

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2009

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HOUSE BILL 911*

Short Title: Amend CPA Laws/Practice Privileges. (Public)

Sponsors: Representatives Tillis; and Wray.

Referred to: Commerce, Small Business, and Entrepreneurship, if favorable, Judiciary III, if favorable, Finance.

April 1, 2009

1 A BILL TO BE ENTITLED
2 AN ACT CLARIFYING VARIOUS PROVISIONS UNDER THE LAWS PERTAINING TO
3 CERTIFIED PUBLIC ACCOUNTANTS AND ALLOWING PUBLIC ACCOUNTANTS
4 CERTIFIED OR LICENSED OUTSIDE THIS STATE TO PRACTICE IN THIS STATE
5 UNDER CERTAIN CIRCUMSTANCES.

6 The General Assembly of North Carolina enacts:

7 **SECTION 1.** G.S. 93-1(a)(3) reads as rewritten:

8 "(a) Definitions. – As used in this Chapter certain terms are defined as follows:

9 ...

10 (3) A "certified public accountant" is a person who holds a certificate as a
11 certified public accountant issued ~~to him~~ under the provisions of this
12 Chapter.

13"

14 **SECTION 2.** G.S. 93-3 reads as rewritten:

15 **"§ 93-3. Unlawful use of title "certified public accountant" by individual.**

16 It shall be unlawful for any person who has not received a certificate of qualification or not
17 been granted a practice privilege under G.S. 93-10 admitting ~~him~~ the person to practice as a
18 certified public accountant to assume or use such a title, or to use any words, letters,
19 abbreviations, symbols or other means of identification to indicate that the person using same
20 has been admitted to practice as a certified public accountant."

21 **SECTION 3.** G.S. 93-4 reads as rewritten:

22 **"§ 93-4. Use of title by firm.**

23 It shall be unlawful for any firm, copartnership, or association to assume or use the title of
24 certified public accountant, or to use any words, letters, abbreviations, symbols or other means
25 of identification to indicate that the members of such firm, copartnership or association have
26 been admitted to practice as certified public accountants, unless each of the members of such
27 firm, copartnership or association first shall have received a certificate of qualification from the
28 State Board of Certified Public Accountant Examiners or been granted a practice privilege
29 admitting him each member of the firm, copartnership, or association to practice as a certified
30 public accountant; provided, however, that the Board may exempt those persons who do not
31 actually practice in or reside in the State of North Carolina from registering and receiving a
32 certificate of qualifications under this section."

33 **SECTION 4.** G.S. 93-10 reads as rewritten:

34 **"§ 93-10. ~~Persons certified in other states.~~ Practice privileges.**

35 (a) An individual whose principal place of business is outside this State ~~may be~~
36 granted the privilege to perform or offer to perform ~~services~~ services, whether in person or by



1 mail, telephone, or electronic means, in this State as a certified public accountant without
2 notice to the Board, the submission of any other documentation, or the payment of any fee if
3 the individual meets all of the following conditions:

- 4 (1) Holds a valid and unrevoked certificate as a certified public accountant, or
5 its equivalent, issued by another state, a territory of the United States, or the
6 District of Columbia.
- 7 (2) Holds a valid and unrevoked license or permit to practice as a certified
8 public accountant issued by another state, a territory of the United States, or
9 the District of Columbia and that jurisdiction's requirements for licensure are
10 substantially equivalent to the requirements of this Chapter.
- 11 (3) Notifies the State Board of Certified Public Accountant Examiners that the
12 person intends to perform or offers to perform services in this State as a
13 certified public accountant.Has passed the Uniform Certified Public
14 Accountants examination.
- 15 (4) Agrees to comply with the provisions of this Chapter and the rules adopted
16 by the Board regarding notification and practice.Has not been convicted of a
17 felony under the laws of the United States, any state, a territory of the United
18 States, or the District of Columbia and has never been convicted of a crime,
19 an essential element of which is dishonesty, deceit, or fraud unless the
20 jurisdiction in which the individual is licensed has determined the felony or
21 other crime has no effect on the individual's license.
- 22 (5) Have an administrative notice of hearing served on the licensing board in the
23 individual's principal state of business, notwithstanding the individual notice
24 requirements of G.S. 150B-38.
- 25 (6) Pays an annual fee not to exceed fifty dollars (\$50.00).

26 (b) An individual who satisfies the requirements of subsection (a) of this section and
27 exercises the privilege afforded under this section by performing or offering to perform
28 services as a certified public accountant in this State simultaneously consents as a condition of
29 the grant of this privilege to:

- 30 (1) Comply with the laws of this State, the provisions of this Chapter, and rules
31 adopted by the Board.
- 32 (2) Have an administrative notice of hearing served on the licensing board in the
33 individual's principal state of business, notwithstanding the individual notice
34 requirements of G.S. 150B-38.
- 35 (3) Be subject to personal jurisdiction, subject matter jurisdiction, and
36 disciplinary authority of the Board.

37 (c) A firm whose principal place of business is outside this State and has no office in
38 this State is granted the privilege to perform or offer to perform services, whether in person or
39 by mail, telephone, or electronic means, in this State as a firm. A firm that exercises the
40 privilege afforded under this section simultaneously consents as a condition of the grant of the
41 privilege to:

- 42 (1) Comply with the laws of this State, the provisions of this Chapter, and rules
43 adopted by the Board.
- 44 (2) Be subject to personal jurisdiction, subject matter jurisdiction, and
45 disciplinary authority of the Board.
- 46 (3) Provide notice without a fee to the Board if any individual with the firm who
47 has been granted privileges in North Carolina to practice as a certified public
48 accountant performs any of the following services for a client in this State:
 - 49 a. A financial statement audit or other engagement performed in
50 accordance with the Statements on Auditing Standards.

- 1 b. An examination of prospective financial information performed in
2 accordance with the Statements on Standards for Attestation
3 Engagements.
4 c. An engagement performed in accordance with the Public Company
5 Accounting Oversight Board auditing standards."

6 **SECTION 5.** This act is effective when it becomes law.