

SENATE AMENDMENT NO. _____

Offered by _____ of _____

Amend SS/HCS/House Bill No. 2046, Page 27, Section 324.035, Line 16,

2 of said page, by inserting after all of said line the following:

3 "326.277. 1. Prior to June 30, 2021, for an applicant to
 4 be eligible to apply for the examination, the applicant shall
 5 fulfill the education requirements of subdivision (4) of
 6 subsection 1 of section 326.280.

7 2. On or after June 30, 2021, for an applicant to be
 8 eligible to apply for the examination, the applicant shall:

9 (1) Provide proof that the applicant has completed at least
 10 one hundred twenty semester hours of college education at an
 11 accredited college or university recognized by the board, with an
 12 accounting concentration or equivalent as determined by the board
 13 by rule;

14 (2) Be at least eighteen years of age; and

15 (3) Be of good moral character.

16 326.280. 1. A license shall be granted by the board to any
 17 person who meets the requirements of this chapter and who:

18 (1) Is a resident of this state or has a place of business
 19 in this state or, as an employee, is regularly employed in this
 20 state;

21 (2) Has attained the age of eighteen years;

1 (3) Is of good moral character;

2 (4) Either:

3 (a) Applied for the initial examination prior to June 30,
4 1999, and holds a baccalaureate degree conferred by an accredited
5 college or university recognized by the board, with a
6 concentration in accounting or the substantial equivalent of a
7 concentration in accounting as determined by the board; or

8 (b) Applied for the initial examination on or after June
9 30, 1999, and has at least one hundred fifty semester hours of
10 college education, including a baccalaureate or higher degree
11 conferred by an accredited college or university recognized by
12 the board, with the total educational program including an
13 accounting concentration or equivalent as determined by board
14 rule to be appropriate;

15 (5) Has passed an examination in accounting, auditing and
16 such other related subjects as the board shall determine is
17 appropriate; and

18 (6) Has had one year of experience. Experience shall be
19 verified by a licensee and shall include any type of service or
20 advice involving the use of accounting, attest, compilation,
21 management advisory, financial advisory, tax or consulting skills
22 including governmental accounting, budgeting or auditing. The
23 board shall promulgate rules and regulations concerning the
24 verifying licensee's review of the applicant's experience.

25 2. The board may prescribe by rule the terms and conditions
26 for reexaminations and fees to be paid for reexaminations.

27 3. A person who, on August 28, 2001, holds an individual
28 permit issued pursuant to the laws of this state shall not be
29 required to obtain additional licenses pursuant to sections

1 326.280 to 326.286, and the licenses issued shall be considered
2 licenses issued pursuant to sections 326.280 to 326.286.
3 However, such persons shall be subject to the provisions of
4 section 326.286 for renewal of licenses.

5 4. Upon application, the board may issue a temporary
6 license to an applicant pursuant to this subsection for a person
7 who has made a prima facie showing that the applicant meets all
8 of the requirements for a license and possesses the experience
9 required. The temporary license shall be effective only until
10 the board has had the opportunity to investigate the applicant's
11 qualifications for licensure pursuant to subsection 1 of this
12 section and notify the applicant that the applicant's application
13 for a license has been granted or rejected. In no event shall a
14 temporary license be in effect for more than twelve months after
15 the date of issuance nor shall a temporary license be reissued to
16 the same applicant. No fee shall be charged for a temporary
17 license. The holder of a temporary license which has not
18 expired, been suspended or revoked shall be deemed to be the
19 holder of a license issued pursuant to this section until the
20 temporary license expires, is terminated, suspended or revoked.

21 5. Prior to June 30, 2021, an applicant for an examination
22 who meets the educational requirements of subdivision (4) of
23 subsection 1 of this section or who reasonably expects to meet
24 those requirements within sixty days after the examination shall
25 be eligible for examination if the applicant also meets the
26 requirements of subdivisions [(1),] (2) and (3) of subsection 1
27 of this section. For an applicant admitted to examination on the
28 reasonable expectation that the applicant will meet the
29 educational requirements within sixty days, no license shall be

1 issued nor credit for the examination or any part thereof given
2 unless the educational requirement is in fact met within the
3 sixty-day period.

4 326.289. 1. The board may grant or renew permits to
5 practice as a certified public accounting firm to applicants that
6 demonstrate their qualifications in accordance with this chapter.

7 (1) The following shall hold a permit issued under this
8 chapter:

9 (a) Any firm with an office in this state, as defined by
10 the board by rule, offering or performing attest or compilation
11 services; or

12 (b) Any firm with an office in this state that uses the
13 title "CPA" or "CPA firm".

14 (2) Any firm that does not have an office in this state may
15 offer or perform attest or compilation services in this state
16 without a valid permit only if it meets each of the following
17 requirements:

18 (a) It complies with the qualifications described in
19 subdivision (1) of subsection 4 of this section;

20 (b) It complies with the requirements of peer review as set
21 forth in this chapter and the board's promulgated regulations;

22 (c) It performs such services through an individual with
23 practice privileges under section 326.283; and

24 (d) It can lawfully do so in the state where said
25 individual with the privilege to practice has his or her
26 principal place of business.

27 (3) A firm which is not subject to the requirements of
28 subdivisions (1) or (2) of this subsection may perform other
29 nonattest or noncompilation services while using the title "CPA"

1 or "CPA firm" in this state without a permit issued under this
2 section only if it:

3 (a) Performs such services through an individual with the
4 privilege to practice under section 326.283; and

5 (b) Can lawfully do so in the state where said individual
6 with privilege to practice has his or her principal place of
7 business.

8 (4) (a) All firms practicing public accounting in this
9 state shall register with the secretary of state.

10 (b) Firms which may be exempt from this requirement
11 include:

12 a. Sole proprietorships;

13 b. Trusts created pursuant to revocable trust agreements,
14 of which the trustee is a natural person who holds a license or
15 privilege to practice as set forth in section 326.280, 326.283,
16 or 326.286;

17 c. General partnerships not operating as a limited
18 liability partnership; or

19 d. Foreign professional corporations which do not meet
20 criteria of chapter 356 due to name or ownership, shall obtain a
21 certificate of authority as a general corporation.

22 Notwithstanding the provisions of chapter 356, the secretary of
23 state may issue a certificate of authority to a foreign
24 professional corporation which does not meet the criteria of
25 chapter 356 due to name or ownership, if the corporation meets
26 the requirements of this section and the rules of the board.

27 2. Permits shall be initially issued and renewed for
28 periods of not more than three years or for a specific period as
29 prescribed by board rule following issuance or renewal.

1 3. The board shall determine by rule the form for
2 application and renewal of permits and shall annually determine
3 the fees for permits and their renewals.

4 4. An applicant for initial issuance or renewal of a permit
5 to practice under this section shall be required to show that:

6 (1) A simple majority of the ownership of the firm, in
7 terms of financial interests and voting rights of all partners,
8 officers, principals, shareholders, members or managers, belongs
9 to licensees who are licensed in some state, and the partners,
10 officers, principals, shareholders, members or managers, whose
11 principal place of business is in this state and who perform
12 professional services in this state are licensees under section
13 326.280 or the corresponding provision of prior law. Although
14 firms may include nonlicensee owners, the firm and its ownership
15 shall comply with rules promulgated by the board;

16 (2) Any certified public accounting firm may include owners
17 who are not licensees provided that:

18 (a) The firm designates a licensee of this state, or in the
19 case of a firm which must have a permit under this section
20 designates a licensee of another state who meets the requirements
21 of section 326.283, who is responsible for the proper
22 registration of the firm and identifies that individual to the
23 board;

24 (b) All nonlicensee owners are active individual
25 participants in the certified public accounting firm or
26 affiliated entities;

27 (c) All owners are of good moral character; and

28 (d) The firm complies with other requirements as the board
29 may impose by rule;

1 (3) Any licensee who is responsible for supervising attest
2 services, or signs or authorizes someone to sign the licensee's
3 report on the financial statements on behalf of the firm, shall
4 meet competency requirements as determined by the board by rule
5 which shall include one year of experience in addition to the
6 experience required under subdivision (6) of subsection 1 of
7 section 326.280 and shall be verified by a licensee. The
8 additional experience required by this subsection shall include
9 experience in attest work supervised by a licensee.

10 5. An applicant for initial issuance or renewal of a permit
11 to practice shall register each office of the firm within this
12 state with the board and show that all attest and compilation
13 services rendered in this state are under the charge of a
14 licensee.

15 6. No licensee or firm holding a permit under this chapter
16 shall use a professional or firm name or designation that is
17 misleading as to:

18 (1) The legal form of the firm;

19 (2) The persons who are partners, officers, members,
20 managers or shareholders of the firm; or

21 (3) Any other matter.

22
23 The names of one or more former partners, members or shareholders
24 may be included in the name of a firm or its successor unless the
25 firm becomes a sole proprietorship because of the death or
26 withdrawal of all other partners, officers, members or
27 shareholders. A firm may use a fictitious name if the fictitious
28 name is registered with the board and is not otherwise
29 misleading. The name of a firm shall not include the name or

1 initials of an individual who is not a present or a past partner,
2 member or shareholder of the firm or its predecessor. The name
3 of the firm shall not include the name of an individual who is
4 not a licensee.

5 7. Applicants for initial issuance or renewal of permits
6 shall list in their application all states in which they have
7 applied for or hold permits as certified public accounting firms
8 and list any past denial, revocation, suspension or any
9 discipline of a permit by any other state. Each holder of or
10 applicant for a permit under this section shall notify the board
11 in writing within thirty days after its occurrence of any change
12 in the identities of partners, principals, officers,
13 shareholders, members or managers whose principal place of
14 business is in this state; any change in the number or location
15 of offices within this state; any change in the identity of the
16 persons in charge of such offices; and any issuance, denial,
17 revocation, suspension or any discipline of a permit by any other
18 state.

19 8. Firms which fall out of compliance with the provisions
20 of this section due to changes in firm ownership or personnel
21 after receiving or renewing a permit shall take corrective action
22 to bring the firm back into compliance as quickly as possible.
23 The board may grant a reasonable period of time for a firm to
24 take such corrective action. Failure to bring the firm back into
25 compliance within a reasonable period as defined by the board may
26 result in the suspension or revocation of the firm permit.

27 9. The board shall require by rule, as a condition to the
28 renewal of permits, that firms undergo, no more frequently than
29 once every three years, peer reviews conducted in a manner as the

1 board shall specify. The review shall include a verification
2 that individuals in the firm who are responsible for supervising
3 attest and compilation services or sign or authorize someone to
4 sign the accountant's report on the financial statements on
5 behalf of the firm meet the competency requirements set out in
6 the professional standards for such services, provided that any
7 such rule:

8 (1) Shall include reasonable provision for compliance by a
9 firm showing that it has within the preceding three years
10 undergone a peer review that is a satisfactory equivalent to peer
11 review generally required under this subsection;

12 (2) May require, with respect to peer reviews, that peer
13 reviews be subject to oversight by an oversight body established
14 or sanctioned by board rule, which shall periodically report to
15 the board on the effectiveness of the review program under its
16 charge and provide to the board a listing of firms that have
17 participated in a peer review program that is satisfactory to the
18 board; and

19 (3) Shall require, with respect to peer reviews, that the
20 peer review processes be operated and documents maintained in a
21 manner designed to preserve confidentiality, and that the board
22 or any third party other than the oversight body shall not have
23 access to documents furnished or generated in the course of the
24 peer review of the firm except as provided in subdivision (2) of
25 this subsection.

26 10. The board may, by rule, charge a fee for oversight of
27 peer reviews, provided that the fee charged shall be
28 substantially equivalent to the cost of oversight.

29 11. Notwithstanding any other provision in this section,

1 the board may obtain the following information regarding peer
2 review from any approved American Institute for Certified Public
3 Accountants peer review program:

4 (1) The firm's name and address;

5 (2) The firm's dates of enrollment in the program;

6 (3) The date of acceptance and the period covered by the
7 firm's most recently accepted peer review; and

8 (4) If applicable, whether the firm's enrollment in the
9 program has been dropped or terminated.

10 12. In connection with proceedings before the board or upon
11 receipt of a complaint involving the licensee performing peer
12 reviews, the board shall not have access to any documents
13 furnished or generated in the course of the performance of the
14 peer reviews except for peer review reports, letters of comment
15 and summary review memoranda. The documents shall be furnished
16 to the board only in a redacted manner that does not specifically
17 identify any firm or licensee being peer reviewed or any of their
18 clients.

19 [12.] 13. The peer review processes shall be operated and
20 the documents generated thereby be maintained in a manner
21 designed to preserve their confidentiality. No third party,
22 other than the oversight body, the board, subject to the
23 provisions of subsection [11] 12 of this section, or the
24 organization performing peer review shall have access to
25 documents furnished or generated in the course of the review.
26 All documents shall be privileged and closed records for all
27 purposes and all meetings at which the documents are discussed
28 shall be considered closed meetings under subdivision (1) of
29 section 610.021. The proceedings, records and workpapers of the

1 board and any peer review subjected to the board process shall be
2 privileged and shall not be subject to discovery, subpoena or
3 other means of legal process or introduction into evidence at any
4 civil action, arbitration, administrative proceeding or board
5 proceeding. No member of the board or person who is involved in
6 the peer review process shall be permitted or required to testify
7 in any civil action, arbitration, administrative proceeding or
8 board proceeding as to any matters produced, presented, disclosed
9 or discussed during or in connection with the peer review process
10 or as to any findings, recommendations, evaluations, opinions or
11 other actions of such committees or any of its members; provided,
12 however, that information, documents or records that are publicly
13 available shall not be subject to discovery or use in any civil
14 action, arbitration, administrative proceeding or board
15 proceeding merely because they were presented or considered in
16 connection with the peer review process."; and

17 Further amend the title and enacting clause accordingly.