

This bill would authorize the board to conditionally renew or reinstate for a maximum of 3 years a permit or certificate if the holder demonstrates financial hardship and enters into a formal agreement with the board to reimburse the board within that 3-year period for those unpaid costs.

(2) Existing law, the Contractors’ State License Law, provides for the licensure and regulation of contractors by the Contractors’ State License Board. Existing law requires the board to appoint a registrar to serve as the executive officer and secretary of the board to carry out the duties delegated by the board. Under existing law, any person who reports to or causes a complaint to be filed with the board that a licensee has engaged in professional misconduct, knowing that complaint to be false, is guilty of a crime. Existing law authorizes the board to notify the district attorney or city attorney that a person has made what the board believes is a false report or complaint.

This bill would limit application of those provisions to any person licensed by the board and would instead authorize the registrar to issue a citation to such a person.

(3) This bill would make other technical, nonsubstantive, and conforming changes.

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. Section 5019 of the Business and Professions
2 Code is repealed.

3 ~~5019. The rules of professional conduct adopted by the board~~
4 ~~shall be printed as a part of the application blanks for both~~
5 ~~certificates and registration and every applicant for either a~~
6 ~~certificate or registration shall subscribe thereto when making an~~
7 ~~application.~~

8 SEC. 2. Section 5019 is added to the Business and Professions
9 Code, to read:

10 5019. Every applicant, when subscribing to an application for
11 certificate or registration, shall acknowledge the fact that the
12 applicant has read and understands the rules of professional conduct
13 adopted by the board.

1 SEC. 3. Section 5072 of the Business and Professions Code is
2 amended to read:

3 5072. (a) No persons shall engage in the practice of
4 accountancy as a partnership unless the partnership is registered
5 by the board.

6 (b) A partnership, other than a limited partnership, may be
7 registered by the board to engage in the practice of public
8 accountancy provided it meets the following requirements:

9 (1) At least one general partner shall hold a valid permit to
10 practice as a certified public accountant, public accountant, or
11 accountancy corporation, or shall be an applicant for a certificate
12 as a certified public accountant under Sections 5087 and 5088.

13 (2) Each partner ~~personally~~ engaged within this state in the
14 practice of public accountancy as defined by Section 5051 shall
15 hold a valid permit to practice in this state or shall have applied
16 for a certificate as a certified public accountant under Sections
17 5087 and 5088.

18 (3) Each partner ~~not personally~~ engaged in the practice of public
19 accountancy within this state shall be a certified public accountant
20 in good standing of some state, except as permitted by Section
21 5079.

22 (4) Each resident manager in charge of an office of the firm in
23 this state shall be a licensee in good standing of this state, or shall
24 have applied for a certificate as a certified public accountant under
25 Sections 5087 and 5088.

26 SEC. 4. Section 5076 of the Business and Professions Code is
27 amended to read:

28 5076. (a) In order to renew its registration, a firm, as defined
29 in Section 5035.1, shall have a peer review report of its accounting
30 and auditing practice accepted by a board-recognized peer review
31 program no less frequently than every three years.

32 (b) For purposes of this article, the following definitions apply:

33 (1) "Peer review" means a study, appraisal, or review conducted
34 in accordance with professional standards of the professional work
35 of a firm, and may include an evaluation of other factors in
36 accordance with the requirements specified by the board in
37 regulations. The peer review report shall be issued by an individual
38 who has a valid and current license, certificate, or permit to practice
39 public accountancy from this state or another state and is
40 unaffiliated with the firm being reviewed.

1 (2) “Accounting and auditing practice” includes any services
2 that are performed using professional standards defined by the
3 board in regulations.

4 (c) The board shall adopt regulations as necessary to implement,
5 interpret, and make specific the peer review requirements in this
6 section, including, but not limited to, regulations specifying the
7 requirements for board recognition of a peer review program,
8 standards for administering a peer review, extensions of time for
9 fulfilling the peer review requirement, exclusions from the peer
10 review program, and document submission.

11 ~~(d) The board shall adopt emergency regulations in accordance~~
12 ~~with the Administrative Procedure Act (Chapter 3.5 (commencing~~
13 ~~with Section 11340) of Part 1 of Division 3 of Title 2 of the~~
14 ~~Government Code) to establish policies, guidelines, and procedures~~
15 ~~as outlined in subdivision (c). The adoption of the regulations shall~~
16 ~~be considered by the Office of Administrative Law to be necessary~~
17 ~~for the immediate preservation of the public peace, health and~~
18 ~~safety, or general welfare. The emergency regulations shall be~~
19 ~~submitted to the Office of Administrative Law for filing with the~~
20 ~~Secretary of State and publication in the California Code of~~
21 ~~Regulations, and shall be replaced in accordance with the~~
22 ~~Administrative Procedure Act.~~

23 (e)

24 (d) Nothing in this section shall prohibit the board from initiating
25 an investigation and imposing discipline against a firm or licensee,
26 either as the result of a complaint that alleges violations of statutes,
27 rules, or regulations, or from information contained in a peer review
28 report received by the board.

29 (f)

30 (e) A firm issued a substandard peer review report, as defined
31 by the board in regulation, shall submit a copy of that report to the
32 board. The board shall establish in regulation the time period that
33 a firm must submit the report to the board. This period shall not
34 exceed 60 days from the time the report is accepted by a
35 board-recognized peer review program provider to the date the
36 report is submitted to the board.

37 (g)

38 (f) (1) A board-recognized peer review program provider shall
39 file a copy with the board of all substandard peer review reports
40 issued to California-licensed firms. The board shall establish in

1 regulation the time period that a board-recognized peer review
2 program provider shall file the report with the board. This period
3 shall not exceed 60 days from the time the report is accepted by a
4 board-recognized peer review program provider to the date the
5 report is filed with the board. These reports may be filed with the
6 board electronically.

7 (2) Nothing in this subdivision shall require a board-recognized
8 peer review program provider, when administering peer reviews
9 in another state, to violate the laws of that state.

10 ~~(h)~~

11 (g) The board shall, by January 1, 2010, define a substandard
12 peer review report in regulation.

13 ~~(i)~~

14 (h) Any requirements imposed by a board-recognized peer
15 review program on a firm in conjunction with the completion of
16 a peer review shall be separate from, and in addition to, any action
17 by the board pursuant to this section.

18 ~~(j)~~

19 (i) Any report of a substandard peer review submitted to the
20 board in conjunction with this section shall be collected for
21 investigatory purposes.

22 ~~(k)~~

23 (j) Nothing in this section affects the discovery or admissibility
24 of evidence in a civil or criminal action.

25 ~~(l)~~

26 (k) Nothing in this section requires any firm to become a
27 member of any professional organization.

28 ~~(m)~~

29 (l) A peer reviewer shall not disclose information concerning
30 licensees or their clients obtained during a peer review, unless
31 specifically authorized pursuant to this section, Section 5076.1, or
32 regulations prescribed by the board.

33 ~~(n)~~

34 (m) (1) By January 1, 2015, the board shall provide the
35 Legislature and Governor with a report regarding the peer review
36 requirements of this section that includes, without limitation:

37 (A) The number of peer review reports completed to date and
38 the number of reports which were submitted to the board as
39 required in subdivision ~~(f)~~ (e).

1 (B) The number of enforcement actions that were initiated as a
2 result of an investigation conducted pursuant to subdivision ~~(j)~~ (i).

3 (C) The number of firms that were recommended to take
4 corrective actions to improve their practice through the mandatory
5 peer review process, and the number of firms that took corrective
6 actions to improve their practice following recommendations
7 resulting from the mandatory peer review process.

8 (D) The extent to which mandatory peer review of accounting
9 firms enhances consumer protection.

10 (E) The cost impact on firms undergoing mandatory peer review
11 and the cost impact of mandatory peer review on the firm's clients.

12 (F) A recommendation as to whether the mandatory peer review
13 program should continue.

14 (G) The extent to which mandatory peer review of small firms
15 or sole practitioners that prepare nondisclosure compiled financial
16 statements on an other comprehensive basis of accounting enhances
17 consumer protection.

18 (H) The impact of peer review required by this section on small
19 firms and sole practitioners that prepare nondisclosure compiled
20 financial statements on an other comprehensive basis of accounting.

21 (I) The impact of peer review required by this section on small
22 businesses, nonprofit corporations, and other entities that utilize
23 small firms or sole practitioners for the purposes of nondisclosure
24 compiled financial statements prepared on an other comprehensive
25 basis of accounting.

26 (J) A recommendation as to whether the preparation of
27 nondisclosure compiled financial statements on an other
28 comprehensive basis of accounting should continue to be a part
29 of the mandatory peer review program.

30 (2) A report to the Legislature pursuant to this section shall be
31 submitted in compliance with Section 9795 of the Government
32 Code.

33 SEC. 5. Section 5093 of the Business and Professions Code is
34 amended to read:

35 5093. (a) To qualify for the certified public accountant license,
36 an applicant who is applying under this section shall meet the
37 education, examination, and experience requirements specified in
38 subdivisions (b), (c), and (d), or otherwise prescribed pursuant to
39 this article. The board may adopt regulations as necessary to
40 implement this section.

1 (b) (1) An applicant for admission to the certified public
2 accountant examination under the provisions of this section shall
3 present satisfactory evidence that the applicant has completed a
4 baccalaureate or higher degree conferred by a degree-granting
5 university, college, or other institution of learning accredited by
6 a regional or national accrediting agency included in a list of these
7 agencies published by the United States Secretary of Education
8 under the requirements of the Higher Education Act of 1965 as
9 amended (20 U.S.C. Sec. 1001 et seq.), or meeting, at a minimum,
10 the standards described in subdivision (c) of Section 5094. The
11 total educational program shall include a minimum of 24 semester
12 units in accounting subjects and 24 semester units in
13 business-related subjects. This evidence shall be provided at the
14 time of application for admission to the examination, except that
15 an applicant who applied, qualified, and sat for at least two subjects
16 of the examination for the certified public accountant license before
17 May 15, 2002, may provide this evidence at the time of application
18 for licensure.

19 (2) An applicant for issuance of the certified public accountant
20 license under the provisions of this section shall present satisfactory
21 evidence that the applicant has completed at least 150 semester
22 units of college education including a baccalaureate or higher
23 degree conferred by a college or university, meeting, at a minimum,
24 the standards described in Section 5094, the total educational
25 program to include a minimum of 24 semester units in accounting
26 subjects, 24 semester units in business-related subjects, and, after
27 December 31, 2013, shall also include a minimum of 10 units of
28 ethics study consistent with the requirements set forth in Section
29 5094.3 and 20 units of accounting study consistent with the
30 regulations promulgated under subdivision (c) of Section 5094.6.
31 This evidence shall be presented at the time of application for the
32 certified public accountant license. Nothing herein shall be deemed
33 inconsistent with Section 5094 or 5094.6. ~~The Advisory Committee~~
34 ~~on Accounting Ethics Curriculum established under Section 5094.5~~
35 ~~may determine that a course or a portion of a course satisfies the~~
36 ~~ethics study requirement.~~ Nothing herein shall be construed to be
37 inconsistent with prevailing academic practice regarding the
38 completion of units.

39 (c) An applicant for the certified public accountant license shall
40 pass an examination prescribed by the board.

1 (d) The applicant shall show, to the satisfaction of the board,
2 that the applicant has had one year of qualifying experience. This
3 experience may include providing any type of service or advice
4 involving the use of accounting, attest, compilation, management
5 advisory, financial advisory, tax or consulting skills. To be
6 qualifying under this section, experience shall have been performed
7 in accordance with applicable professional standards. Experience
8 in public accounting shall be completed under the supervision or
9 in the employ of a person licensed or otherwise having comparable
10 authority under the laws of any state or country to engage in the
11 practice of public accountancy. Experience in private or
12 governmental accounting or auditing shall be completed under the
13 supervision of an individual licensed by a state to engage in the
14 practice of public accountancy.

15 (e) Applicants completing education at a college or university
16 located outside of this state, meeting, at a minimum, the standards
17 described in Section 5094, shall be deemed to meet the educational
18 requirements of this section if the board determines that the
19 education is substantially equivalent to the standards of education
20 specified under this chapter.

21 SEC. 6. Section 5094.6 of the Business and Professions Code
22 is amended to read:

23 ~~5094.6. (a) No later than June 1, 2012, the committee shall~~
24 ~~recommend to the board ethics study guidelines consisting of no~~
25 ~~less than 10 semester units to be included as a part of the education~~
26 ~~required under Section 5093. Ethics study may consist of academic~~
27 ~~courses, portions of courses, or independent study offered by~~
28 ~~degree-granting universities, colleges, or other institutions of~~
29 ~~learning accredited by a regional or national accrediting agency.~~
30 ~~Nothing herein shall be deemed inconsistent with prevailing~~
31 ~~academic practice regarding completion of units.~~

32 (b)
33 ~~5094.6. (a) The board shall, no later than January 1, 2012, by~~
34 ~~regulation, adopt guidelines for accounting study to be included~~
35 ~~as part of the education required under Section 5093. In~~
36 ~~promulgating these regulations, the board shall consider the views~~
37 ~~of the Accounting Education Advisory Committee established~~
38 ~~under Section 5094.7.~~

39 ~~(e) No later than six months following the issuance of the report~~
40 ~~by the California Research Bureau regarding the Uniform~~

1 ~~Accountancy Act's 150-hour rule, the board shall hold a hearing~~
2 ~~on the report. At the hearing, the board shall make~~
3 ~~recommendations, based on that report, to the National Association~~
4 ~~of State Boards of Accountancy and the American Institute of~~
5 ~~Certified Public Accountants for ensuring the relevancy of~~
6 ~~accountancy education to the modern practice of accounting and~~
7 ~~shall approve a plan for the board to seek the adoption of those~~
8 ~~recommendations and any others the board may recommend related~~
9 ~~to enforcement and Internet disclosure.~~

10 (d) ~~For purposes of this section, the following definitions shall~~
11 ~~apply:~~

12 (1) ~~Except as provided in subdivision (c), "committee" means~~
13 ~~the Advisory Committee on Accounting Ethics Curriculum~~
14 ~~established under Section 5094.5.~~

15 (2) ~~"Ethics study guidelines" means the guidelines for the study~~
16 ~~of ethics adopted for California by the committee and the board~~
17 ~~consisting of a program of learning that provides students with a~~
18 ~~framework of ethical reasoning, professional values, and attitudes~~
19 ~~for exercising professional skepticism and other behavior that is~~
20 ~~in the best interest of the investing and consuming public and the~~
21 ~~profession. At minimum, it includes academic work or independent~~
22 ~~study and shall include a foundation for ethical reasoning and the~~
23 ~~core values of integrity, objectivity, and independence consistent~~
24 ~~with the International Education Standards-4 of the International~~
25 ~~Accountants Education Standards Board, the International~~
26 ~~Federation of Accountants Code of Ethics, and the American~~
27 ~~Institute of Certified Public Accountants Code of Professional~~
28 ~~Conduct.~~

29 (3) ~~"Accounting~~

30 (b) ~~For purposes of this section, "accounting study" means~~
31 ~~independent study or other academic work in accounting, business,~~
32 ~~ethics, business law, or other academic work relevant to accounting~~
33 ~~and business, so as to enhance the competency of students as~~
34 ~~practitioners.~~

35 SEC. 7. Section 5107 of the Business and Professions Code is
36 amended to read:

37 5107. (a) The executive officer of the board may request the
38 administrative law judge, as part of the proposed decision in a
39 disciplinary proceeding, to direct any holder of a permit or
40 certificate found to have committed a violation or violations of

1 this chapter to pay to the board all reasonable costs of investigation
2 and prosecution of the case, including, but not limited to, attorneys'
3 fees. The board shall not recover costs incurred at the
4 administrative hearing.

5 (b) A certified copy of the actual costs, or a good faith estimate
6 of costs where actual costs are not available, signed by the
7 executive officer, shall be prima facie evidence of reasonable costs
8 of investigation and prosecution of the case.

9 (c) The administrative law judge shall make a proposed finding
10 of the amount of reasonable costs of investigation and prosecution
11 of the case when requested to do so by the executive officer
12 pursuant to subdivision (a). Costs are payable 120 days after the
13 board's decision is final, unless otherwise provided for by the
14 administrative law judge or if the time for payment is extended by
15 the board.

16 (d) The finding of the administrative law judge with regard to
17 cost shall not be reviewable by the board to increase the cost award.
18 The board may reduce or eliminate the cost award, or remand to
19 the administrative law judge where the proposed decision fails to
20 make a finding on costs requested by the executive officer pursuant
21 to subdivision (a).

22 (e) The administrative law judge may make a further finding
23 that the amount of reasonable costs awarded shall be reduced or
24 eliminated upon a finding that respondent has demonstrated that
25 he or she cannot pay all or a portion of the costs or that payment
26 of the costs would cause an unreasonable financial hardship which
27 cannot be remedied through a payment plan.

28 (f) When an administrative law judge makes a finding that costs
29 be waived or reduced, he or she shall set forth the factual basis for
30 his or her finding in the proposed decision.

31 (g) Where an order for recovery of costs is made and timely
32 payment is not made as directed by the board's decision, the board
33 may enforce the order for payment in any appropriate court. This
34 right of enforcement shall be in addition to any other rights the
35 board may have as to any holder of a permit or certificate directed
36 to pay costs.

37 (h) In a judicial action for the recovery of costs, proof of the
38 board's decision shall be conclusive proof of the validity of the
39 order of payment and the terms of payment.

1 (i) All costs recovered under this section shall be deposited in
2 the Accountancy Fund.

3 (j) (1) Except as provided in paragraph (2), the board shall not
4 renew or reinstate the permit or certificate of a holder who has
5 failed to pay all of the costs ordered under this section.

6 (2) Notwithstanding paragraph (1) *or paragraph (2) of*
7 *subdivision (g) of Section 125.3*, the board may, in its discretion,
8 conditionally renew or reinstate for a maximum of ~~one year~~ *three*
9 *years* the permit or certificate of a holder who demonstrates
10 financial hardship and who enters into a formal agreement with
11 the board to reimburse the board within that ~~one-year~~ *three-year*
12 period for those unpaid costs.

13 (k) Nothing in this section shall preclude the board from seeking
14 recovery of costs in an order or decision made pursuant to an
15 agreement entered into between the board and the holder of a
16 permit or certificate.

17 (l) (1) Costs may not be recovered under this section as a result
18 of a citation issued pursuant to Section 125.9 and its implementing
19 language if the licensee complies with the citation.

20 (2) The Legislature hereby finds and declares that this
21 subdivision is declaratory of existing law.

22 SEC. 8. Section 7011.8 of the Business and Professions Code
23 is amended to read:

24 7011.8. (a) Any person *subject to licensure under this chapter*
25 who reports to, or causes a complaint to be filed with, the
26 Contractors' State License Board that a person licensed by that
27 entity has engaged in professional misconduct, knowing the report
28 or complaint to be false, ~~is guilty of an infraction punishable by a~~
29 ~~fine not to exceed one thousand dollars (\$1,000)~~ *may be issued a*
30 *citation by the registrar.*

31 (b) The board may notify the appropriate district attorney or
32 city attorney that a person *subject to licensure under this chapter*
33 has made or filed what the entity believes to be a false report or
34 complaint against a licensee.

35 SEC. 9. Section 7076 of the Business and Professions Code is
36 amended to read:

37 7076. (a) An individual license shall be canceled upon the
38 death of a person licensed as an individual. An immediate member
39 of the family of the deceased licensee may request a continuance
40 of the license to complete projects in progress and undertake new

1 work for a reasonable amount of time to be determined by rules
2 of the board. The request for a continuance must be made in writing
3 and received at the board's headquarters office within 90 days
4 after the death. Approval of the continuance of an individual license
5 may be contingent upon meeting the bond requirements of Sections
6 7071.5 and 7071.6 within 90 days of notification by the board of
7 that requirement. The immediate member of the family must apply
8 for and obtain his or her own license to continue contracting after
9 the continuance expires.

10 (b) A partnership license shall be canceled upon the death of a
11 general partner. The remaining partner or partners shall notify the
12 registrar in writing within 90 days of the death of a general partner.
13 Failure to notify the registrar within 90 days of the death is grounds
14 for disciplinary action.

15 The remaining general partner or partners may request a
16 continuance of the license to complete projects in progress and
17 undertake new work for a reasonable amount of time to be
18 determined by rules of the board. The request for a continuance
19 must be made in writing and received at the board's headquarters
20 office within 90 days after the death. The remaining general partner
21 or partners must apply for and obtain a new license to continue
22 contracting after the continuance expires.

23 (c) A partnership license shall be canceled upon the
24 disassociation of a general partner or upon the dissolution of the
25 partnership. The disassociating partner or the remaining partner
26 or partners shall notify the registrar in writing within 90 days of
27 the disassociation of a general partner or dissolution of the
28 partnership. Failure to notify the registrar of the disassociation or
29 dissolution within 90 days shall cause the license to be canceled
30 effective the date the written notification is received at the board's
31 headquarters office. Failure to notify the registrar within 90 days
32 of the disassociation or dissolution is grounds for disciplinary
33 action. The remaining general partner or partners may request a
34 continuance of the license to complete projects contracted for or
35 in progress prior to the date of disassociation or dissolution for a
36 reasonable length of time to be determined by rules of the board.
37 The request for a continuance must be made in writing and received
38 at the board's headquarters office within 90 days after the
39 disassociation or dissolution. The remaining general partner or

1 partners must apply for and obtain a new license to undertake new
2 work and to continue contracting after the continuance expires.

3 (d) The general partner or partners shall notify the registrar in
4 writing within 90 days of the death of a limited partner. Failure to
5 notify the registrar within 90 days of the death is grounds for
6 disciplinary action.

7 The death of a limited partner will not affect the partnership
8 license unless the partnership license has only one limited partner.
9 In this case, the license will be canceled upon the death of the
10 limited partner unless a new limited partner is added to the license
11 within 90 days of the death.

12 If the license is canceled, the remaining general partner or
13 partners may request a continuance of the license to complete
14 projects in progress and to undertake new work for a reasonable
15 amount of time to be determined by rules of the board. The request
16 for a continuance must be made in writing and received at the
17 board's headquarters office within 90 days after the death. The
18 remaining general partner or partners must apply for and obtain a
19 new license to continue contracting after the continuance expires.

20 (e) The general partner or partners shall notify the registrar in
21 writing within 90 days of the disassociation of a limited partner.
22 Failure to notify the registrar of the disassociation, within 90 days,
23 shall cause the disassociation to be effective the date the written
24 notification is received at the board's headquarters office. Failure
25 to notify the registrar within 90 days of the disassociation is
26 grounds for disciplinary action.

27 The disassociation of a limited partner will not affect the
28 partnership license unless the partnership license has only one
29 limited partner. In this case, the license will be canceled upon the
30 disassociation of the limited partner unless a new limited partner
31 is added to the license within 90 days of the disassociation. If the
32 license is canceled, the remaining general partner or partners may
33 request a continuance of the license to complete projects contracted
34 for or in progress prior to the date of disassociation for a reasonable
35 amount of time to be determined by rules of the board. The request
36 for a continuance must be made in writing and received at the
37 board's headquarters office within 90 days after the ~~death~~
38 *disassociation*. The remaining general partner or partners must
39 apply for and obtain a new license to undertake new work and to
40 continue contracting after the continuance expires.

1 (f) A joint venture license shall be canceled upon the
2 cancellation, revocation, or disassociation of any of its entity
3 licenses or upon the dissolution of the joint venture. The registrar
4 shall be notified in writing within 90 days of the disassociation of
5 a joint venture entity or dissolution of the joint venture. Failure to
6 notify the registrar of the disassociation or dissolution within 90
7 days shall cause the license to be canceled effective the date the
8 written notification is received at the board's headquarters office.
9 Failure to notify the registrar within 90 days of the disassociation
10 or dissolution is grounds for disciplinary action.

11 Any remaining entity or entities may request a continuance of
12 the license to complete projects contracted for or in progress prior
13 to the date of disassociation or dissolution for a reasonable amount
14 of time to be determined by rules of the board. The request for a
15 continuance must be made in writing and received at the board's
16 headquarters office within 90 days of the disassociation or
17 dissolution. The remaining entity or entities must apply for and
18 obtain a new license to undertake new work and to continue
19 contracting after the continuance expires.

20 (g) Any individual, partnership, or joint venture license
21 continued in accordance with this section is subject to all other
22 provisions of this chapter.

23 (h) A corporation license shall be canceled upon the
24 corporation's dissolution, merger, or surrender of its right to do
25 business in this state. The corporation shall notify the registrar in
26 writing within 90 days of the dissolution, merger, or surrender.
27 Failure to notify the registrar of the dissolution, merger, or
28 surrender within 90 days shall cause the license to be canceled
29 effective the date written notification is received at the board's
30 headquarters office. If the corporation fails to notify the board of
31 the dissolution, merger, or surrender, the corporation license shall
32 be canceled 60 days after the board's discovery when researching
33 the corporate records of the Secretary of State. Failure to notify
34 the registrar within 90 days of the dissolution, merger, or surrender
35 is grounds for disciplinary action.

36 (i) A limited liability company license shall be canceled upon
37 the company's dissolution, merger, or surrender of its right to do
38 business in this state. The limited liability company shall notify
39 the registrar in writing within 90 days of the dissolution, merger,
40 or surrender. Failure to notify the registrar of the dissolution,

1 merger, or surrender within 90 days shall cause the license to be
2 canceled effective the date written notification is received at the
3 board’s headquarters office. If the limited liability company fails
4 to notify the board of the dissolution, merger, or surrender, the
5 limited liability company license shall be canceled 60 days after
6 the board’s discovery when researching the records of the Secretary
7 of State. Failure to notify the registrar within 90 days of the
8 dissolution, merger, or surrender is grounds for disciplinary action.
9 (j) The registrar shall review and accept the petition of a licensee
10 who disputes the date of cancellation upon a showing of good
11 cause. This petition shall be received within 90 days of the board’s
12 official notice of cancellation.