

House Bill 1215 (COMMITTEE SUBSTITUTE) (AM)

By: Representatives Skipper of the 137th and Reichert of the 126th

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 provide for certain
7 disclosures; to provide for penalties for failure to make such disclosures; to change
8 provisions relating to credit for passing a portion or portions of an examination; to delete
9 provisions relating to fees for examinations; to delete provisions allowing oral examinations;
10 to provide for related matters; to provide for an effective date; to repeal conflicting laws; and
11 for other purposes.

12 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

13 style="text-align:center">**SECTION 1.**

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

17 "43-3-6.

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

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

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

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

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

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

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

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

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

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

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

11 (c) Any person who holds a certificate as a 'certified public accountant' and who is
 12 engaged in the sale of insurance or financial products for which such person receives
 13 commissions must disclose in writing to the client the fact that the person shall receive
 14 commissions from the sale to the client of any such insurance or financial products;
 15 provided, however, that the person shall not be required to disclose the actual amount of
 16 such commissions. A person who violates this subsection shall be guilty of a
 17 misdemeanor."

18 SECTION 2.

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

21 "43-3-7.

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 43-3-6 ~~and~~
 24 ~~subsection (b) of Code Section 43-3-6~~. The board may approve the examination and obtain
 25 advice and assistance in ~~preparing~~ providing for and grading such ~~examinations~~
 26 examination and the division director, with approval of the board, may contract with third
 27 parties to perform administrative services with respect to the ~~examinations~~ examination as
 28 he or she deems appropriate.

29 ~~The examinations described in paragraph (4) of subsection (a) of Code Section 43-3-6~~
 30 ~~and subsection (b) of Code Section 43-3-6 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 43-3-6 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 in division (a)(3)(A)(i) of Code Section 43-3-6.

35 ~~(c) An applicant who has met the education requirement specified in paragraph (3) of~~
 36 ~~subsection (a) of Code Section 43-3-6 or who expects to meet it within 120 days following~~

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

10 ~~(d)~~(c) An applicant for the certificate of certified public accountant who has successfully
 11 completed the examination provided for in paragraph (4) of subsection (a) of Code Section
 12 43-3-6 shall have no status as a certified public accountant until he or she has the requisite
 13 education and experience and has received his or her certificate as a certified public
 14 accountant.

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

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

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

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

1 combination of the above; or any combination of the above and practice in public
 2 accountancy immediately preceding the date of application for the certificate or what
 3 the board determines to be the equivalent thereof; and provided, further, that any person
 4 registered as a registered public accountant under the laws of this state on July 1, 1977,
 5 shall be deemed to have the experience in the practice of public accountancy required
 6 by this subparagraph; and

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

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

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

24 SECTION 5.

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

27 "43-3-14.

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

35 ~~(b) The examinations described in paragraph (4) of subsection (a) of Code Section 43-3-13~~
 36 ~~and subsection (b) of Code Section 43-3-13 shall be held by the board and shall take place~~

1 ~~as often as the board shall determine to be desirable, but the examination described in~~
 2 ~~paragraph (4) of subsection (a) of Code Section 43-3-13 shall be held at least twice each~~
 3 ~~year As a prerequisite to sit for the examination, candidates shall meet the education~~
 4 ~~requirements provided for in subparagraph (a)(3)(A)(i) of Code Section 43-3-13.~~

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

17 ~~(d)~~(c) An applicant for the certificate of registered public accountant who has successfully
 18 completed the examination provided for in paragraph (4) of subsection (a) of Code Section
 19 43-3-13 shall have no status as a registered public accountant until he or she has the
 20 requisite education and experience and has received his or her certificate as a registered
 21 public accountant.

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

30 ~~(f)~~(e) The board, by regulation, may prescribe the time and conditions under which an
 31 applicant who passes, in one sitting, a portion may retain credit for passing a portion or
 32 portions of the examination provided for in paragraph (4) of subsection (a) of Code Section
 33 43-3-13 ~~pertaining to at least two or more of the subjects indicated in such paragraph may~~
 34 ~~be reexamined in only the remaining subjects, with credit for the subjects previously~~
 35 ~~passed, provided that the entire examination must be passed in ten consecutive attempts,~~
 36 ~~including the initial sitting in which at least two parts of the examination were passed.~~

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

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

9 **SECTION 6.**

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

12 "43-3-15.

13 ~~(a) Any written examination described in paragraph (4) of subsection (a) of Code Section~~
 14 ~~43-3-13 may be administered orally if the board determines that an applicant's physical~~
 15 ~~disability or other circumstances render him incapable of taking a written examination. Any~~
 16 ~~applicant who desires to have an examination administered orally shall present to the board~~
 17 ~~such evidence, as it deems appropriate, of the disability or other circumstances~~
 18 ~~necessitating such oral administration. Such evidence shall be submitted to the board prior~~
 19 ~~to the date of examination as provided by rules of the board.~~

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

22 **SECTION 7.**

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

24 **SECTION 8.**

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