

The House Committee on Industry offers the following substitute to HB 1215:

A BILL TO BE ENTITLED  
AN ACT

1 To amend Chapter 3 of Title 43 of the Official Code of Georgia Annotated, relating to  
2 regulation of accountants, so as to delete provisions allowing waiver of education  
3 requirements in certain circumstances for certification as a certified public accountant and  
4 as a registered public accountant; to delete provisions describing examinations as written or  
5 oral; to delete provisions regarding the frequency of examinations; to require persons taking  
6 examinations to meet certain education and experience requirements; to change provisions  
7 relating to credit for passing a portion or portions of an examination; to delete provisions  
8 relating to fees for examinations; to delete provisions allowing oral examinations; to provide  
9 for related matters; to provide for an effective date; to repeal conflicting laws; and for other  
10 purposes.

11 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

**SECTION 1.**

12 Chapter 3 of Title 43 of the Official Code of Georgia Annotated, relating to regulation of  
13 accountants, is amended by striking Code Section 43-3-6, relating to requirements for  
14 certification as a certified public accountant, and inserting in lieu thereof the following:

15 "43-3-6.

16 (a) The certificate of 'certified public accountant' shall be granted by the board to any  
17 person:

18 (1) Who has attained the age of 18;

19 (2) Who is, in the opinion of the board, of good moral character;

20 (3) Who meets the following requirements of education and experience:

21 (A)(i) Presentation ~~Except as provided in subsection (b) of this Code section or~~  
22 ~~subsection (a) of Code Section 43-3-7, the education requirement shall be the~~  
23 ~~presentation~~ to the board of such evidence as it may require that the applicant has  
24 received a baccalaureate degree or completed the requirements therefor, conferred by  
25 a college or university accredited by a national or regional accrediting organization  
26

1 recognized by the board, with a concentration in accounting or what the board  
 2 determines to be the substantial equivalent of ~~the foregoing~~ an accounting  
 3 concentration, or with a nonaccounting concentration supplemented by what the board  
 4 determines to be the substantial equivalent of an accounting concentration, including  
 5 related courses in other areas of business administration, ~~provided, however, that~~  
 6 ~~after~~

7 (ii) After January 1, 1998, any person who has not previously sat for the uniform  
 8 written examination for the certificate of certified public accountant must have  
 9 completed a total of 150 semester hours or 225 quarter hours of college education,  
 10 including a baccalaureate degree awarded by a college or university accredited by  
 11 either a national or regional accrediting organization recognized by the board. The  
 12 total educational program shall include an undergraduate accounting concentration  
 13 as defined by the board or what the board determines to be the substantial equivalent  
 14 of an undergraduate accounting concentration; and

15 (B) Two ~~The experience requirement shall be two years' continuous experience in~~  
 16 ~~public accountancy immediately preceding the date of application for the certificate or~~  
 17 ~~within a reasonable time prior to the date of such application as provided by the board~~  
 18 ~~by rule, provided that the board may promulgate rules stating certain circumstances~~  
 19 ~~which shall constitute acceptable breaks in the continuity of said experience; and~~  
 20 ~~provided, further, that the board may accept, in lieu of both of such years' experience~~  
 21 ~~in public accounting, evidence satisfactory to it of five years' continuous employment~~  
 22 ~~in the accounting field in industry, business, government, or college teaching; any~~  
 23 ~~combination of the above; or any combination of the above and practice in public~~  
 24 ~~accountancy immediately preceding the date of application for the certificate or what~~  
 25 ~~the board determines to be the equivalent thereof; and provided, further, that any person~~  
 26 ~~certified as a certified public accountant under the laws of this state on July 1, 1977,~~  
 27 ~~shall be deemed to have the experience in the practice of public accountancy required~~  
 28 ~~by this subparagraph; and~~

29 (4) ~~Who shall have passed a written or oral examination, or both, in accounting, auditing,~~  
 30 ~~and an examination approved by the board in such related subjects as the board deems~~  
 31 ~~appropriate.~~

32 ~~(b) The board, in its discretion, may waive the education requirement specified in~~  
 33 ~~paragraph (3) of subsection (a) of this Code section for any applicant, if it is satisfied, from~~  
 34 ~~the result of a special written examination given the applicant by the board to test his~~  
 35 ~~educational qualification, that he is as well equipped educationally as if he met such~~  
 36 ~~education requirement.~~

(e)(b) For the purposes of this Code section, 'good moral character' means fiscal integrity and a lack of any history of acts involving dishonesty or moral turpitude. For failure to satisfy this requirement, the board may refuse to certify an applicant where it finds that there is a substantial connection between the lack of good moral character of the applicant and the professional responsibilities of a licensee and the finding by the board of a lack of good moral character is supported by clear and convincing evidence. When an applicant is found to be unqualified for a certificate because of lack of good moral character, the board shall furnish the applicant a statement containing the findings of the board and a complete listing of the evidence upon which the determination was based, and the applicant may request a hearing on that determination."

## SECTION 2.

Said chapter is further amended by striking Code Section 43-3-7, relating to examinations for certified public accountants, and inserting in lieu thereof the following:

"43-3-7.

(a) The board may provide, by regulation, for the general scope of examinations ~~the examination~~ described in paragraph (4) of subsection (a) of Code Section 43-3-6 ~~and subsection (b) of Code Section 43-3-6~~. The board may approve the examination and obtain advice and assistance in ~~preparing~~ providing for and grading such ~~examinations~~ examination and the division director, with approval of the board, may contract with third parties to perform administrative services with respect to the ~~examinations~~ examination as he or she deems appropriate.

(b) ~~The examinations described in paragraph (4) of subsection (a) of Code Section 43-3-6 and subsection (b) of Code Section 43-3-6 shall be held by the board and shall take place as often as the board shall determine to be desirable, but the examination described in paragraph (4) of subsection (a) of Code Section 43-3-6 shall be held at least twice each year~~ As a prerequisite to sit for the examination, candidates shall meet the education requirements provided in division (a)(3)(A)(i) of Code Section 43-3-6.

(c) ~~An applicant who has met the education requirement specified in paragraph (3) of subsection (a) of Code Section 43-3-6 or who expects to meet it within 120 days following the examination described in paragraph (4) of subsection (a) of Code Section 43-3-6 or with respect to whom such education requirement has been waived in accordance with subsection (b) of Code Section 43-3-6 shall be eligible to take such examination without waiting until he meets the experience requirement if he also meets the requirements of paragraphs (1) and (2) of subsection (a) of Code Section 43-3-6. In the case of any applicant admitted to such examination on the expectation that he will meet the education requirement within 120 days, no certificate shall be issued, nor shall credit for the~~

1 ~~examination, or any part of it, be given unless such requirement is in fact completed within~~  
 2 ~~that time or within such longer period of time as the board, in its discretion, may determine.~~

3 ~~(d)~~(c) An applicant for the certificate of certified public accountant who has successfully  
 4 completed the examination provided for in paragraph (4) of subsection (a) of Code Section  
 5 43-3-6 shall have no status as a certified public accountant until he or she has the requisite  
 6 education and experience and has received his or her certificate as a certified public  
 7 accountant.

8 ~~(e)~~(d) The board, by regulation, may provide for granting a credit to any applicant for ~~his~~  
 9 satisfactory completion of an examination in any one or more of the subjects ~~specified~~  
 10 provided for in paragraph (4) of subsection (a) of Code Section 43-3-6 given by the  
 11 licensing authority in another state jurisdiction. Such regulations shall include such  
 12 requirements as the board deems appropriate to ensure that any examination approved as  
 13 a basis for any such credit, in the judgment of the board, shall be at least as thorough as the  
 14 ~~most recent examination given~~ examination approved by the board at the time of the  
 15 granting of such credit.

16 ~~(f)~~(e) The board, by regulation, may prescribe the time and conditions under which an  
 17 applicant ~~who passes, in one sitting, a portion~~ may retain credit for a portion or portions of  
 18 the examination provided for in paragraph (4) of subsection (a) of Code Section 43-3-6  
 19 ~~pertaining to at least two or more of the subjects indicated in such paragraph may be~~  
 20 ~~reexamined in only the remaining subjects, with credit for the subjects previously passed,~~  
 21 ~~provided that the entire examination must be passed in six consecutive attempts, including~~  
 22 ~~the initial sitting in which at least two parts of the examination were passed.~~

23 ~~(g) With respect to examinations, the board shall charge the applicant a fee to be~~  
 24 ~~determined by the board, which fee shall be sufficient to pay for the cost of the~~  
 25 ~~examinations.~~

26 ~~(h)~~(f) Application for certification by persons who are not residents of this state shall  
 27 constitute the appointment of the Secretary of State as the agent for service of process in  
 28 any action or proceeding against such applicant arising out of any transaction, activity, or  
 29 operation connected with or incidental to the practice of public accounting in this state by  
 30 nonresident holders of certified public accountant certificates."

### 31 SECTION 3.

32 Said chapter is further amended by striking Code Section 43-3-8, relating to oral  
 33 examinations for certified public accountants, and inserting in lieu thereof the following:

34 "43-3-8.

35 ~~(a) Any written examination described in paragraph (4) of subsection (a) of Code Section~~  
 36 ~~43-3-6 and subsection (b) of Code Section 43-3-6 may be administered orally if the board~~

1 ~~determines that an applicant's physical disability or other circumstances render him~~  
 2 ~~incapable of taking a written examination. Any applicant who desires to have an~~  
 3 ~~examination administered orally shall present to the board such evidence, as it deems~~  
 4 ~~appropriate, of the disability or other circumstances necessitating such oral administration.~~  
 5 ~~Such evidence shall be submitted to the board prior to the date of examination as provided~~  
 6 ~~by rules of the board.~~

7 ~~(b) A permanent record shall be made of all examinations administered orally in~~  
 8 ~~accordance with subsection (a) of this Code section Reserved.~~"

#### 9 SECTION 4.

10 Said chapter is further amended by striking Code Section 43-3-13, relating to requirements  
 11 for certification as a registered public accountant, and inserting in lieu thereof the following:

12 "43-3-13.

13 (a) The certificate of 'registered public accountant' shall be granted by the board to any  
 14 person:

15 (1) Who has attained the age of 18;

16 (2) Who is, in the opinion of the board, of good moral character;

17 (3) Who meets the following requirements of education and experience:

18 (A) Presentation ~~Except as provided in subsection (b) of this Code section or~~  
 19 ~~subsection (c) of Code Section 43-3-14, the education requirement shall be the~~  
 20 ~~presentation to the board of such evidence as it may require that the applicant has~~  
 21 ~~received a high school diploma or completed the requirements therefor or what the~~  
 22 ~~board determines to be the substantial equivalent of the foregoing;~~

23 (B) Two ~~The experience requirement shall be two years' continuous experience in~~  
 24 ~~public accountancy immediately preceding the date of application for the certificate or~~  
 25 ~~within a reasonable time prior to the date of such application as provided by the board~~  
 26 ~~by rule, provided that the board may promulgate rules stating certain circumstances~~  
 27 ~~which shall constitute acceptable breaks in the continuity of said experience; and~~  
 28 ~~provided, further, that the board may accept, in lieu of both of such years' experience~~  
 29 ~~in public accounting, evidence satisfactory to it of five years' continuous employment~~  
 30 ~~in the accounting field in industry, business, government, or college teaching; any~~  
 31 ~~combination of the above; or any combination of the above and practice in public~~  
 32 ~~accountancy immediately preceding the date of application for the certificate or what~~  
 33 ~~the board determines to be the equivalent thereof; and provided, further, that any person~~  
 34 ~~registered as a registered public accountant under the laws of this state on July 1, 1977,~~  
 35 ~~shall be deemed to have the experience in the practice of public accountancy required~~  
 36 ~~by this subparagraph; and~~

1 (4) Who shall have passed a ~~written or oral examination, or both,~~ an examination in  
 2 accounting, ~~auditing,~~ and such related subjects as the board deems appropriate.

3 ~~(b) The board, in its discretion, may waive the education requirement specified in~~  
 4 ~~paragraph (3) of subsection (a) of this Code section for any applicant if it is satisfied, from~~  
 5 ~~the result of a special written examination given the applicant by the board to test his~~  
 6 ~~educational qualification, that he is as well equipped educationally as if he met such~~  
 7 ~~education requirement.~~

8 ~~(c)~~(b) For the purposes of this Code section, 'good moral character' means fiscal integrity  
 9 and a lack of any history of acts involving dishonesty or moral turpitude. For failure to  
 10 satisfy this requirement, the board may refuse to certify an applicant where it finds that  
 11 there is a substantial connection between the lack of good moral character of the applicant  
 12 and the professional responsibilities of a licensee and the finding by the board of a lack of  
 13 good moral character is supported by clear and convincing evidence. When an applicant  
 14 is found to be unqualified for a certificate because of lack of good moral character, the  
 15 board shall furnish the applicant a statement containing the findings of the board and a  
 16 complete listing of the evidence upon which the determination was based, and the applicant  
 17 may request a hearing on that determination."

## 18 SECTION 5.

19 Said chapter is further amended by striking Code Section 43-3-14, relating to examinations  
 20 for registered public accountants, and inserting in lieu thereof the following:

21 "43-3-14.

22 (a) The board may provide, by regulation, for the general scope of ~~examinations~~ the  
 23 examination described in paragraph (4) of subsection (a) of Code Section 43-3-13 ~~and~~  
 24 ~~subsection (b) of Code Section 43-3-13.~~ The board may approve the examination and  
 25 obtain advice and assistance in ~~preparing~~ providing for and grading such ~~examinations~~  
 26 examination and the division director, with the approval of the board, may contract with  
 27 third parties to perform administrative services with respect to the ~~examinations~~  
 28 examination as he or she deems appropriate.

29 ~~(b) The examinations described in paragraph (4) of subsection (a) of Code Section 43-3-13~~  
 30 ~~and subsection (b) of Code Section 43-3-13 shall be held by the board and shall take place~~  
 31 ~~as often as the board shall determine to be desirable, but the examination described in~~  
 32 ~~paragraph (4) of subsection (a) of Code Section 43-3-13 shall be held at least twice each~~  
 33 ~~year~~ As a prerequisite to sit for the examination, candidates shall meet the education  
 34 requirements provided for in subparagraph (a)(3)(A) of Code Section 43-3-13.

35 ~~(c) An applicant who has met the education requirement specified in paragraph (3) of~~  
 36 ~~subsection (a) of Code Section 43-3-13 or who expects to meet it within 120 days~~

1 following the examination described in paragraph (4) of subsection (a) of Code Section  
 2 43-3-13 or with respect to whom such education requirement has been waived in  
 3 accordance with subsection (b) of Code Section 43-3-13 shall be eligible to take such  
 4 examination without waiting until he meets the experience requirement if he also meets the  
 5 requirements of paragraphs (1) and (2) of subsection (a) of Code Section 43-3-13. In the  
 6 case of any applicant admitted to such examination on the expectation that he will meet the  
 7 education requirement within 120 days, no certificate shall be issued, nor shall credit for  
 8 the examination, or any part of it, be given unless such requirement is in fact completed  
 9 within that time or within such longer period of time as the board, in its discretion, may  
 10 determine.

11 ~~(d)~~(c) An applicant for the certificate of registered public accountant who has successfully  
 12 completed the examination provided for in paragraph (4) of subsection (a) of Code Section  
 13 43-3-13 shall have no status as a registered public accountant until he or she has the  
 14 requisite education and experience and has received his or her certificate as a registered  
 15 public accountant.

16 ~~(e)~~(d) The board, by regulation, may provide for granting a credit to any applicant for his  
 17 satisfactory completion of an examination in any one or more of the subjects ~~specified in~~  
 18 provided for by paragraph (4) of subsection (a) of Code Section 43-3-13 given by the  
 19 licensing authority in another state jurisdiction. Such regulations shall include such  
 20 requirements as the board deems appropriate to ensure that any examination approved as  
 21 a basis for any such credit, in the judgment of the board, shall be at least as thorough as the  
 22 ~~most recent examination given~~ examination approved by the board at the time of the  
 23 granting of such credit.

24 ~~(f)~~(e) The board, by regulation, may prescribe the time and conditions under which an  
 25 applicant ~~who passes, in one sitting, a portion~~ may retain credit for passing a portion or  
 26 portions of the examination provided for in paragraph (4) of subsection (a) of Code Section  
 27 43-3-13 pertaining to at least two or more of the subjects indicated in such paragraph may  
 28 be reexamined in only the remaining subjects, with credit for the subjects previously  
 29 passed, provided that the entire examination must be passed in ten consecutive attempts,  
 30 including the initial sitting in which at least two parts of the examination were passed.

31 ~~(g)~~ With respect to examinations, the board shall charge the applicant a fee to be  
 32 determined by the board, which fee shall be sufficient to pay for the cost of the  
 33 examinations.

34 ~~(h)~~(f) Application for certification by persons who are not residents of this state shall  
 35 constitute the appointment of the Secretary of State as the agent for service of process in  
 36 any action or proceeding against such applicant arising out of any transaction, activity, or

1 operation connected with or incidental to the practice of public accounting in this state by  
2 nonresident holders of registered public accountant certificates."

3 **SECTION 6.**

4 Said chapter is further amended by striking Code Section 43-3-15, relating to oral  
5 examinations for registered public accountants, and inserting in lieu thereof the following:

6 "43-3-15.

7 ~~(a) Any written examination described in paragraph (4) of subsection (a) of Code Section~~  
8 ~~43-3-13 may be administered orally if the board determines that an applicant's physical~~  
9 ~~disability or other circumstances render him incapable of taking a written examination. Any~~  
10 ~~applicant who desires to have an examination administered orally shall present to the board~~  
11 ~~such evidence, as it deems appropriate, of the disability or other circumstances~~  
12 ~~necessitating such oral administration. Such evidence shall be submitted to the board prior~~  
13 ~~to the date of examination as provided by rules of the board.~~

14 ~~(b) A permanent record shall be made of all examinations administered orally in~~  
15 ~~accordance with subsection (a) of this Code section Reserved.~~"

16 **SECTION 7.**

17 This Act shall become effective on July 1, 2003.

18 **SECTION 8.**

19 All laws and parts of laws in conflict with this Act are repealed.