

Senate Bill 55

By: Senators Seabaugh of the 28th and Balfour of the 9th

AS PASSED SENATE

**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 change the composition of the state board of accountancy; to repeal
3 certain provisions relating to registered public accountants; to provide that public accountants
4 shall upon application be certificated as certified public accountants; to remove references
5 to registered public accountants; to change certain provisions relating to use of titles and
6 devices, false or fraudulent claims, and regulation of solicitation of employment; to amend
7 Chapter 40 of Title 43 of the Official Code of Georgia Annotated, relating to real estate
8 brokers and salespersons, so as to remove references to registered public accountants; to
9 amend Article 13 of Chapter 1 of Title 7 of the Official Code of Georgia Annotated, relating
10 to licensing of mortgage lenders and mortgage brokers, so as to remove references to
11 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 **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, 2005, 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, 2005, 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, 2005, 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 Code Section 43-3-14, relating to examinations
 15 for registered public accountants, and inserting in its place the following:

16 "43-3-14.

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

23 ~~(b) As a prerequisite to sit for the examination, candidates shall meet the education~~
 24 ~~requirements provided for in subparagraph (a)(3)(A) of Code Section 43-3-13.~~

25 ~~(c) An applicant for the certificate of registered public accountant who has successfully~~
 26 ~~completed the examination provided for in paragraph (4) of subsection (a) of Code Section~~
 27 ~~43-3-13 shall have no status as a registered public accountant until he or she has the~~
 28 ~~requisite education and experience and has received his or her certificate as a registered~~
 29 ~~public accountant.~~

30 ~~(d) The board, by regulation, may provide for granting a credit to any applicant for~~
 31 ~~satisfactory completion of an examination in any one or more of the subjects provided for~~
 32 ~~by paragraph (4) of subsection (a) of Code Section 43-3-13 given by the licensing authority~~
 33 ~~in another jurisdiction. Such regulations shall include such requirements as the board~~
 34 ~~deems appropriate to ensure that any examination approved as a basis for any such credit,~~

1 in the judgment of the board, shall be at least as thorough as the examination approved by
2 the board at the time of the granting of such credit.

3 ~~(e) The board, by regulation, may prescribe the time and conditions under which an~~
4 ~~applicant may retain credit for passing a portion or portions of the examination provided~~
5 ~~for in paragraph (4) of subsection (a) of Code Section 43-3-13.~~

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

11 SECTION 4.

12 Said chapter is further amended by repealing Code Section 43-3-16, relating to certificate
13 holder as "registered public accountant," and inserting in its place the following:

14 "43-3-16.

15 ~~Any person who has received a certificate as a registered public accountant from the board~~
16 ~~and who holds a live permit may be styled and known as a 'registered public accountant.'~~

17 ~~The division director shall maintain a list of registered public accountants, and, for this~~
18 ~~purpose, the board may provide by regulation a procedure whereby all registered public~~
19 ~~accountants are required to register with the board periodically Reserved.~~"

20 SECTION 5.

21 Said chapter is further amended by repealing Code Section 43-3-18, relating to reciprocity
22 for registered public accountants, and inserting in its place the following:

23 "43-3-18.

24 ~~The board, in its discretion, may waive the examination provided for in paragraph (4) of~~
25 ~~subsection (a) of Code Section 43-3-13 and may issue a certificate as a registered public~~
26 ~~accountant to any person who possesses the qualifications specified in paragraphs (1) and~~
27 ~~(2) of subsection (a) of Code Section 43-3-13 and what the board determines to be the~~
28 ~~substantial equivalent of the qualifications under paragraph (3) of subsection (a) of Code~~
29 ~~Section 43-3-13 and who is a holder of a certificate as a registered public accountant, then~~
30 ~~in full force and effect, issued under the laws of another state, provided that the certificate~~
31 ~~held by such person was issued after an examination which, in the judgment of the board,~~
32 ~~is the equivalent of the standard established by the board for examinations administered~~
33 ~~pursuant to paragraph (4) of subsection (a) of Code Section 43-3-13; and provided, further,~~
34 ~~that such privileges are extended to citizens of this state by the state originally granting the~~
35 ~~certificate Reserved.~~"

SECTION 6.

Said chapter is further amended by repealing Code Section 43-3-19, relating to persons holding registered public accountant certificates as of July 1, 1977, and inserting in its place the following:

"43-3-19.

~~Persons who hold registered public accountant certificates issued prior to July 1, 1977, under the laws of this state shall not be required to undergo recertification under this chapter but shall otherwise be subject to all applicable provisions of this chapter. Such certificates issued prior to July 1, 1977, shall be considered certificates issued under and subject to this chapter for all purposes Reserved.~~"

SECTION 7.

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

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

- (1) Each partner, member, or shareholder of the firm shall be a certified ~~or registered~~ public accountant of some state in good standing;
- (2) The firm shall be in compliance with all requirements and provisions of state law governing the organizational form of the firm;
- (3) The firm shall comply with all regulations pertaining to firms registered with the board; and
- (4) The resident manager of the office of the firm and each partner, member, or shareholder thereof personally engaged within this state in the practice of public accountancy shall be a certified ~~or registered~~ public accountant of this state in good standing."

SECTION 8.

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

"(a) A permit to engage in the practice of public accountancy in this state shall be issued by the division director, at the direction of the board, to each person who is certificated as a certified public accountant under Code Sections 43-3-6 through 43-3-12, ~~registered as a public accountant under Code Sections 43-3-13 through 43-3-19,~~ or registered as a foreign

1 accountant under Code Section 43-3-20 who shall have furnished evidence, satisfactory to
 2 the board, of compliance with the requirements of Code Section 43-3-25, and to individuals
 3 and firms registered under Code Section 43-3-21, provided that such entities are maintained
 4 and registered as required under Code Sections 43-3-21 and 43-3-23. There shall be a
 5 biennial permit fee in an amount to be determined by the board."

6 "(1) An applicant for a temporary permit under this subsection shall show that he or she
 7 is duly licensed and authorized to practice as a certified public accountant or as a firm of
 8 certified public accountants or the equivalent in another state ~~or as a registered public~~
 9 ~~accountant or as a firm of registered public accountants or the equivalent in another state~~
 10 and shall give the name of each person who will be engaged in the practice of public
 11 accounting in this state in the performance of the professional engagement which is the
 12 subject of the application;".

13 SECTION 9.

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

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

23 SECTION 10.

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

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

SECTION 11.

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)~~ (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 12.

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

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

SECTION 13.

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

~~"(2) 'Audited financial statement' means the product of the examination of financial~~
statements in accordance with generally accepted auditing standards by an independent certified public accountant ~~or by an independent Georgia registered public accountant~~

1 ~~considered acceptable by the department~~, which product consists of an opinion on the
2 financial statements indicating their conformity with generally accepted accounting
3 principles."

4 **SECTION 14.**

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

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

15 **SECTION 15.**

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

19 "16-12-59.

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

26 **SECTION 16.**

27 This Act shall become effective on July 1, 2005.

28 **SECTION 17.**

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