

House Bill 291

By: Representatives Knight of the 130th, Peake of the 141st, Mosby of the 83rd, Riley of the 50th, Carson of the 46th, and others

A BILL TO BE ENTITLED
AN ACT

1 To amend Title 43 of the Official Code of Georgia Annotated, relating to professions and
2 businesses, so as to provide that the State Board of Accountancy is an independent state
3 agency attached to the Secretary of State for administrative purposes only; to provide a short
4 title; to add definitions; to provide the powers and duties of the board; to authorize the board
5 to employ an executive director; to provide the powers and duties of the executive director;
6 to revise provisions for purposes of conformity; to amend Code Section 24-5-501 of the
7 Official Code of Georgia Annotated, relating to certain communications as privileged, so as
8 to correct a cross-reference; to amend Code Section 36-81-8.1 of the Official Code of
9 Georgia Annotated, relating to definitions, grant certification forms, filings with the state
10 auditor, forfeiture of funds for noncompliance, and no exemption from liability relative to
11 local government budgets and audits, so as to correct a cross-reference; to provide for related
12 matters; to repeal conflicting laws; and for other purposes.

13 BE IT ENACTED BY THE GENERAL ASSEMBLY OF GEORGIA:

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

15 Title 43 of the Official Code of Georgia Annotated, relating to professions and businesses,
16 is amended by revising Code Section 43-1-9, relating to point credit given to veterans taking
17 examinations given by professional licensing boards, as follows:

18 "43-1-9.

19 Any applicant taking an examination required by any professional licensing board except
20 ~~the State Board of Accountancy and~~ the Georgia Board of Nursing shall receive points in
21 the following manner:

22 (1) Any applicant who served on active duty in the armed forces of the United States or
23 on active duty in a reserve component of the armed forces of the United States, including
24 the National Guard, for a period of one year or more, of which at least 90 days were
25 served during wartime or during any conflict when military personnel were committed
26 by the President of the United States, shall be entitled to a credit of five points. Such

27 points shall be added by the person grading the examination to the grade made by the
 28 applicant in answering the questions propounded in any such examination;

29 (2) Any applicant who is a disabled veteran and who served on active duty in the armed
 30 forces of the United States or on active duty in a reserve component of the armed forces
 31 of the United States, including the National Guard, during wartime or during any conflict
 32 when military personnel were committed by the President of the United States shall be
 33 entitled to a credit of five points if the disability was for an injury or illness incurred in
 34 the line of duty and such disability is officially rated at less than 10 percent at the time
 35 of taking the examination. Such points shall be added by the person grading the
 36 examination to the grade made by the applicant in answering the questions propounded
 37 in any such examination; and

38 (3) Any applicant who is a disabled veteran who served on active duty in the armed
 39 forces of the United States or on active duty in a reserve component of the armed forces
 40 of the United States, including the National Guard, during wartime or during any conflict
 41 when military personnel were committed by the President of the United States shall be
 42 entitled to a credit of ten points if the disability was for an injury or illness incurred in the
 43 line of duty and such disability is officially rated at 10 percent or above at the time of
 44 taking the examination. Such points shall be added by the person grading the
 45 examination to the grade made by the applicant in answering questions propounded in
 46 any such examination."

47 **SECTION 2.**

48 Said title is further amended by revising Chapter 3, relating to the 'Public Accountancy Act
 49 of 1977,' as follows:

50 "CHAPTER 3

51 43-3-1.

52 This chapter shall be known and may be cited as the 'Public Accountancy Act of ~~1977~~
 53 2013.'

54 43-3-2.

55 As used in this chapter, the term:

56 (1) 'Attest' means providing the following financial statement services:

57 (A) Any audit or other engagement to be performed in accordance with the Statements
 58 on Auditing Standards (SAS);

59 (B) Any review of a financial statement to be performed in accordance with the
 60 Statements on Standards for Accounting and Review Services (SSARS); provided,
 61 however, that nothing in this definition shall alter the rights of unlicensed accountants
 62 contained in Code Section ~~43-3-36~~ 43-3-34;

63 (C) Any examination of prospective financial information to be performed in
 64 accordance with the Statements on Standards for Attestation Engagements (SSAE); and

65 (D) Any engagement to be performed in accordance with the auditing standards of the
 66 Public Company Accounting Oversight Board.

67 The standards specified in this paragraph shall be adopted by reference by the board
 68 pursuant to rule making and shall be those developed for general application by
 69 recognized national accountancy organizations, such as the American Institute for
 70 Certified Public Accountants and the Public Company Accounting Oversight Board.

71 (2) 'Board' means the State Board of Accountancy.

72 (3) 'Compilation' means providing a service to be performed in accordance with the
 73 Statements on Standards for Accounting and Review Services that presents information
 74 in the form of financial statements that are the representation of management or owners
 75 without undertaking to express any assurance as to the statements.

76 (4) 'CPA' means certified public accountant.

77 (5) 'Executive director' means the executive director appointed by the State Board of
 78 Accountancy pursuant to Code Section 43-3-3.

79 ~~(5)(6)~~ (6) 'Firm' means any person, proprietorship, partnership, corporation, association, or
 80 any other legal entity which practices public accountancy.

81 ~~(6)(7)~~ (7) 'Home office' means the location identified by the client as the address to which
 82 a service described in paragraph (4) of subsection (b) of Code Section ~~43-3-24~~ 43-3-18
 83 is directed.

84 (8) 'License' means a certification, registration, or permit that has been issued under this
 85 chapter.

86 (9) 'Licensee' means an individual or entity to whom a certification, registration, or
 87 permit has been issued under this chapter.

88 ~~(7)(10)~~ (10) 'Live permit' means a permit issued under Code Section ~~43-3-24~~ 43-3-18 which
 89 is in full force and effect.

90 ~~(8)(11)~~ (11) 'Practice of public accountancy' or 'practicing public accountancy' means offering
 91 to perform or performing for a client one or more types of services involving the use of
 92 accounting or auditing skills, one or more types of management advisory or consulting
 93 services, or the preparation of tax returns or the furnishing of advice on tax matters while
 94 holding oneself out in such manner as to state or imply that one is a licensee.

95 ~~(9)~~(12) 'Principal place of business' means the office location designated by the licensee
 96 for purposes of substantial equivalency and reciprocity.

97 ~~(10)~~(13) 'State' means the District of Columbia and any state other than this state and any
 98 territory or insular possession of the United States.

99 ~~43-3-3.~~

100 (a) The State Board of Accountancy existing immediately preceding July 1, 2013, is
 101 continued in existence, and members serving on the board immediately preceding that date
 102 shall continue to serve out their terms of office and until their respective successors are
 103 appointed and qualified.

104 (b) The responsibility for enforcement of the provisions of this chapter shall be vested in
 105 the State Board of Accountancy. The board shall have all of the duties, powers, and
 106 authority granted by or necessary for the enforcement of this chapter.

107 (c) On and after July 1, 2013, the board shall not be under the jurisdiction of the Secretary
 108 of State but shall be an independent state agency attached to the Secretary of State for
 109 administrative purposes only as provided in Code Section 50-4-3. Funding for the board
 110 shall be a separate and distinct budget unit for purposes of Article 4 of Chapter 12 of Title
 111 45, the 'Budget Act.' On and after July 1, 2013, the board shall no longer be subject to the
 112 provisions of Chapter 1 of this title.

113 (d) The board shall appoint and fix the compensation of an executive director of such
 114 board who shall serve at the pleasure of the board. Any reference in this chapter to the
 115 executive director shall mean the executive director appointed pursuant to this subsection.
 116 The executive director shall have those duties and powers prescribed by the board.

117 (e) The venue of any action involving members of the board shall be the county in which
 118 is found the primary office of the board. The executive director of the board shall not be
 119 considered a member of the board in determining the venue of any such action, and no
 120 court shall have jurisdiction over any such action solely by virtue of the executive director
 121 residing or maintaining a residence within its jurisdiction.

122 (f) Initial judicial review of a final decision of the board shall be held solely in the superior
 123 court of the county of domicile of the board.

124 ~~43-3-3.~~ 43-3-4.

125 ~~(a) There is created the State Board of Accountancy.~~

126 ~~(b)~~(a) The board shall consist of seven members, to be appointed by the Governor with the
 127 approval of the Senate. Any such appointment made when the Senate is not in session shall
 128 be effective until the appointment is acted upon by the Senate. Each member of the board
 129 shall be a resident of this state. Six members of the board shall be certified public

130 accountants, all of whom shall hold a permit to practice public accounting issued under
 131 Code Section ~~43-3-24~~ 43-3-18. One member shall be appointed from the public at large
 132 and shall be a person to whom neither this state nor any other state has ever issued a
 133 certificate, registration, license, or permit to engage in the practice of public accounting.
 134 ~~The person serving on the board on June 30, 2005, as a registered public accountant~~
 135 ~~member of the board shall serve the remainder of the term to which such person was~~
 136 ~~appointed as one of the certified public accountant members of the board.~~

137 ~~(e)~~(b) Each member of the board in office on July 1, ~~1982~~ 2013, shall remain in office
 138 until the expiration of his term and the appointment and approval of his successor.

139 ~~(d)~~(c) Any appointment or reappointment of board members shall be for a period of four
 140 years. The remaining portion of any unexpired term shall be filled by appointment by the
 141 Governor with the approval of the Senate. Upon the expiration of his or her term of office,
 142 a member shall continue to serve until his or her successor ~~shall have been~~ is appointed and
 143 ~~shall have~~ qualified.

144 ~~(e)~~(d) No member of the board shall serve as such for more than two terms, consecutive
 145 or otherwise; and, for purposes of calculating the number of terms served, the filling of an
 146 unexpired term or terms for a total of more than 30 calendar months shall be treated as the
 147 serving of a full term.

148 ~~(f)~~(e) Any member of the board may be removed by the Governor for misconduct,
 149 incompetence, ~~or~~ neglect of duty, or inability to perform the duties required of members.
 150 The membership on the board of any member whose permit to practice has expired and has
 151 not been renewed, has become void, or has been revoked or suspended shall be
 152 automatically terminated simultaneously with any such expiration, voiding, revocation, or
 153 suspension.

154 ~~(g)~~(f) ~~Each member of the board shall be reimbursed as provided for in subsection (f) of~~
 155 ~~Code Section 43-1-2.~~ Each member of the board may receive the expense allowance as
 156 provided by subsection (b) of Code Section 45-7-21 and the same mileage allowance for
 157 the use of a personal car as that received by other state officials and employees or a travel
 158 allowance of actual transportation costs if traveling by public carrier within this state. Each
 159 board member may also be reimbursed for any conference or meeting registration fee
 160 incurred in the performance of his or her duties as a board member subject to the approval
 161 of the executive director. For each day's service outside of this state as a board member,
 162 such member shall receive actual expenses as an expense allowance as well as the mileage
 163 allowance for the use of a personal car equal to that received by other state officials and
 164 employees or a travel allowance of actual transportation costs if traveling by public carrier
 165 or by rental motor vehicle. Expense vouchers submitted by board members shall be subject

166 to approval by the executive director. Out-of-state travel by board members shall be
 167 approved by the executive director.

168 ~~43-3-4.~~ 43-3-5.

169 (a) The board shall elect annually a ~~chairman~~ chairperson from its members.

170 (b) The ~~division executive~~ director shall serve as secretary of the board ~~and perform for~~
 171 ~~the board the duties required of him as provided in Chapter 1 of this title.~~

172 (c) Meetings and hearings of the board shall be held at the site of the primary office of the
 173 board or at such other site as may be specified by the chairperson of the board or by the
 174 executive director. Three days' notice of any meeting shall be given by the ~~chairman~~
 175 chairperson or ~~division executive~~ director; provided, however, that notice may be waived
 176 by instrument in writing executed before or after the meeting; provided, further, that
 177 attendance at a meeting of the board shall constitute a waiver of notice thereof. Board
 178 meetings may be conducted by conference telephone calls, and participation in such a
 179 conference call shall constitute attendance at the meeting so conducted. Any action that
 180 might have been taken at a meeting of the board may be taken by the unanimous written
 181 consent of all members of the board.

182 (d) A majority of the members of the board shall constitute a quorum for the transaction
 183 of business of the board.

184 ~~(d)~~(e) The board shall have a seal which shall be judicially noticed.

185 ~~(e)~~(f) The board shall preserve all applications and keep records of all of its proceedings
 186 for six years. In any proceeding in court, civil or criminal, arising out of or founded upon
 187 this chapter, copies of the records of the board's proceedings signed by a member of the
 188 board and certified as correct under the seal of the board by the ~~division executive~~ director
 189 shall be admissible in evidence in any court of this state without further proof.

190 ~~(f)~~(g) The board may appoint such committees or persons, who need not be members of
 191 the board, to advise or assist it in administration, investigation, and enforcement of the
 192 provisions of this chapter as the board deems necessary and shall be authorized to
 193 compensate any such persons or members of committees who are not members of the board
 194 in such amounts as it shall determine to be reasonable.

195 (h) The board, through the executive director, may hire investigators for the purpose of
 196 conducting investigations. Any person so employed shall be considered to be a peace
 197 officer and shall have all powers, duties, and status of a peace officer of this state;
 198 provided, however, that such investigators shall only be authorized, upon written approval
 199 of the executive director, notwithstanding Code Sections 16-11-126 and 16-11-129, to
 200 carry firearms and to exercise the powers of arrest in the performance of their duties.

201 43-3-6.

202 The executive director shall:

203 (1) Be a full-time employee of the board and shall serve as the chief executive officer
204 and secretary of the board. Any person, in order to qualify for appointment as the
205 executive director, shall be of good moral character and shall possess such qualifications
206 as the board may require;

207 (2) Take an oath to discharge faithfully the duties of the office;

208 (3) Keep all records related to the board;

209 (4) With the approval of the board, employ or contract with and fix the compensation of
210 administrative assistants, secretaries, and any other such staff as deemed necessary to
211 assist in the duties of the board. The executive director and other board staff shall be
212 allowed reimbursement for travel and other expenses necessarily incurred in the
213 performance of their duties in the same manner as other state officers and employees and
214 shall receive payment of the same in the manner provided for the board;

215 (5) Prepare and maintain a public roster containing the names and business addresses of
216 all current licensees for each of the various registrants regulated by the board. A copy
217 of the roster shall be available to any person upon request at a fee prescribed by the board
218 sufficient to cover the cost of printing and distribution. The following shall be treated as
219 confidential, not subject to Article 4 of Chapter 18 of Title 50, relating to open records,
220 and shall not be disclosed without the approval of the board:

221 (A) Applications and other personal information submitted by applicants, except to the
222 applicant, the staff, and the board;

223 (B) Information, favorable or unfavorable, submitted by a reference source concerning
224 an applicant, except to the staff and the board; and

225 (C) Examination questions and other examination materials, except to the staff and the
226 board; and

227 (D) The deliberations of the board with respect to an application, an examination, a
228 complaint, an investigation, or a disciplinary proceeding, except as may be contained
229 in official board minutes; provided, however, that such deliberations may be released
230 only to another state or federal enforcement agency or lawful licensing authority.

231 Releasing the documents pursuant to this paragraph shall not subject any otherwise
232 privileged documents to the provisions of Article 4 of Chapter 18 of Title 50;

233 (6) Schedule the time and place for all examinations and hearings;

234 (7) Maintain a schedule of all meetings and hearings of the board that shall be available
235 for public review; and

236 (8) Make a report to the Governor on or before the second Tuesday in January of each
 237 year covering the activities of the board for the previous calendar year, which shall be
 238 made available to any member of the General Assembly upon request.

239 43-3-7.

240 The board shall be authorized to charge an examination fee, license fee, license renewal
 241 fee, or similar fee and may establish the amount of the fee to be charged. Each fee so
 242 established shall be reasonable and shall be determined in such a manner that the total
 243 amount of fees charged by the board shall approximate the total of the direct and indirect
 244 costs to the state of the operation of the board. Fees may be refunded for good cause, as
 245 determined by the executive director.

246 ~~43-3-5.~~ 43-3-8.

247 (a) The board may promulgate and amend, from time to time, such rules and regulations,
 248 consistent with this chapter and Chapter 13 of Title 50, the 'Georgia Administrative
 249 Procedure Act,' as it deems consistent with or required for the public welfare, for the
 250 administration of any provision of this chapter, or for the orderly conduct of the board's
 251 affairs. Such rules and regulations may include, without limiting the generality of the
 252 foregoing:

253 (1) Rules of procedure for governing the conduct of matters before the board;

254 (2) Rules of professional conduct for establishing and maintaining high standards of
 255 competence and integrity in the practice of public accountancy;

256 (3) Regulations governing educational requirements for certification as a certified public
 257 accountant and registration as a public accountant and prescribing further educational
 258 requirements (requirements of continuing professional education) to be met from time to
 259 time by persons so certified or registered, in order to maintain their professional
 260 knowledge and competence, as a condition to continuing in the practice of public
 261 accountancy;

262 (4) Regulations governing individuals or firms engaged in this state in the practice of
 263 public accountancy;

264 (5) Regulations governing the registration of offices established or maintained for the
 265 practice of public accountancy in this state and the conditions upon which such
 266 registration shall be granted, including any requirements that the board may deem
 267 necessary to monitor the practice of such office to determine whether acceptable
 268 standards of competence and integrity in the practice of public accountancy are being
 269 maintained; and

270 (6) Any and all other rules and regulations which the board deems necessary or
 271 appropriate in exercising its functions under this chapter.

272 (b) Prior to the adoption, amendment, or repeal of any rule other than interpretive rules or
 273 general statements of policy, the board shall give notice of its intended action in accordance
 274 with Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act,' provided that such
 275 comments shall be advisory only. In connection with any rule-making proceeding, formal
 276 or informal, the board shall have the power to conduct hearings as provided in, and in
 277 accordance with, Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.'

278 ~~43-3-6.~~ 43-3-9.

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

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

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

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

284 (A)(i) Presentation to the board of such evidence as it may require that the applicant
 285 has received a baccalaureate degree or completed the requirements therefor, conferred
 286 by a college or university accredited by a national or regional accrediting organization
 287 recognized by the board, with a concentration in accounting or what the board
 288 determines to be the substantial equivalent of an accounting concentration, or with a
 289 nonaccounting concentration supplemented by what the board determines to be the
 290 substantial equivalent of an accounting concentration, including related courses in
 291 other areas of business administration.

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

300 (B) One year of continuous experience in public accountancy immediately preceding
 301 the date of application for the certificate or within a reasonable time prior to the date
 302 of such application as provided by the board by rule; ~~and~~ provided, however, that the board
 303 may promulgate rules stating certain circumstances which shall constitute acceptable
 304 breaks in the continuity of said experience; ~~and~~ provided, further, that the board may
 305 accept, in lieu of such year of experience in public accounting, evidence satisfactory to

306 it of one year of continuous employment in the accounting field in industry, business,
 307 government, or college teaching; any combination of the above; or any combination of
 308 the above and practice of public accountancy immediately preceding the date of
 309 application for the certificate or what the board determines to be the equivalent thereof;
 310 and provided, further, that any person certified as a certified public accountant under
 311 the laws of this state on July 1, 1977, shall be deemed to have the experience in the
 312 practice of public accountancy required by this subparagraph; and

313 (4) Who shall have passed an examination approved by the board in such related subjects
 314 as the board deems appropriate.

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

325 (c) Any person who holds a certificate as a 'certified public accountant' and who is
 326 engaged in the sale of insurance or financial products for which such person receives
 327 commissions must disclose in writing to the client the fact that the person shall receive
 328 commissions from the sale to the client of any such insurance or financial products;
 329 provided, however, that the person shall not be required to disclose the actual amount of
 330 such commissions. A person who violates this subsection shall be guilty of a
 331 misdemeanor.

332 ~~43-3-7~~. 43-3-10.

333 (a) The board may provide, by regulation, for the general scope of the examination
 334 described in paragraph (4) of subsection (a) of Code Section ~~43-3-6~~ 43-3-9. The board
 335 may approve the examination and obtain advice and assistance in providing for and grading
 336 such examination and the ~~division~~ executive director, with approval of the board, may
 337 contract with third parties to perform administrative services with respect to the
 338 examination as he or she deems appropriate.

339 (b) As a prerequisite to sit for the examination, candidates shall meet the education
 340 requirements provided in division (a)(3)(A)(i) of Code Section ~~43-3-6~~ 43-3-9.

341 (c) An applicant for the certificate of certified public accountant who has successfully
 342 completed the examination provided for in paragraph (4) of subsection (a) of Code Section
 343 ~~43-3-6~~ 43-3-9 shall have no status as a certified public accountant until he or she has the
 344 requisite education and experience and has received his or her certificate as a certified
 345 public accountant.

346 (d) The board, by regulation, may provide for granting a credit to any applicant for
 347 satisfactory completion of an examination in any one or more of the subjects provided for
 348 in paragraph (4) of subsection (a) of Code Section ~~43-3-6~~ 43-3-9 given by the licensing
 349 authority in another jurisdiction. Such regulations shall include such requirements as the
 350 board deems appropriate to ensure that any examination approved as a basis for any such
 351 credit, in the judgment of the board, shall be at least as thorough as the examination
 352 approved by the board at the time of the granting of such credit.

353 (e) The board, by regulation, may prescribe the time and conditions under which an
 354 applicant may retain credit for a portion or portions of the examination provided for in
 355 paragraph (4) of subsection (a) of Code Section ~~43-3-6~~ 43-3-9.

356 (f) Application for certification by persons who are not residents of this state shall
 357 constitute the appointment of the ~~Secretary of State~~ executive director as the agent for
 358 service of process in any action or proceeding against such applicant arising out of any
 359 transaction, activity, or operation connected with or incidental to the practice of public
 360 accounting in this state by nonresident holders of certified public accountant certificates.

361 ~~43-3-8.~~

362 ~~Reserved.~~

363 ~~43-3-9.~~ 43-3-11.

364 Any person who has received a certificate as a certified public accountant from the board
 365 and who holds a live permit may be styled and known as a 'certified public accountant.'
 366 The ~~division~~ executive director shall maintain a list of certified public accountants; and, for
 367 this purpose, the board may provide by regulation a procedure whereby all certified public
 368 accountants are required to register with the board periodically. Any certified public
 369 accountant may also be known as a 'public accountant.'

370 ~~43-3-10.~~

371 ~~Reserved.~~

372 ~~43-3-11.~~ 43-3-12.

373 The board, in its discretion, may waive the examination provided for in paragraph (4) of
 374 subsection (a) of Code Section ~~43-3-6~~ 43-3-9 and may issue a certificate as a certified
 375 public accountant to any person who possesses the qualifications specified in paragraphs
 376 (1) and (2) of subsection (a) of Code Section ~~43-3-6~~ 43-3-9 and what the board determines
 377 to be the substantial equivalent of the qualifications under paragraph (3) of subsection (a)
 378 of Code Section ~~43-3-6~~ 43-3-9 and who is a holder of a certificate as a certified public
 379 accountant, then in full force and effect, issued under the laws of another state; ~~provided,~~
 380 however, that the certificate held by such person was issued after an examination which,
 381 in the judgment of the board, is the equivalent of the standard established by the board for
 382 examinations administered pursuant to paragraph (4) of subsection (a) of Code Section
 383 ~~43-3-6~~ 43-3-9; and provided, further, that such privileges are extended to citizens of this
 384 state by the state originally granting the certificate. Notwithstanding the foregoing, the
 385 examination provided for in paragraph (4) of subsection (a) of Code Section ~~43-3-6~~ 43-3-9
 386 shall be waived by the board in the case of an applicant who has been engaged in public
 387 practice for a period of ten years in another state pursuant to authority issued by such state.

388 ~~43-3-12.~~ 43-3-13.

389 Persons who hold certified public accountant certificates issued prior to July 1, 1977, under
 390 the laws of this state shall not be required to undergo recertification under this chapter but
 391 shall otherwise be subject to all applicable provisions of this chapter. Such certificates
 392 issued prior to July 1, 1977, shall be considered certificates issued under and subject to this
 393 chapter for all purposes.

394 ~~43-3-13.~~ 43-3-14.

395 Notwithstanding any other provision of this chapter, on and after July 1, 2005, each
 396 registered public accountant who holds a live permit and who is in good standing shall be
 397 certificated as a certified public accountant. On and after July 1, 2005, the board shall not
 398 consider any application for a certificate of registered public accountant.

399 ~~43-3-14.~~

400 ~~Reserved.~~

401 ~~43-3-15.~~

402 ~~Reserved.~~

403 ~~43-3-16.~~

404 ~~Reserved.~~

405 ~~43-3-17.~~

406 ~~Reserved.~~

407 ~~43-3-18.~~

408 ~~Reserved.~~

409 ~~43-3-19.~~

410 ~~Reserved.~~

411 ~~43-3-20.~~ 43-3-15.

412 Any person who was registered with the board on or before July 1, 1989, as a foreign
 413 accountant based on being a holder in good standing of a certificate, license, or degree in
 414 a foreign country constituting a recognized qualification for the practice of public
 415 accountancy in such country shall be eligible to renew his or her live permit under such
 416 terms and conditions as provided by law and the rules and regulations of the board. Such
 417 registered foreign accountant shall be subject to the laws and rules and regulations of the
 418 board, including, but not limited to, those concerning continuing professional education
 419 requirements and disciplinary actions. Should such registered foreign accountant fail to
 420 renew his or her live permit or have such permit revoked or suspended, the board may
 421 reinstate such registered foreign accountant under terms and conditions as determined by
 422 the board.

423 ~~43-3-21.~~ 43-3-16.

424 (a) The board shall grant or renew the registration of a firm practicing public accountancy
 425 to firms that meet the following requirements:

426 (1) Partners, members, or shareholders owning at least a simple majority of the financial
 427 interest and voting rights of the firm shall be certified public accountants of some state
 428 in good standing, except that such partners, members, or shareholders who are certified
 429 public accountants and whose principal place of business is in this state and who perform
 430 accounting services in this state must hold a live permit from this state. An individual
 431 who has practice privileges under subsection (b) of Code Section ~~43-3-24~~ 43-3-18 who
 432 performs services for which a firm registration is required under paragraph (4) of
 433 subsection (b) of Code Section ~~43-3-24~~ 43-3-18 shall not be required to obtain a
 434 certificate or live permit under this chapter;

- 435 (2) The firm shall be in compliance with all requirements and provisions of state law
 436 governing the organizational form of the firm in the state of the firm's principal place of
 437 business;
- 438 (3) The firm shall comply with all regulations pertaining to firms registered with the
 439 board;
- 440 (4) The resident manager of each office of the firm within this state in the practice of
 441 public accountancy shall be a certified public accountant of this state in good standing;
- 442 (5) Any firms that include nonlicensee owners shall comply with the following rules:
- 443 (A) The firm shall designate the holder of a live permit, or in the case of a firm which
 444 must register pursuant to subparagraph (b)(1)(C) of this Code section, a licensee of
 445 another state who meets the requirements set forth in subsection (b) of Code Section
 446 ~~43-3-24~~ 43-3-18, who shall be responsible for the proper registration of the firm and
 447 shall identify that individual to the board;
- 448 (B) All nonlicensee owners shall be active individual participants in the firm or
 449 affiliated entities; and
- 450 (C) The firm shall comply with such other requirements as the board may impose by
 451 rule or regulation;
- 452 (6) Any holder of a live permit and any individual who qualifies for practice privileges
 453 under subsection (b) of Code Section ~~43-3-24~~ 43-3-18 who is responsible for supervising
 454 attest or compilation services and signs or authorizes someone to sign the accountant's
 455 report on the financial statements on behalf of the firm shall meet the competency
 456 requirements set out in the professional standards for such services; and
- 457 (7) Any holder of a live permit and any individual who qualifies for practice privileges
 458 under subsection (b) of Code Section ~~43-3-24~~ 43-3-18 who signs or authorizes someone
 459 to sign the ~~accountants'~~ accountant's report on the financial statements on behalf of the
 460 firm shall meet the competency requirements of ~~subparagraph~~ paragraph (6) of this
 461 subsection.
- 462 (b)(1) The following firms must register under this Code section:
- 463 (A) Any firm with an office in this state practicing public accountancy;
- 464 (B) Any firm with an office in this state that uses the title 'CPA' or 'CPA firm'; and
- 465 (C) Any firm that does not have an office in this state but performs any service
 466 described in subparagraph (A), (C), or (D) of paragraph (1) of Code Section 43-3-2 for
 467 a client having its home office in this state.
- 468 (2) A firm that does not have an office in this state may perform services described in
 469 subparagraph (B) of paragraph (1) or paragraph (3) of Code Section 43-3-2 for a client
 470 having its home office in this state, may practice public accountancy as authorized under

471 this Code section, and may use the title 'CPA' or 'CPA firm' without registering as
472 provided in this Code section only if:

473 (A) It meets the qualifications described in paragraph (1) of subsection (a) of this Code
474 section and it complies with the board's rules and regulations regarding peer review;
475 and

476 (B) It performs such services through an individual with practice privileges under
477 subsection (b) of Code Section ~~43-3-24~~ 43-3-18.

478 (3) A firm that does not have an office in this state and that is not subject to the
479 requirements of subparagraph (C) of paragraph (1) ~~of this subsection~~ or paragraph (2) of
480 this subsection may perform other professional services included in the practice of public
481 accountancy while using the title 'CPA' or 'CPA firm' in this state without registering
482 under this Code section only if:

483 (A) It performs such services through an individual with practice privileges under
484 subsection (b) of Code Section ~~43-3-24~~ 43-3-18; and

485 (B) It can lawfully perform such services in the state where ~~said~~ such individuals with
486 practice privileges have their principal place of business.

487 (c) Each firm required to register under paragraph (1) of subsection (b) of this Code
488 section shall be registered biennially under this chapter with the board, provided that any
489 firm for which such requirement becomes effective between biennial reporting periods
490 shall register with the board within 60 days. Such a firm must show that all attest and
491 compilation services rendered in this state are under the supervision of a person holding a
492 live permit issued by this state or a person with practice privileges under subsection (b) of
493 Code Section ~~43-3-24~~ 43-3-18. The board, by regulation, shall prescribe the procedure to
494 be followed in effecting such registration and the information which must be provided
495 regarding the firm and its practice.

496 (d) A registered firm shall file written notice to the board, within 60 days after the
497 occurrence of the opening of a new office or the closing or change of address of any of its
498 offices in this state. Each such office shall be under the supervision of a resident manager
499 who may be a partner, principal, shareholder, member, or a staff employee holding a live
500 permit.

501 (e) Neither the denial of a firm registration under this Code section nor the denial of the
502 renewal of a firm registration under Code Section ~~43-3-23~~ 43-3-17 shall be considered to
503 be a contested case within the meaning of Chapter 13 of Title 50, the 'Georgia
504 Administrative Procedure Act.' Notice and hearing within the meaning of ~~said~~ Chapter 13
505 of Title 50 shall not be required, but the applicant shall be allowed to appear before the
506 board if he or she requests.

507 ~~43-3-22.~~

508 ~~Reserved.~~

509 ~~43-3-23.~~ 43-3-17.

510 (a) In each renewal year, each firm registered in ~~the~~ this state pursuant to Code Section
 511 ~~43-3-21~~ 43-3-16 which has issued an audit, review, or compilation report within the 24
 512 months preceding the date of expiration of the firm's registration must submit, with the
 513 application for renewal, evidence of satisfactory completion of a board approved peer
 514 review program within the 36 months preceding the date of such firm's registration
 515 expiration. Satisfactory completion shall mean that the firm has undergone the entire peer
 516 review process and that the report of the peer review indicates that the firm maintains
 517 acceptable standards of competence and integrity in the practice of public accountancy.
 518 Firms which have not issued an audit, review, or compilation report within the 24 months
 519 preceding the date of the firm's registration expiration must submit written confirmation
 520 of such fact with the application for the firm's registration renewal. The board may waive
 521 or modify the requirements of this subsection in cases of hardship or other such
 522 circumstances which the board deems appropriate. The provisions of this subsection shall
 523 not apply to the practice of an enrolled agent before the federal Internal Revenue Service
 524 or the Department of Revenue if the enrolled agent is not otherwise engaged in the practice
 525 of public accounting in this state.

526 (b) No firm shall be registered in ~~the~~ this state which shall have failed to comply with the
 527 provisions of this Code section and all applicable requirements of law and rules
 528 promulgated by the board.

529 (c) This Code section shall be construed to apply only to firms required to be registered
 530 under this chapter. Nothing contained in this Code section shall prohibit any person from
 531 operating under the provisions of subsection (b) of Code Section ~~43-3-36~~ 43-3-34.

532 ~~43-3-24.~~ 43-3-18.

533 (a) A permit to engage in the practice of public accountancy in this state shall be issued
 534 by the ~~division~~ executive director, at the direction of the board, to each person who is
 535 certificated as a certified public accountant under Code Sections ~~43-3-6~~ 43-3-9 through
 536 ~~43-3-12~~ 43-3-13 or registered as a foreign accountant under Code Section ~~43-3-20~~ 43-3-15
 537 who shall have furnished evidence, satisfactory to the board, of compliance with the
 538 requirements of Code Section ~~43-3-25~~ 43-3-19, and to individuals and firms registered
 539 under Code Section ~~43-3-21~~ 43-3-16, provided that such entities are maintained and
 540 registered as required under Code Sections ~~43-3-21~~ 43-3-16 and ~~43-3-23~~ 43-3-17. There
 541 shall be a biennial permit fee in an amount to be determined by the board.

542 (b) Individuals may practice based on a substantial equivalency practice privilege as
543 follows:

544 (1) An individual whose principal place of business is outside this state shall be
545 presumed to have qualifications substantially equivalent to this state's requirements, shall
546 have all the privileges of live permit holders of this state, and may practice public
547 accountancy in this state without the requirement to obtain a live permit, certificate, or
548 registration under this chapter or to otherwise notify or register with the board or pay any
549 fee if the individual:

550 (A) Holds a valid license as a certified public accountant from any state which
551 requires, as a condition of licensure, that an individual:

552 (i) Has at least 150 semester hours of college education including a baccalaureate or
553 higher degree conferred by a college or university;

554 (ii) Achieves a passing grade on the Uniform Certified Public Accountant
555 Examination; and

556 (iii) Possesses at least one year of experience, including providing any type of service
557 or advice involving the use of accounting, attest, compilation, management advisory,
558 financial advisory, tax, or consulting skills, which may be obtained through
559 government, industry, academic, or public practice all of which was verified by a
560 licensee; or

561 (B) Holds a valid license as a certified public accountant from any state which does not
562 meet the requirements of subparagraph (A) of this paragraph but such individual's
563 certified public accountant qualifications are substantially equivalent to those
564 requirements. Any individual who passed the Uniform Certified Public Accountant
565 Examination and holds a valid license issued by any other state prior to January 1,
566 2012, may be exempt from the education requirement in division (1)(A)(i) of this
567 subsection for purposes of this subparagraph;

568 (2) Notwithstanding any other provision of law, an individual who offers or renders
569 professional services, whether in person or by mail, telephone, or electronic means, under
570 this Code section shall be granted practice privileges in this state and no notice, fee, or
571 other submission shall be provided by any such individual. Such an individual shall be
572 subject to the requirements of paragraph (3) of this subsection;

573 (3) An individual licensee of another state exercising the privilege afforded under this
574 subsection, and the firm that employs that individual, shall simultaneously consent, as a
575 condition of exercising this privilege:

576 (A) To the personal and subject matter jurisdiction and disciplinary authority of the
577 board;

578 (B) To comply with the provisions of this chapter and the board's rules and regulations;

579 (C) That in the event the license from the state of the individual's principal place of
 580 business is no longer valid, the individual shall cease offering or rendering professional
 581 services in this state individually and on behalf of a firm; and

582 (D) To the appointment of the state board that issued the individual's license as the
 583 individual's agent upon whom process may be served in any action or proceeding by
 584 this state's board against the individual;

585 (4) An individual who qualifies for the practice privilege under this Code section who,
 586 for any entity with its home office in this state, performs any service under subparagraph
 587 (A), (C), or (D) of paragraph (1) of Code Section 43-3-2 may do so only through a firm
 588 that has registered with the board under Code Section ~~43-3-21~~ 43-3-16; and

589 (5) An individual qualifying for the practice privilege under paragraph (1) of this
 590 subsection may provide expert witness services in this state and shall be deemed to be in
 591 compliance with Code Section 24-7-702 for purposes of such services.

592 (c) Subsection (b) of this Code section shall not be applied or construed to permit an
 593 individual to engage in the practice of public accountancy in this state based on a
 594 substantial equivalency privilege unless such individual holds a valid license as a certified
 595 public accountant in a state which grants similar reciprocity to license holders in this state.

596 ~~43-3-25.~~ 43-3-19.

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

604 (b) The board shall be authorized to promulgate rules and regulations providing for the
 605 number of hours of acceptable continuing professional education, which shall not be less
 606 than 60 hours, required to renew a live permit, for the assignment of credit for hours in
 607 excess of the minimum requirement, and for the proration of required hours. The board
 608 may establish criteria for continuing professional education programs, provide for
 609 accreditation of such programs, enter into agreements with sponsors of such programs, and
 610 provide for the assignment of credits for participation in such programs.

611 (c) All provisions of this chapter relating to continuing professional education shall be
 612 administered by the board; and, in addition to the other powers conferred on the board by
 613 this chapter, the board shall have the authority to appoint a committee or committees
 614 composed of certified public accountants, as it deems appropriate, to administer,

615 implement, and otherwise carry out the provisions of this chapter relating to continuing
616 professional education.

617 ~~43-3-26.~~

618 ~~Reserved.~~

619 ~~43-3-27.~~

620 ~~Reserved.~~

621 43-3-20.

622 (a) The executive director shall be vested with the power and authority to make, or cause
623 to be made through employees or agents of the board, such investigations as the board may
624 deem necessary or proper for the enforcement of the provisions of this chapter. Any person
625 properly conducting an investigation on behalf of the board shall have access to and may
626 examine any writing, document, or other material relating to the fitness of any licensee or
627 applicant. The executive director or his or her appointed representative may issue
628 subpoenas to compel access to any writing, document, or other material upon a
629 determination that reasonable grounds exist for the belief that a violation of this chapter
630 may have taken place.

631 (b) The results of all investigations initiated by the board shall be reported solely to the
632 board, and the records of such investigations shall be kept for the board by the executive
633 director, with the board retaining the right to have access at any time to such records. No
634 part of any such records shall be released, except to the board, for any purpose other than
635 a hearing before the board, nor shall such records be subject to subpoena; provided,
636 however, that the board shall be authorized to release such records to another enforcement
637 agency or lawful licensing authority.

638 (c) If a licensee is the subject of a board inquiry, all records relating to any person who
639 receives services rendered by such licensee in his or her capacity as licensee shall be
640 admissible at any hearing held to determine whether a violation of this chapter has taken
641 place, regardless of any statutory privilege; provided, however, that any documentary
642 evidence relating to a person who received such services shall be reviewed in camera and
643 shall not be disclosed to the public.

644 (d) The board shall have the authority to exclude all persons during its deliberations on
645 disciplinary proceedings and to discuss any disciplinary matter in private with a licensee
646 or applicant and the legal counsel of that licensee or applicant.

647 (e) When a member of the public files a complaint with the board or the executive director
648 against a licensee, within 30 days after the conclusion of the investigation of such

649 complaint, the board or the executive director shall notify the complainant of the
650 disposition of such complaint. In addition, the executive director and the board shall upon
651 request by the complainant advise the complainant as to the status of the complaint during
652 the period of time that such complaint is pending.

653 (f) A person, firm, corporation, association, authority, or other entity shall be immune from
654 civil and criminal liability for reporting or investigating the acts or omissions of a licensee
655 or applicant which violate the provisions of this chapter or any other provision of law
656 relating to a licensee's or applicant's fitness to practice a business or profession licensed
657 under this chapter or for initiating or conducting proceedings against such licensee or
658 applicant, if such report is made or action is taken in good faith, without fraud or malice.
659 Any person who testifies or makes a recommendation to the board in the nature of peer
660 review, in good faith, without fraud or malice, before the board in any proceeding
661 involving the provisions of this chapter or any other law relating to a licensee's or
662 applicant's fitness to practice the business or profession licensed by the board shall be
663 immune from civil and criminal liability for so testifying.

664 (g) Neither the issuance of a private reprimand nor the denial of a license by reciprocity
665 nor the denial of a request for reinstatement of a revoked license nor the refusal to issue a
666 previously denied license shall be considered to be a contested case within the meaning of
667 Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act'; notice and hearing
668 within the meaning of Chapter 13 of Title 50 shall not be required, but the applicant or
669 licensee shall be allowed to appear before the board if he or she so requests. The board
670 may resolve a pending action by the issuance of a letter of concern. Such letter shall not
671 be considered a disciplinary action or a contested case under Chapter 13 of Title 50 and
672 shall not be disclosed to any person except the licensee or applicant.

673 (h) If any licensee or applicant after reasonable notice fails to appear at any hearing of the
674 board for such licensee or applicant, the board may proceed to hear the evidence against
675 such licensee or applicant and take action as if such licensee or applicant had been present.
676 A notice of hearing, initial or recommended decision, or final decision of the board in a
677 disciplinary proceeding shall be served personally upon the licensee or applicant or served
678 by certified mail or statutory overnight delivery, return receipt requested, to the last known
679 address of record with the board. If such material is served by certified mail or statutory
680 overnight delivery and is returned marked 'unclaimed' or 'refused' or is otherwise
681 undeliverable and if the licensee or applicant cannot, after diligent effort, be located, the
682 executive director, or his or her designee, shall be deemed to be the agent for service for
683 such licensee or applicant for purposes of this Code section, and service upon the executive
684 director, or his or her designee, shall be deemed to be service upon the licensee or
685 applicant.

686 (i) The voluntary surrender of a license or the failure to renew a license by the end of an
 687 established penalty period shall have the same effect as a revocation of such license,
 688 subject to reinstatement at the discretion of the board. The board may restore and reissue
 689 a license to practice under the law relating to the board and, as a condition thereof, may
 690 impose any disciplinary sanction provided by this chapter.

691 ~~43-3-28.~~ 43-3-21.

692 (a) After notice and hearing as provided in Code Section ~~43-3-30~~ 43-3-25, the board may
 693 revoke or suspend any certification issued under Code Sections ~~43-3-6~~ 43-3-9 through
 694 ~~43-3-12~~ 43-3-13 or a registration issued under Code Section ~~43-3-20~~ 43-3-15 or may
 695 revoke, suspend, or refuse to renew any live permit or may censure the holder of any such
 696 permit, or may forbid an individual from exercising the substantial equivalency practice
 697 privilege, for any cause which the board may deem sufficient, including, without limiting
 698 the generality of the foregoing, any one or any combination of the following causes:

- 699 (1) Violation of any rule, regulation, or order promulgated by the board in accordance
 700 with this chapter;
- 701 (2) Fraud or deceit in obtaining certification as a certified public accountant or
 702 registration as a public accountant, in obtaining registration under this chapter, or in
 703 obtaining a live permit;
- 704 (3) Violation of any of the provisions of Code Section ~~43-3-35~~ 43-3-33 or any other
 705 Code section of this chapter;
- 706 (4) Dishonesty, fraud, or gross negligence in the practice of public accountancy;
- 707 (5) Commission of a felony under the laws of any state or of the United States;
- 708 (6) Commission of any crime, an element of which is dishonesty or fraud, under the laws
 709 of any state or of the United States;
- 710 (7) Cancellation, revocation, suspension, or refusal to renew authority to practice as a
 711 certified public accountant or as a public accountant by any other state for any cause
 712 other than voluntary withdrawal or failure to pay an annual registration fee in such other
 713 state;
- 714 (8) Suspension or revocation of the right to practice before any state or federal agency;
- 715 (9) Failure to furnish evidence of satisfaction of requirements of continuing professional
 716 education as required by the board pursuant to Code Section ~~43-3-25~~ 43-3-19 or to meet
 717 any conditions with respect to continuing professional education which the board may
 718 have ordered under ~~that~~ said Code section;
- 719 (10) Conduct which discredits the accounting profession; or

720 (11) Failure of such holder's firm to register or renew its registration under Code
 721 Sections ~~43-3-21~~ 43-3-16 and ~~43-3-23~~ 43-3-17 or the failure of such firm to comply with
 722 any of the provisions of Code Section ~~43-3-23~~ 43-3-17.

723 (b) A person, firm, corporation, association, authority, or other entity shall be immune
 724 from civil and criminal liability for reporting or investigating the acts or omissions of a
 725 licensee or applicant which violate the provisions of subsection (a) of this Code section or
 726 any other provision of law relating to a licensee's or applicant's fitness to practice public
 727 accounting or for initiating or conducting proceedings against such licensee or applicant,
 728 if such report is made or action is taken in good faith, without fraud or malice. Any person
 729 who testifies or who makes a recommendation to the board in the nature of peer review,
 730 in good faith, without fraud; or malice, before the board in any proceeding involving the
 731 provisions of subsection (a) of this Code section or any other law relating to a licensee's
 732 or applicant's fitness to practice public accounting shall be immune from civil and criminal
 733 liability for so testifying.

734 ~~43-3-29:~~ 43-3-22.

735 (a) After notice and hearing, as provided in Code Section ~~43-3-30~~ 43-3-25, the board, in
 736 its discretion, may revoke the registration and permit to practice of a firm if at any time it
 737 does not have all the qualifications prescribed by the Code section under which it qualified
 738 for registration.

739 (b) After notice and hearing as provided in Code Section ~~43-3-30~~ 43-3-25, the board may
 740 revoke or suspend the registration of a firm or may revoke, suspend, or refuse to renew its
 741 valid permit or may censure the holder of any such permit for any of the following causes
 742 in addition to those enumerated in Code Section ~~43-3-28~~ 43-3-21:

743 (1) The revocation or suspension of the certificate or registration or the revocation or
 744 suspension or refusal to renew the permit to practice of any partner, member, or
 745 shareholder required by law to have such certificate, registration, or permit as a condition
 746 to the firm's registration or permit;

747 (2) The cancellation, revocation, suspension, or refusal to renew the authority of the firm,
 748 or any partner, member, or shareholder thereof, to practice public accountancy in any
 749 other state for any cause other than voluntary withdrawal or failure to pay registration
 750 fees in such other state; or

751 (3) The failure of such firm to register or renew its registration under Code Section
 752 ~~43-3-21~~ 43-3-16 or the failure of such firm to comply with any of the provisions of Code
 753 Section ~~43-3-23~~ 43-3-17.

754 ~~43-3-29.1.~~ 43-3-23.

755 After notice and hearing as provided in Code Section ~~43-3-30~~ 43-3-25, the board may
 756 impose any one or more of the following sanctions in addition to the actions described in
 757 Code Sections ~~43-3-28 and 43-3-29~~ 43-3-21, 43-3-22, and 43-3-24 for any of the causes
 758 described in Code Sections ~~43-3-28 and 43-3-29~~ 43-3-21, 43-3-22, and 43-2-24:

759 (1) Require the licensee or licensees to complete successfully the specific courses or
 760 types of continuing education as specified by the board or pass special examinations as
 761 specified by the board, all at the cost and expense of the licensee or licensees;

762 (2) Require the licensee or firm holding a live permit to submit to a preissuance review
 763 prior to the issuance of any future reports, in a manner and for a duration as set by the
 764 board by a reviewer selected by the board at the licensee's or holder's cost and expense;
 765 or

766 (3) Require a licensee or firm holding a valid permit to submit to a peer review of its
 767 accounting and auditing practices upon such terms and conditions as shall be determined
 768 by the board at the cost and expense of such licensee or holder of a valid permit.

769 43-3-24.

770 (a) Upon a finding by the board that an individual or firm regulated by this chapter has
 771 violated any rule, regulation, or order promulgated by the board, any provision of this
 772 chapter, or any other laws applicable to the practice of public accountancy in this state, the
 773 board may impose a civil penalty, not to exceed \$5,000.00 for each violation.

774 (b) In determining the amount of the penalty to impose for a violation, the board shall
 775 consider:

776 (1) The seriousness of the violation, including:

777 (A) The nature, circumstances, extent, and gravity of any prohibited act; and

778 (B) The hazard or potential hazard to the public;

779 (2) The economic damage to property caused by the violation;

780 (3) The history of any previous violation by the individual or firm;

781 (4) The amount necessary to deter a future violation;

782 (5) Any efforts on the part of the individual or firm to correct the violation; and

783 (6) Any other matter that justice may require.

784 (c) The board by rule may adopt a schedule for purposes of this Code section that
 785 prescribes ranges in the amounts of civil penalties to be imposed for specified types of
 786 conduct and circumstances.

787 ~~43-3-30.~~ 43-3-25.

788 (a) The board may initiate proceedings under this chapter either on its own motion or on
789 the complaint of any person.

790 (b) Notice, rules of procedure, right to review, and any other matters arising with respect
791 to all adjudicative hearings conducted by the board shall be determined in accordance with
792 Chapter 13 of Title 50, the 'Georgia Administrative Procedure Act.'

793 (c) Before the board shall revoke or suspend a permit, certificate, registration, or practice
794 privilege, it shall provide for a hearing for the holder of such permit, certificate,
795 registration, or practice privilege in accordance with Chapter 13 of Title 50, the 'Georgia
796 Administrative Procedure Act.' Any person who has exhausted all administrative remedies
797 available within this chapter and who is aggrieved by a final decision in a contested case
798 is entitled to judicial review in accordance with Chapter 13 of Title 50.

799 43-3-26.

800 The executive director shall be authorized to provide to any lawful licensing authority of
801 this or any other state, upon inquiry by such authority, information regarding a past or
802 pending investigation of or disciplinary sanction against any applicant for licensure by the
803 board or licensee of the board notwithstanding the provisions of subsection (b) of Code
804 Section 43-1-20 or any other law to the contrary regarding the confidentiality of that
805 information; provided, however, that such information shall only be shared after receiving
806 written confirmation from the recipient authority that it assures preservation of
807 confidentiality and the licensee has been given reasonable notice that the information shall
808 be provided to another entity. Nothing in this Code section or chapter shall be construed
809 to prohibit or limit the authority of the executive director to disclose to any person or entity
810 information concerning the existence of any investigation for unlicensed practice being
811 conducted against any person who is neither licensed nor an applicant for licensure by the
812 board.

813 43-3-27.

814 (a) Any individual issued a license, permit, registration, or certification under this chapter
815 and convicted under the laws of this state, the United States, or any other state, territory,
816 or country of a felony as defined in paragraph (3) of subsection (a) of Code Section
817 43-1-19 shall be required to notify the board of the conviction within 30 days of the
818 conviction. The failure of such individual to notify the board of a conviction shall be
819 considered grounds for revocation of his or her license or other authorization issued
820 pursuant to this chapter.

821 (b) The board may suspend the license of a person who has been certified by a federal
 822 agency and reported to the board for nonpayment or default or breach of a repayment or
 823 service obligation under any federal educational loan, loan repayment, or service
 824 conditional scholarship program. Prior to the suspension, the licensee shall be entitled to
 825 notice of the board's intended action and opportunity to appear before the board. A
 826 suspension of a license under this Code section is not a contested case under Chapter 13
 827 of Title 50, the 'Georgia Administrative Procedure Act.' A license suspended under this
 828 Code section shall not be reinstated or reissued until the person provides the board a written
 829 release issued by the reporting agency stating that the person is making payments on the
 830 loan or satisfying the service requirements in accordance with an agreement approved by
 831 the reporting agency. If the person has continued to meet all other requirements for
 832 licensure during the period of suspension, reinstatement of the license shall be automatic
 833 upon receipt of the notice and payment of any reinstatement fee which the board may
 834 impose.

835 43-3-28.

836 (a) As used in this Code section, the term 'service member' means an active duty member
 837 of the regular or reserve component of the United States armed forces, the United States
 838 Coast Guard, the Georgia National Guard, or the Georgia Air National Guard on ordered
 839 federal duty for a period of 90 days or longer.

840 (b) Any service member whose license issued pursuant to any provision of this chapter
 841 expired while such service member was serving on active duty outside this state shall be
 842 permitted to practice accountancy in accordance with such expired license and shall not be
 843 charged with a violation of this title related to practicing a profession with an expired
 844 license for a period of six months from the date of his or her discharge from active duty or
 845 reassignment to a location within this state. Any such service member shall be entitled to
 846 renew such expired license without penalty within six months after the date of his or her
 847 discharge from active duty or reassignment to a location within this state. The service
 848 member must present to the board either a copy of the official military orders or a written
 849 verification signed by the service member's commanding officer to waive any charges.

850 ~~43-3-31.~~ 43-3-29.

851 Upon written application after a hearing pursuant to Chapter 13 of Title 50, the 'Georgia
 852 Administrative Procedure Act,' the board may recertificate a certified public accountant or
 853 reregister a foreign accountant whose certification or registration has been revoked or may
 854 reissue or modify the suspension of a live permit or practice privilege which has been
 855 revoked or suspended.

856 ~~43-3-32:~~ 43-3-30.

857 (a) All statements, records, schedules, working papers, computer printouts, computer
 858 tapes, and memoranda made by a certified public accountant or public accountant incident
 859 to, or in the course of, professional service to clients by such certified public accountant
 860 or public accountant, except reports submitted by a certified public accountant or public
 861 accountant to a client, shall be and remain the property of such certified public accountant
 862 or public accountant and his or her partners, fellow shareholders, or fellow members of the
 863 firm, in the absence of an express agreement between such certified public accountant or
 864 public accountant and the client to the contrary. No such statement, record, schedule,
 865 working paper, or memorandum shall be sold, transferred, or bequeathed, without the
 866 consent of the client or his or her personal representative or ~~his~~ assignee, to anyone other
 867 than one or more surviving partners, fellow shareholders, or fellow members of the firm
 868 of such certified public accountant or public accountant.

869 (b) All communications between a certified public accountant or public accountant or
 870 employee of such certified public accountant or public accountant acting in the scope of
 871 such employment and the person for whom such certified public accountant, public
 872 accountant, or employee shall have made any audit or other investigation in a professional
 873 capacity and all information obtained by a certified public accountant, public accountant,
 874 or such an employee in his or her professional capacity concerning the business and affairs
 875 of clients shall be deemed privileged communications in all courts or in any other
 876 proceedings whatsoever; and no such certified public accountant, public accountant, or
 877 employee shall be permitted to testify with respect to any of such matters, except with the
 878 written consent of such person or client or such person's or client's legal representative;
 879 provided, however, that nothing in this subsection shall be construed as prohibiting a
 880 certified public accountant, public accountant, or such an employee from:

881 (1) Disclosing any data required to be disclosed by the standards of the accounting
 882 profession in rendering an opinion on the presentation of financial statements or in
 883 making disclosure where the practices or diligence of the accountant in preparing, or in
 884 expressing an opinion upon, such financial statements are contested;

885 (2) Disclosing any data where the professional services of the accountant are being
 886 contested by or against the client for whom such services were performed or any
 887 representative or assignee of such client;

888 (3) Disclosing any data to other certified public accountants, public accountants, or
 889 employees thereof in connection with practice reviews and ethics reviews sponsored by
 890 professional groups, the purpose of which reviews is to survey such accountant's business
 891 practices, audits, and work papers or to review ethical considerations concerning such
 892 accountant; or

893 (4) Disclosing any data pertaining to an application, investigation by the board, or
 894 hearing on its behalf, so long as such data shall be received by the board in camera and
 895 shall not be disclosed to the public; and provided, further, that no disclosure provided for
 896 in this paragraph shall constitute a waiver of the privilege established in this subsection.

897 ~~43-3-33.~~ 43-3-31.

898 (a) Whenever, in the judgment of the board, any person has engaged or is about to engage
 899 in any acts or practices which constitute or will constitute a violation of Code Section
 900 ~~43-3-35~~ 43-3-33 or any other Code section of this chapter, the board may make application
 901 to the superior court of the county in which such acts or practices have occurred or may be
 902 reasonably expected to occur for an order enjoining such acts or practices; and upon a
 903 showing by the board that such person has engaged or is about to engage in any such acts
 904 or practices, an injunction, restraining order, or such other order as may be appropriate
 905 shall be granted by such court.

906 (b) The Attorney General shall assist in the enforcement of this chapter. The board is
 907 authorized to retain such attorneys as it deems necessary, with the approval of the Attorney
 908 General, to assist the board in bringing any action authorized by law.

909 ~~43-3-34.~~ 43-3-32.

910 The display or uttering by a person of a card, sign, advertisement, or other printed,
 911 engraved, or written instrument or device bearing a person's name in conjunction with the
 912 words 'certified public accountant' or any abbreviation thereof; or 'public accountant' or any
 913 abbreviation thereof shall be prima-facie evidence in any action brought under Code
 914 Section ~~43-3-33~~ 43-3-31 or ~~43-3-38~~ 43-3-37 that the person whose name is so displayed
 915 caused or procured the display or uttering of such card, sign, advertisement, or other
 916 printed, engraved, or written instrument or device and that such person is holding himself
 917 or herself out to be a certified public accountant or a public accountant holding a live
 918 permit or otherwise claims to be qualified to use such title by virtue of the substantial
 919 equivalency practice privilege under subsection (b) of Code Section ~~43-3-24~~ 43-3-18 or of
 920 the firm practice provisions of subsection (b) of Code Section ~~43-3-21~~ 43-3-16. In any
 921 such action, evidence of the commission of a single act prohibited by this chapter shall be
 922 sufficient to justify an injunction or a conviction without evidence of a general course of
 923 conduct.

924 ~~43-3-35.~~ 43-3-33.

925 (a) No individual shall assume or use the title or designation 'certified public accountant'
 926 or the abbreviation 'C.P.A.' 'CPA' or any other title, designation, words, letters,

927 abbreviation, sign, card, or device tending to indicate that such individual is a certified
 928 public accountant unless such individual has received a certificate as a certified public
 929 accountant under this chapter, holds a live permit, and all of such individual's offices in this
 930 state for the practice of public accountancy are maintained and registered as required under
 931 Code Sections ~~43-3-21~~ 43-3-16 and ~~43-3-23~~ 43-3-17, provided that a foreign accountant
 932 who has registered under Code Section ~~43-3-20~~ 43-3-15 and who holds a live permit may
 933 use the title under which he or she is generally known in his or her country, followed by
 934 the name of the country from which he or she received his or her certificate, license, or
 935 degree.

936 (b) No firm or any other person or entity shall assume or use the title or designation
 937 'certified public accountant' or the abbreviation '~~C.P.A.~~' 'CPA' or any other title,
 938 designation, words, letters, abbreviation, sign, card, or device tending to indicate that such
 939 firm, person, or entity is composed of certified public accountants unless such firm, person,
 940 or entity is registered as a firm of certified public accountants under Code Section ~~43-3-21~~
 941 43-3-16, holds a live permit, and all offices of such firm in this state for the practice of
 942 public accountancy are maintained and registered as required under Code Sections ~~43-3-21~~
 943 43-3-16 and ~~43-3-23~~ 43-3-17.

944 (c) No individual, firm, or any other person or entity shall assume or use:

945 (1) ~~any~~ Any title or designation likely to be confused with 'certified public accountant,'
 946 including, without limiting the generality of the foregoing, 'certified accountant,' 'enrolled
 947 accountant,' 'licensed accountant,' 'licensed public accountant,' or 'registered accountant';
 948 or

949 (2) ~~any~~ Any abbreviation likely to be confused with '~~C.P.A.~~,' 'CPA,' including, without
 950 limiting the generality of the foregoing, 'C.A.,' 'E.A.,' 'R.A.,' 'L.A.,' or 'L.P.A.,'
 951 provided that a foreign accountant registered under Code Section ~~43-3-20~~ 43-3-15 who
 952 holds a live permit and all of whose offices in this state for the practice of public
 953 accountancy are maintained and registered as required under Code Sections ~~43-3-21~~
 954 43-3-16 and ~~43-3-23~~ 43-3-17 may use the title under which he or she is generally known
 955 in his or her country, followed by the name of the country from which he or she received
 956 his or her certificate, license, or degree.

957 (d) No individual shall sign or affix his or her name or any trade assumed name used by
 958 him or her in his or her profession or business to any opinion or certificate attesting in any
 959 way to the reliability of any representation or estimate in regard to any person or
 960 organization embracing ~~(1)~~ financial information; or ~~(2)~~ facts respecting compliance with
 961 conditions established by law or contract, including but not limited to statutes, ordinances,
 962 regulations, grants, loans, and appropriations, together with any wording accompanying,
 963 contained in, or affixed on such opinion or certificate, which indicates that he or she has

964 expert knowledge in accounting or auditing unless he or she holds a live permit and all of
 965 his or her offices in this state for the practice of public accountancy are maintained and
 966 registered under Code Sections ~~43-3-21~~ 43-3-16 and ~~43-3-23~~ 43-3-17, provided that this
 967 subsection shall not prohibit any officer, employee, partner, member, or principal of any
 968 organization from affixing his or her signature to any statement or report in reference to the
 969 affairs of such organization with any wording designating the position, title, or office which
 970 he or she holds in such organization, nor shall this subsection prohibit any act of a public
 971 official or public employee in the performance of his or her duties as such.

972 (e) No person shall sign or affix, or cause to be signed or affixed, a firm name to any
 973 opinion or certificate attesting in any way to the reliability of any representation or estimate
 974 in regard to any person or organization embracing (1) financial information; or (2) facts
 975 respecting compliance with conditions established by law or contract, including but not
 976 limited to statutes, ordinances, regulations, grants, loans, and appropriations, together with
 977 any wording accompanying or contained in such opinion or certificate, which indicates that
 978 such firm is composed of or employs persons having expert knowledge in accounting or
 979 auditing unless the firm holds a live permit and all of its offices in this state for the practice
 980 of public accountancy are maintained and registered as required under Code Sections
 981 ~~43-3-21~~ 43-3-16 and ~~43-3-23~~ 43-3-17.

982 (f) A licensee shall not use or participate in the use of any form of public communication
 983 having reference to his or her professional services which contains a false, fraudulent,
 984 misleading, deceptive, or unfair statement or claim. A false, fraudulent, misleading,
 985 deceptive, or unfair statement or claim includes, but is not limited to, a statement or claim
 986 which:

- 987 (1) Contains a misrepresentation of fact;
- 988 (2) Is likely to mislead or deceive because it fails to make full disclosure of relevant
 989 facts;
- 990 (3) Contains any testimonial, laudatory, or other statement or implication that the
 991 licensee's professional services are of exceptional quality, if not supported by verifiable
 992 facts;
- 993 (4) Is intended or likely to create false or unjustified expectations of favorable results;
- 994 (5) Implies educational or professional attainments or licensing recognition not
 995 supported in fact;
- 996 (6) States or implies that the licensee has received formal recognition as a specialist in
 997 any aspect of the practice of public accounting, except in accordance with rules adopted
 998 by the board;
- 999 (7) Represents that professional services can or will be completely performed for a stated
 1000 fee when this is not the case or makes representations with respect to fees for professional

1001 services that do not disclose all variables that may reasonably be expected to affect the
 1002 fees that will in fact be charged; or

1003 (8) Contains other representations or implications that in reasonable probability will
 1004 cause an ordinarily prudent person to misunderstand or be deceived.

1005 (g) The board may by rule or regulation prohibit a licensee from soliciting by any direct
 1006 personal communication an engagement to perform professional services.

1007 (h) It shall not be a violation of this Code section or chapter for an individual who does not
 1008 hold a live permit under this chapter but who qualifies for the substantial equivalency
 1009 practice privilege under subsection (b) of Code Section ~~43-3-24~~ 43-3-18 to use the title or
 1010 designation 'certified public accountant' or '~~C.P.A.~~' 'CPA' or other titles to indicate that the
 1011 person is a certified public accountant, and such individual may provide professional
 1012 services in this state with the same privileges as a live permit holder so long as the
 1013 individual complies with paragraph (4) of subsection (b) of Code Section ~~43-3-24~~ 43-3-18.

1014 (i) It shall not be a violation of this Code section or chapter for a firm that has not
 1015 registered with the board or obtained a live permit under this chapter and that does not have
 1016 an office in this state to use the title or designation 'certified public accountant' or '~~C.P.A.~~'
 1017 'CPA' or other titles to indicate that the firm is composed of certified public accountants,
 1018 and such firm may provide professional services in this state with the same privileges as
 1019 a registered firm with a live permit so long as it complies with subsection (b) of Code
 1020 Section ~~43-3-21~~ 43-3-16.

1021 ~~43-3-36.~~ 43-3-34.

1022 (a) Nothing contained in this chapter shall prohibit any person who is not a certified public
 1023 accountant or public accountant from serving as an employee of or an assistant to a
 1024 certified public accountant or public accountant or firm of certified public accountants or
 1025 public accountants holding a live permit or a foreign accountant registered under Code
 1026 Section ~~43-3-20~~ 43-3-15 and holding a live permit, provided that such employee or
 1027 assistant shall not issue or attest to any accounting or financial statement over his name.

1028 (b) Nothing contained in this chapter shall prohibit any person from offering to perform
 1029 or performing for the public, for compensation, any of the following services:

1030 (1) The recording of financial transactions in books of record;

1031 (2) The making of adjustments of such transactions in books of record;

1032 (3) The making of trial balances from books of record;

1033 (4) Internal verification and analysis of books or accounts of original entry;

1034 (5) The preparation of unaudited financial statements, schedules, or reports;

1035 (6) The devising and installing of systems or methods of bookkeeping, internal controls
 1036 of financial data, or the recording of financial data; or

1037 (7) The preparation of tax returns and related forms.

1038 ~~43-3-36.1.~~ 43-3-35.

1039 Notwithstanding any other provisions of this chapter, any licensee who has attained 70
1040 years of age shall be exempt from any continuing professional education requirements of
1041 Code Section ~~43-3-25~~ 43-3-19 or ~~43-3-29.1~~ 43-3-23.

1042 ~~43-3-37.~~ 43-3-36.

1043 The proceedings of and data obtained by a peer review committee or the board pursuant
1044 to paragraph (3) of subsection (b) of Code Section ~~43-3-32~~ 43-3-30 shall not be subject to
1045 discovery or introduction into evidence in any civil action, except in a hearing before the
1046 board, against a certified public accountant or public accountant for matters which are the
1047 subject of evaluation and review by such committee or the board; and no person who was
1048 in attendance at a meeting of such committee or board shall be permitted or required to
1049 testify in any such civil action, except in a hearing before the board, as to any evidence or
1050 the matters produced or presented during the proceedings of such committee or board or
1051 as to any findings, recommendations, evaluations, opinions, or actions of such committee
1052 or board or any members thereof; provided, however, that any information, documents, or
1053 records otherwise available from original sources shall not be construed as immune from
1054 discovery or use in any such civil action merely because they were presented during
1055 proceedings of such committee or board; and provided, further, that no person who testifies
1056 before such committee or board or who is a member of such committee or board shall be
1057 prevented from testifying as to matters within his or her knowledge, provided that such
1058 witness may not be questioned regarding such witness's testimony before such committee
1059 or board or opinions formed by the witness as a result of such hearings of the committee
1060 or board.

1061 ~~43-3-38.~~ 43-3-37.

1062 Any person who violates this chapter shall be guilty of a misdemeanor."

1063 **SECTION 3.**

1064 Code Section 24-5-501 of the Official Code of Georgia Annotated, relating to certain
1065 communications as privileged, is amended by revising subsection (a) as follows:

1066 "(a) There are certain admissions and communications excluded from evidence on grounds
1067 of public policy, including, but not limited to, the following:

- 1068 (1) Communications between husband and wife;
1069 (2) Communications between attorney and client;

- 1070 (3) Communications among grand jurors;
 1071 (4) Secrets of state;
 1072 (5) Communications between psychiatrist and patient;
 1073 (6) Communications between licensed psychologist and patient as provided in Code
 1074 Section 43-39-16;
 1075 (7) Communications between a licensed clinical social worker, clinical nurse specialist
 1076 in psychiatric/mental health, licensed marriage and family therapist, or licensed
 1077 professional counselor and patient;
 1078 (8) Communications between or among any psychiatrist, psychologist, licensed clinical
 1079 social worker, clinical nurse specialist in psychiatric/mental health, licensed marriage and
 1080 family therapist, and licensed professional counselor who are rendering psychotherapy
 1081 or have rendered psychotherapy to a patient, regarding that patient's communications
 1082 which are otherwise privileged by paragraph (5), (6), or (7) of this subsection; and
 1083 (9) Communications between accountant and client as provided by Code Section ~~43-3-32~~
 1084 43-3-30."

1085 SECTION 4.

1086 Code Section 36-81-8.1 of the Official Code of Georgia Annotated, relating to definitions,
 1087 grant certification forms, filings with the state auditor, forfeiture of funds for noncompliance,
 1088 and no exemption from liability relative to local government budgets and audits, is amended
 1089 by revising subsection (b) as follows:

1090 "(b) Each grant of state funds to a recipient unit of local government from the Governor's
 1091 emergency fund or from a special project appropriation in an amount greater than
 1092 \$5,000.00 shall be conditioned upon the receipt by the state auditor of a properly completed
 1093 grant certification form. The form shall be designed by the state auditor and shall be
 1094 distributed with each covered grant as required by this Code section. The grant
 1095 certification form shall require the certification by the recipient unit of local government
 1096 and by the unit of local government auditor that the grant funds were used solely for the
 1097 express purpose or purposes for which the grant was made. Such form shall be filed with
 1098 the state auditor in conjunction with the annual audit required under Code Section 36-81-7
 1099 or 50-6-6 or any other applicable Code section for each year in which such grant funds are
 1100 expended or remain unexpended by the unit of local government. A recipient unit of local
 1101 government which is not otherwise subject to the annual audit requirements specified in
 1102 this subsection shall file a grant certification form with the state auditor no later than
 1103 December 31 of each year in which such grant funds are expended or remain unexpended.
 1104 For grant funds to subrecipients, the certification by the unit of local government auditor
 1105 required by this subsection may also be made by an in-house or internal auditor of the unit

1106 of local government who meets the education requirements contained in subparagraph
1107 (a)(3)(A) of Code Section ~~43-3-6~~ 43-3-9. The cost of performing any audit required by this
1108 subsection or paragraph (1) of subsection (d) of this Code section shall be an eligible
1109 expense of the grant. However, the amount charged shall not exceed 2 percent of the
1110 amount of the grant or \$250.00 per required audit, whichever is less. The unit of local
1111 government to whom the grant is made may deduct the cost of any such audit from the
1112 funds disbursed to the subrecipient."

1113

SECTION 5.

1114 All laws and parts of laws in conflict with this Act are repealed.