

The House Committee on Governmental Affairs offers the following substitute to SB 449:

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 accountants, so as to repeal certain provisions relating to registered public accountants; to
3 provide that public accountants shall be certificated as certified public accountants; to change
4 certain provisions relating to the membership of the State Board of Accountancy; to remove
5 references to registered public accountants; to change certain provisions relating to use of
6 titles and devices, false or fraudulent claims, and regulation of solicitation of employment;
7 to amend Chapter 40 of Title 43 of the Official Code of Georgia Annotated, relating to real
8 estate brokers and salespersons, so as to remove references to registered public accountants;
9 to amend Article 13 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated,
10 relating to licensing of mortgage lenders and mortgage brokers, so as to remove references
11 to registered public accountants; to amend Chapter 12 of Title 16 of the Official Code of
12 Georgia Annotated, relating to offenses against health and morals, so as to remove references
13 to registered public accountants; to provide for related matters; to provide an effective date;
14 to repeal conflicting laws; and for other purposes.

15 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

17 Chapter 3 of Title 43 of the Official Code of Georgia Annotated, relating to accountants, is
18 amended by striking subsection (b) of Code Section 43-3-3, relating to the members of the
19 State Board of Accountancy, and inserting in lieu thereof a new subsection (b) to read as
20 follows:

21 "(b) The board shall consist of seven members, to be appointed by the Governor with the
22 approval of the Senate. Each member of the board shall be a resident of this state. ~~Five~~ Six
23 members of the board shall be certified public accountants, ~~and one member shall be a~~
24 ~~registered public accountant~~, all of whom shall hold a permit to practice public accounting
25 issued under Code Section 43-3-24. One member shall be appointed from the public at
26 large and shall be a person to whom neither this state nor any other state has ever issued

1 a certificate, registration, license, or permit to engage in the practice of public accounting.
 2 The person serving on the board on June 30, 2004, as a registered public accountant
 3 member of the board shall serve the remainder of the term to which such person was
 4 appointed as one of the certified public accountant members of the board."

5 SECTION 2.

6 Said chapter is further amended by striking Code Section 43-3-13, relating to requirements
 7 for certificate of "registered public accountant," and inserting in its place the following:

8 "43-3-13.

9 Notwithstanding any other provision of this chapter, on and after July 1, 2004, each
 10 registered public accountant who holds a live permit and who is in good standing shall be
 11 certificated as a certified public accountant. On and after July 1, 2004, the board shall not
 12 consider any application for a certificate of registered public accountant."

13 SECTION 3.

14 Said chapter is further amended by repealing and reserving Code Section 43-3-14, relating
 15 to examinations for registered public accountants; Code Section 43-3-16, relating to
 16 certificate holder as "registered public accountant," list of registered public accountants, and
 17 periodic registration; Code Section 43-3-18, relating to reciprocity for registered public
 18 accountants; and Code Section 43-3-19, relating to persons holding registered public
 19 accountant certificates as of July 1, 1977.

20 SECTION 4.

21 Said chapter is further amended by striking subsection (b) of Code Section 43-3-21, relating
 22 to registration requirements for firms of public accountants or certified public accountants,
 23 by redesignating subsections (c), (d), and (e) as subsections (b), (c), and (d), respectively,
 24 and by striking subsection (a) and inserting in its place the following:

25 "(a) A firm practicing public accountancy in this state shall register with the board as a
 26 firm of certified public accountants, provided it meets the following requirements:

27 (1) Each partner, member, or shareholder of the firm shall be a certified ~~or registered~~
 28 public accountant of some state in good standing;

29 (2) The firm shall be in compliance with all requirements and provisions of state law
 30 governing the organizational form of the firm;

31 (3) The firm shall comply with all regulations pertaining to firms registered with the
 32 board; and

33 (4) The resident manager of the office of the firm and each partner, member, or
 34 shareholder thereof personally engaged within this state in the practice of public

1 accountancy shall be a certified ~~or registered~~ public accountant of this state in good
2 standing."

3 **SECTION 5.**

4 Said chapter is further amended by striking subsection (a) and paragraph (1) of subsection
5 (b) of Code Section 43-3-24, relating to issuance of permits to practice accountancy and
6 issuance of temporary permits to nonresidents, and inserting in their place the following:

7 "(a) A permit to engage in the practice of public accountancy in this state shall be issued
8 by the division director, at the direction of the board, to each person who is certificated as
9 a certified public accountant under Code Sections 43-3-6 through 43-3-12, ~~registered as a~~
10 ~~public accountant under Code Sections 43-3-13 through 43-3-19,~~ or registered as a foreign
11 accountant under Code Section 43-3-20 who shall have furnished evidence, satisfactory to
12 the board, of compliance with the requirements of Code Section 43-3-25, and to individuals
13 and firms registered under Code Section 43-3-21, provided that such entities are maintained
14 and registered as required under Code Sections 43-3-21 and 43-3-23. There shall be a
15 biennial permit fee in an amount to be determined by the board."

16 "(1) An applicant for a temporary permit under this subsection shall show that he or she
17 is duly licensed and authorized to practice as a certified public accountant or as a firm of
18 certified public accountants or the equivalent in another state ~~or as a registered public~~
19 ~~accountant or as a firm of registered public accountants or the equivalent in another state~~
20 and shall give the name of each person who will be engaged in the practice of public
21 accounting in this state in the performance of the professional engagement which is the
22 subject of the application;"

23 **SECTION 6.**

24 Said chapter is further amended by striking subsection (a) of Code Section 43-3-25, relating
25 to continuing professional education requirements, and inserting in its place the following:

26 "(a) Every application for renewal of a live permit by any individual who is and has been
27 certificated as a certified public accountant, ~~registered as a registered public accountant,~~
28 or registered as a foreign accountant by this state for one year or more shall be
29 accompanied or supported by such evidence as the board shall prescribe of satisfactory
30 completion of continuing professional education as provided in this Code section, provided
31 that the board may relax or suspend requirements of continuing professional education in
32 instances where an applicant's health requires it or in instances of individual hardship."

SECTION 7.

Said chapter is further amended by striking the introductory language of subsection (a) of Code Section 43-3-28, relating to revocation, suspension, or refusal to renew certificate, registration, or permit and immunity, and inserting in its place the following:

"(a) After notice and hearing as provided in Code Section 43-3-30, the board may revoke or suspend any certification issued under Code Sections 43-3-6 through 43-3-12 or a registration issued under ~~Code Sections 43-3-13 through 43-3-19~~ or under Code Section 43-3-20 or may revoke, suspend, or refuse to renew any live permit or may censure the holder of any such permit for any cause which the board may deem sufficient, including, without limiting the generality of the foregoing, any one or any combination of the following causes:"

SECTION 8.

Said chapter is further amended by striking subsections (c) and (d) of Code Section 43-3-35, relating to use of titles or devices, false or fraudulent claims, and regulation of solicitation of employment, by redesignating subsections (f), (g), (h), and (i) as subsections (d), (e), (f), and (g), respectively, and by striking subsection (e) and inserting in its place the following:

~~"(e)~~(c) No individual, firm, or any other person or entity shall assume or use: (1) any title or designation likely to be confused with 'certified public accountant,' or ~~'public accountant,'~~ including, without limiting the generality of the foregoing, 'certified accountant,' 'enrolled accountant,' 'licensed accountant,' 'licensed public accountant,' or 'registered accountant'; or (2) any abbreviation likely to be confused with 'C.P.A.,' or ~~'P.A.,'~~ including, without limiting the generality of the foregoing, 'C.A.,' 'E.A.,' 'R.A.,' 'L.A.,' or 'L.P.A.,' provided ~~that nothing in this subsection shall be construed to prohibit the use of the abbreviation 'P.A.' in accordance with Chapter 10 of Title 14, 'The Georgia Professional Association Act,' or Chapter 7 of Title 14, the 'Georgia Professional Corporation Act,' or any abbreviation authorized by Chapter 11 of Title 14, the 'Georgia Limited Liability Company Act'; and, provided, further,~~ that a foreign accountant registered under Code Section 43-3-20 who holds a live permit and all of whose offices in this state for the practice of public accountancy are maintained and registered as required under Code Sections 43-3-21 and 43-3-23 may use the title under which he or she is generally known in his or her country, followed by the name of the country from which he or she received his or her certificate, license, or degree."

SECTION 9.

Chapter 40 of Title 43 of the Official Code of Georgia Annotated, relating to real estate brokers and salespersons, is amended by striking paragraph (14) of subsection (a) of Code

1 Section 43-40-29, relating to exceptions to operation of chapter, and inserting in its place the
2 following:

3 "(14) A licensed certified public accountant ~~or registered public accountant~~ acting solely
4 as an incident to the practice of public accounting."

5 **SECTION 10.**

6 Article 13 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating to
7 licensing of mortgage lenders and mortgage brokers, is amended by striking paragraph (2)
8 of Code Section 7-1-1000, relating to definitions, and inserting in its place the following:

9 "(2) 'Audited financial statement' means the product of the examination of financial
10 statements in accordance with generally accepted auditing standards by an independent
11 certified public accountant ~~or by an independent Georgia registered public accountant~~
12 ~~considered acceptable by the department~~, which product consists of an opinion on the
13 financial statements indicating their conformity with generally accepted accounting
14 principles."

15 **SECTION 11.**

16 Chapter 12 of Title 16 of the Official Code of Georgia Annotated, relating to offenses against
17 health and morals, is amended by striking subsection (j) of Code Section 16-12-22.1, relating
18 to raffles operated by nonprofit, tax-exempt organizations, and inserting in its place the
19 following:

20 "(j) On or before April 15 of each year, every nonprofit, tax-exempt organization engaged
21 in operating raffles shall file with the sheriff a report disclosing all receipts and
22 expenditures relating to the operation of raffles in the previous year. The report shall be in
23 addition to all other reports required by law. The report shall be prepared and signed by a
24 certified ~~or registered~~ public accountant competent to prepare such a report and shall be
25 deemed a public record subject to public inspection."

26 **SECTION 12.**

27 Said chapter is further amended by striking Code Section 16-12-59, relating to annual report
28 to be filed with the director of the Georgia Bureau of Investigation by bingo game operators,
29 and inserting in its place the following:

30 "16-12-59.

31 On or before April 15 of each year, every nonprofit, tax-exempt organization engaged in
32 operating bingo games shall file with the director a report disclosing all receipts and
33 expenditures relating to the operation of bingo games in the previous year. The report shall
34 be in addition to all other reports required by law. The report shall be prepared and signed

1 by a certified ~~or registered~~ public accountant competent to prepare such a report and shall
2 be deemed a public record subject to public inspection."

3 **SECTION 13.**

4 This Act shall become effective on July 1, 2004.

5 **SECTION 14.**

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