AMENDED IN SENATE APRIL 13, 2009

SENATE BILL No. 691

Introduced by Senator Yee
(Coauthors: Senators Calderon and Florez)
(Coauthors: Assembly Members Ma and Niello)

February 27, 2009

An act to amend and repeal Section 5092 of, and to amend, repeal, and add Sections 5082.3, 5082.4, 5090, and 5095 of, the Business and Professions Code, relating to accountants.

LEGISLATIVE COUNSEL'S DIGEST

SB 691, as amended, Yee. Accountants.

Existing law provides for the licensure and regulation of accountants by the California Board of Accountancy in the Department of Consumer Affairs. Existing law requires an applicant for the certified public accountant license to comply with education, examination, and experience requirements under one of 2 provisions that set forth different standards. Existing law, under the first provision, requires completion of a baccalaureate or higher degree conferred by a college or university with completion of at least 24 semester units in accounting and 24 semester units in business related subjects, board exam passage, and 2 years of qualifying experience. Existing law, under the 2nd provision, imposes the same educational and examination requirements as the first provision, but also requires proof of completion of at least 150 ~~additional~~ semester units, and instead accepts one year of qualifying experience.

On January 1, ~~2012~~ *2014*, this bill would delete the first provision described above, thereby requiring, *on and* after January 1, ~~2012~~ *2014*, applicant compliance with the 2nd provision. The bill would make conforming changes to related provisions.

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

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

SECTION 1. Section 5082.3 of the Business and Professions Code is amended to read:

5082.3. An applicant for a license as a certified public accountant may be deemed by the board to have met the examination requirements of Section 5082, 5092, or 5093 if the applicant satisfies all of the following requirements:

(a) The applicant is licensed or has comparable authority under the laws of any country to engage in the practice of public accountancy.

(b) The International Qualifications Appraisal Board jointly established by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants has determined that the standards under which the applicant was licensed or under which the applicant secured comparable authority meet its standards for admission to the International Uniform Certified Public Accountant Qualification Examination.

(c) The applicant has successfully passed the International Uniform Certified Public Accountant Qualification Examination referenced in subdivision (b).

(d) This section shall remain in effect only until January 1, ~~2012~~ *2014*, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2012~~ *2014*, deletes or extends that date.

SEC. 2. Section 5082.3 is added to the Business and Professions Code, to read:

5082.3. An applicant for a license as a certified public accountant may be deemed by the board to have met the examination requirements of Section 5082 or 5093 if the applicant satisfies all of the following requirements:

(a) The applicant is licensed or has comparable authority under the laws of any country to engage in the practice of public accountancy.

(b) The International Qualifications Appraisal Board jointly established by the National Association of State Boards of

Accountancy and the American Institute of Certified Public Accountants has determined that the standards under which the applicant was licensed or under which the applicant secured comparable authority meet its standards for admission to the International Uniform Certified Public Accountant Qualification Examination.

(c) The applicant has successfully passed the International Uniform Certified Public Accountant Qualification Examination referenced in subdivision (b).

(d) This section shall become operative on January 1, ~~2012~~ *2014*.

SEC. 3. Section 5082.4 of the Business and Professions Code is amended to read:

5082.4. (a) A Canadian Chartered Accountant in good standing may be deemed by the board to have met the examination requirements of Section 5082, 5092, or 5093 if he or she has successfully passed the Canadian Chartered Accountant Uniform Certified Public Accountant Qualification Examination of the American Institute of Certified Public Accountants or the International Uniform Certified Public Accountant Qualification Examination referenced in subdivision (b) Section 5082.3.

(b) This section shall remain in effect only until January 1, ~~2012~~ *2014*, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2012~~ *2014*, deletes or extends that date.

SEC. 4. Section 5082.4 is added to the Business and Professions Code, to read:

5082.4. (a) A Canadian Chartered Accountant in good standing may be deemed by the board to have met the examination requirements of Section 5082 or 5093 if he or she has successfully passed the Canadian Chartered Accountant Uniform Certified Public Accountant Qualification Examination of the American Institute of Certified Public Accountants or the International Uniform Certified Public Accountant Qualification Examination referenced in subdivision (b) Section 5082.3.

(b) This section shall become operative on January 1, ~~2012~~ *2014*.

SEC. 5. Section 5090 of the Business and Professions Code is amended to read:

5090. (a) An applicant for the certified public accountant license shall comply with the education, examination, and experience requirements in either Section 5092 or 5093.

(b) Notwithstanding subdivision (a), an applicant who applied, qualified, and sat for at least two subjects of the examination for the certified public accountant license before May 15, 2002, may complete the examination and qualify for licensure based on the requirements in Sections 5081.1, 5082, 5082.2, 5083, 5084, and applicable regulations adopted by the board that were in effect on December 31, 2001, or comparable examination requirements adopted by the board in the event the form or format of the examination changes, provided the applicant qualifies and applies for licensure before January 1, 2010.

(c) This section shall remain in effect only until January 1, ~~2012~~ *2014*, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2012~~ *2014*, deletes or extends that date.

SEC. 6. Section 5090 is added to the Business and Professions Code, to read:

5090. (a) An applicant for the certified public accountant license shall comply with the education, examination, and experience requirements in Section 5093.

(b) This section shall become operative on January 1, ~~2012~~ *2014*.

SEC. 7. Section 5092 of the Business and Professions Code is amended to read:

5092. (a) To qualify for the certified public accountant license, an applicant who is applying under this section shall meet the education, examination, and experience requirements specified in subdivisions (b), (c), and (d), or otherwise prescribed pursuant to this article. The board may adopt regulations as necessary to implement this section.

(b) An applicant for the certified public accountant license shall present satisfactory evidence that the applicant has completed a baccalaureate or higher degree conferred by a college or university, meeting, at a minimum, the standards described in Section 5094, the total educational program to include a minimum of 24 semester units in accounting subjects and 24 semester units in business related subjects. This evidence shall be provided prior to admission to the examination for the certified public accountant license, except that an applicant who applied, qualified, and sat for at least two subjects of the examination for the certified public accountant license before May 15, 2002, may provide this evidence at the time of application for licensure.

(c) An applicant for the certified public accountant license shall pass an examination prescribed by the board pursuant to this article.

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

(e) This section shall remain in effect only until January 1, ~~2012~~ *2014*, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2012~~ *2014*, deletes or extends that date.

SEC. 8. Section 5095 of the Business and Professions Code, as added by Section 20 of Chapter 704 of the Statutes of 2001, is repealed.

SEC. 9. Section 5095 of the Business and Professions Code, as added by Section 23 of Chapter 718 of the Statutes of 2001, is amended to read:

5095. (a) To be authorized to sign reports on attest engagements, a licensee shall complete a minimum of 500 hours of experience, satisfactory to the board, in attest services.

(b) To qualify under this section, attest experience shall have been performed in accordance with applicable professional standards. Experience in public accounting shall be completed under the supervision or in the employ of a person licensed or otherwise having comparable authority under the laws of any state or country to engage in the practice of public accountancy and provide attest services, and this experience shall be verified.

Experience in private or governmental accounting or auditing shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy and perform attest services, and this experience shall be verified. An applicant may be required to present work papers or other evidence substantiating that the applicant has met the requirements of this section and any applicable regulations.

(c) An individual who qualified for licensure by meeting the requirements of Section 5083 shall be deemed to have satisfied the requirements of this section.

(d) The board shall adopt regulations to implement this section, including, but not limited to, a procedure for applicants under Section 5092 or Section 5093 to qualify under this section.

(e) This section shall remain in effect only until January 1, ~~2012~~ *2014*, and as of that date is repealed, unless a later enacted statute, that is enacted before January 1, ~~2012~~ *2014*, deletes or extends that date.

SEC. 10. Section 5095 is added to the Business and Professions Code, to read:

5095. (a) To be authorized to sign reports on attest engagements, a licensee shall complete a minimum of 500 hours of experience, satisfactory to the board, in attest services.

(b) To qualify under this section, attest experience shall have been performed in accordance with applicable professional standards. Experience in public accounting shall be completed under the supervision or in the employ of a person licensed or otherwise having comparable authority under the laws of any state or country to engage in the practice of public accountancy and provide attest services, and this experience shall be verified. Experience in private or governmental accounting or auditing shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy and perform attest services, and this experience shall be verified. An applicant may be required to present work papers or other evidence substantiating that the applicant has met the requirements of this section and any applicable regulations.

(c) An individual who qualified for licensure by meeting the requirements of Section 5083 shall be deemed to have satisfied the requirements of this section.

(d) The board shall adopt regulations to implement this section, including, but not limited to, a procedure for applicants under Section 5093 to qualify under this section.

(e) This section shall become operative on January 1, ~~2012~~ *2014*.

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