

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:

- 1 SECTION 1. Section 5082.3 of the Business and Professions
2 Code is amended to read:
3 5082.3. An applicant for a license as a certified public
4 accountant may be deemed by the board to have met the
5 examination requirements of Section 5082, 5092, or 5093 if the
6 applicant satisfies all of the following requirements:
7 (a) The applicant is licensed or has comparable authority under
8 the laws of any country to engage in the practice of public
9 accountancy.
10 (b) The International Qualifications Appraisal Board jointly
11 established by the National Association of State Boards of
12 Accountancy and the American Institute of Certified Public
13 Accountants has determined that the standards under which the
14 applicant was licensed or under which the applicant secured
15 comparable authority meet its standards for admission to the
16 International Uniform Certified Public Accountant Qualification
17 Examination.
18 (c) The applicant has successfully passed the International
19 Uniform Certified Public Accountant Qualification Examination
20 referenced in subdivision (b).
21 (d) This section shall remain in effect only until January 1, ~~2012~~
22 ~~2014~~, and as of that date is repealed, unless a later enacted statute,
23 that is enacted before January 1, ~~2012~~ ~~2014~~, deletes or extends
24 that date.
25 SEC. 2. Section 5082.3 is added to the Business and Professions
26 Code, to read:
27 5082.3. An applicant for a license as a certified public
28 accountant may be deemed by the board to have met the
29 examination requirements of Section 5082 or 5093 if the applicant
30 satisfies all of the following requirements:
31 (a) The applicant is licensed or has comparable authority under
32 the laws of any country to engage in the practice of public
33 accountancy.
34 (b) The International Qualifications Appraisal Board jointly
35 established by the National Association of State Boards of

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

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

10 (d) This section shall become operative on January 1, ~~2012~~
11 2014.

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

14 5082.4. (a) A Canadian Chartered Accountant in good standing
15 may be deemed by the board to have met the examination
16 requirements of Section 5082, 5092, or 5093 if he or she has
17 successfully passed the Canadian Chartered Accountant Uniform
18 Certified Public Accountant Qualification Examination of the
19 American Institute of Certified Public Accountants or the
20 International Uniform Certified Public Accountant Qualification
21 Examination referenced in subdivision (b) Section 5082.3.

22 (b) This section shall remain in effect only until January 1, ~~2012~~
23 2014, and as of that date is repealed, unless a later enacted statute,
24 that is enacted before January 1, ~~2012~~ 2014, deletes or extends
25 that date.

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

28 5082.4. (a) A Canadian Chartered Accountant in good standing
29 may be deemed by the board to have met the examination
30 requirements of Section 5082 or 5093 if he or she has successfully
31 passed the Canadian Chartered Accountant Uniform Certified
32 Public Accountant Qualification Examination of the American
33 Institute of Certified Public Accountants or the International
34 Uniform Certified Public Accountant Qualification Examination
35 referenced in subdivision (b) Section 5082.3.

36 (b) This section shall become operative on January 1, ~~2012~~
37 2014.

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

1 5090. (a) An applicant for the certified public accountant
2 license shall comply with the education, examination, and
3 experience requirements in either Section 5092 or 5093.

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

14 (c) This section shall remain in effect only until January 1, ~~2012~~
15 ~~2014~~, and as of that date is repealed, unless a later enacted statute,
16 that is enacted before January 1, ~~2012~~ ~~2014~~, deletes or extends
17 that date.

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

20 5090. (a) An applicant for the certified public accountant
21 license shall comply with the education, examination, and
22 experience requirements in Section 5093.

23 (b) This section shall become operative on January 1, ~~2012~~
24 ~~2014~~.

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

27 5092. (a) To qualify for the certified public accountant license,
28 an applicant who is applying under this section shall meet the
29 education, examination, and experience requirements specified in
30 subdivisions (b), (c), and (d), or otherwise prescribed pursuant to
31 this article. The board may adopt regulations as necessary to
32 implement this section.

33 (b) An applicant for the certified public accountant license shall
34 present satisfactory evidence that the applicant has completed a
35 baccalaureate or higher degree conferred by a college or university,
36 meeting, at a minimum, the standards described in Section 5094,
37 the total educational program to include a minimum of 24 semester
38 units in accounting subjects and 24 semester units in business
39 related subjects. This evidence shall be provided prior to admission
40 to the examination for the certified public accountant license,

1 except that an applicant who applied, qualified, and sat for at least
2 two subjects of the examination for the certified public accountant
3 license before May 15, 2002, may provide this evidence at the
4 time of application for licensure.

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

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

21 (e) This section shall remain in effect only until January 1, ~~2012~~
22 2014, and as of that date is repealed, unless a later enacted statute,
23 that is enacted before January 1, ~~2012~~ 2014, deletes or extends
24 that date.

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

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

31 5095. (a) To be authorized to sign reports on attest
32 engagements, a licensee shall complete a minimum of 500 hours
33 of experience, satisfactory to the board, in attest services.

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

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

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

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

14 (e) This section shall remain in effect only until January 1, ~~2012~~
15 ~~2014~~, and as of that date is repealed, unless a later enacted statute,
16 that is enacted before January 1, ~~2012~~ ~~2014~~, deletes or extends
17 that date.

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

20 5095. (a) To be authorized to sign reports on attest
21 engagements, a licensee shall complete a minimum of 500 hours
22 of experience, satisfactory to the board, in attest services.

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

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

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

4 (e) This section shall become operative on January 1, ~~2012~~
5 *2014*.

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