

Amendment No. 1

COMMITTEE/SUBCOMMITTEE ACTION

ADOPTED	<u> </u>	(Y/N)
ADOPTED AS AMENDED	<u> </u>	(Y/N)
ADOPTED W/O OBJECTION	<u> </u>	(Y/N)
FAILED TO ADOPT	<u> </u>	(Y/N)
WITHDRAWN	<u> </u>	(Y/N)
OTHER	<u> </u>	

1 Committee/Subcommittee hearing bill: Government Operations
 2 Appropriations Subcommittee
 3 Representative Raulerson offered the following:

Amendment (with title amendment)

6 Remove everything after the enacting clause and insert:

7 (7) "Licensed ~~audit~~ firm" or "public accounting firm"
 8 means a sole proprietor, partnership, corporation, limited
 9 liability company, firm, or any other legal entity ~~a firm~~
 10 licensed under s. 473.3101.

11
 12 However, these terms shall not include services provided by the
 13 American Institute of Certified Public Accountants or the
 14 Florida Institute of Certified Public Accountants, or any full
 15 service association of certified public accounting firms whose
 16 plans of administration have been approved by the board, to
 17 their members or services performed by these entities in

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18 reviewing the services provided to the public by members of
19 these entities.

20 Section 2. Section 473.309, Florida Statutes, is amended
21 to read:

22 473.309 Practice requirements for partnerships,
23 corporations, and limited liability companies; business entities
24 practicing public accounting.—

25 (1) A partnership may not engage in the practice of public
26 accounting, as defined in s. 473.302(8)(a), or meet the
27 requirements of s. 473.3101(1)(b), unless:

28 (a) It is a form of partnership recognized by Florida law.

29 (b) Partners owning at least 51 percent of the financial
30 interest and voting rights of the partnership are certified
31 public accountants in some state. However, each partner who is a
32 certified public accountant in another state and is domiciled in
33 this state must be a certified public accountant of this state
34 and hold an active license.

35 (c) At least one general partner is a certified public
36 accountant of this state and holds an active license or, in the
37 case of a firm that must have a license pursuant to s.
38 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one general partner is
39 a certified public accountant in some state and meets the
40 requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a) or (b).~~

41 (d) All partners who are not certified public accountants
42 in any state are engaged in the business of the partnership as
43 their principal occupation.

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44 (e) It is in compliance with rules adopted by the board
45 pertaining to minimum capitalization, letters of credit, and
46 adequate public liability insurance.

47 (f) It is currently licensed as required by s. 473.3101.

48 (2) A corporation may not engage in the practice of public
49 accounting, as defined in s. 473.302(8)(a), or meet the
50 requirements of s. 473.3101(1)(b), unless:

51 (a) It is a corporation duly organized in this or some
52 other state.

53 (b) Shareholders of the corporation owning at least 51
54 percent of the financial interest and voting rights of the
55 corporation are certified public accountants in some state and
56 are principally engaged in the business of the corporation.
57 However, each shareholder who is a certified public accountant
58 in another state and is domiciled in this state must be a
59 certified public accountant of this state and hold an active
60 license.

61 (c) The principal officer of the corporation is a
62 certified public accountant in some state.

63 (d) At least one shareholder of the corporation is a
64 certified public accountant and holds an active license in this
65 state or, in the case of a firm that must have a license
66 pursuant to s. 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one
67 shareholder is a certified public accountant in some state and
68 meets the requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a)~~
69 ~~or (b).~~

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70 (e) All shareholders who are not certified public
71 accountants in any state are engaged in the business of the
72 corporation as their principal occupation.

73 (f) It is in compliance with rules adopted by the board
74 pertaining to minimum capitalization, letters of credit, and
75 adequate public liability insurance.

76 (g) It is currently licensed as required by s. 473.3101.

77 (3) A limited liability company may not engage in the
78 practice of public accounting, as defined in s. 473.302(8)(a),
79 or meet the requirements of s. 473.3101(1)(b), unless:

80 (a) It is a limited liability company duly organized in
81 this or some other state.

82 (b) Members of the limited liability company owning at
83 least 51 percent of the financial interest and voting rights of
84 the company are certified public accountants in some state.
85 However, each member who is a certified public accountant in
86 some state and is domiciled in this state must be a certified
87 public accountant of this state and hold an active license.

88 (c) At least one member of the limited liability company
89 is a certified public accountant and holds an active license in
90 this state or, in the case of a firm that must have a license
91 pursuant to s. 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one
92 member is a certified public accountant in some state and meets
93 the requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a) or (b).~~

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94 (d) All members who are not certified public accountants
95 in any state are engaged in the business of the company as their
96 principal occupation.

97 (e) It is in compliance with rules adopted by the board
98 pertaining to minimum capitalization, letters of credit, and
99 adequate public liability insurance.

100 (f) It is currently licensed as required by s. 473.3101.

101 (4) A partnership, corporation, limited liability company,
102 or any other firm is engaged in the practice of public
103 accounting if its employees are engaged in the practice of
104 public accounting. Notwithstanding any other provision of law, a
105 licensed ~~audit~~ firm may own all or part of another licensed
106 ~~audit~~ firm.

107 Section 3. Section 473.3101, Florida Statutes, is amended
108 to read:

109 473.3101 Licensure of firms or public accounting firms
110 ~~sole proprietors, partnerships, corporations, limited liability~~
111 ~~companies, and other legal entities.-~~

112 (1) The following must hold a license issued under this
113 section: Each sole proprietor, partnership, corporation, limited
114 liability company, or any other firm seeking to engage in the
115 practice of public accounting, as defined in s. 473.302(8)(a),
116 in this state must file an application for licensure with the
117 department and supply the information the board requires. An
118 application must be made upon the affidavit of a sole

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119 ~~proprietor, general partner, shareholder, or member who is a~~
120 ~~certified public accountant.~~

121 (a) Any firm with an office in this state which performs
122 services as defined in s. 473.302(8)(a) or ~~The following must~~
123 ~~hold a license issued under this section:~~

124 ~~(b)1.~~ Any firm with an office in this state which uses the
125 title "CPA," "CPA firm," or any other title, designation, words,
126 letters, abbreviations, or device tending to indicate that it is
127 a CPA firm. The board shall define by rule what constitutes a
128 CPA firm ~~the firm practices public accounting.~~

129 ~~(c)2.~~ Any firm that does not have an office in this state
130 but performs the services described in s. 473.3141(4) for a
131 client having its home office in this state. The board shall
132 define by rule what constitutes an office.

133 (2) An applicant for licensure under this section must
134 file an application for licensure with the department and supply
135 the information the board requires. An application must be made
136 upon the affidavit of a sole proprietor, general partner,
137 shareholder, or member who is a certified public accountant.

138 ~~(3)(b)~~ A firm that is not subject to the requirements of
139 paragraph (1)(c) ~~subparagraph (a)2.~~ may perform other
140 professional services while using the title "CPA," "CPA firm,"
141 or any other title, designation, words, letters, abbreviations,
142 or device tending to indicate that the firm practices public
143 accounting in this state without a license issued under this
144 section only if:

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145 (a)1- It performs such services through an individual with
146 practice privileges granted under s. 473.3141; and

147 (b)2- It can lawfully do so in the state where the
148 individual with practice privileges has his or her principal
149 place of business.

150 (4)(2) The board shall determine whether the firm or
151 public accounting sole proprietor, partnership, corporation,
152 limited liability company, or any other firm meets the
153 requirements for practice and, pending that determination, may
154 certify to the department the firm or public accounting firm
155 partnership, corporation, or limited liability company for
156 provisional licensure.

157 (5)(3) Each license must be renewed every 2 years. Each
158 firm or public accounting sole proprietor, partnership,
159 corporation, limited liability company, or any other firm
160 licensed under this section must notify the department within 1
161 month after any change in the information contained in the
162 application on which its license is based.

163 Section 4. Paragraph (d) of subsection (1) of section
164 473.316, Florida Statutes, is amended to read:

165 473.316 Communications between the accountant and client
166 privileged.-

167 (1) For purposes of this section:

168 (d) A "quality review" is a study, appraisal, or review of
169 one or more aspects of the professional work of an accountant in
170 the practice of public accountancy which is conducted by a

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171 professional organization for the purpose of evaluating quality
172 assurance required by professional standards, including a
173 quality assurance ~~or peer~~ review. The term includes a peer
174 review as defined in s. 473.3125.

175 Section 5. Paragraph (a) of subsection (1) and subsection
176 (4) of section 473.3125, Florida Statutes, is amended to read:
177 473.3125 Peer review.—

178 (1) As used in this section, the term:

179 (a) "Licensee" means a licensed firm or public accounting
180 ~~sole proprietor, partnership, corporation, limited liability~~
181 ~~company, or any other firm~~ as defined in s. 473.302(7) and
182 engaged in the practice of public accounting as defined in s.
183 473.302(8) (a) that is required to be licensed under s. 473.3101.

184 (4) Effective January 1, 2015, a licensed firm or public
185 accounting ~~sole proprietor, partnership, corporation, limited~~
186 ~~liability company, or other firm~~ as defined in s. 473.302(7) and
187 licensed under s. 473.3101 and engaged in the practice of public
188 accounting as defined in s. 473.302(8) (a), except for the
189 performance of compilations and reviews as those terms are
190 defined by the board, must be enrolled in a peer review program.

191 Section 6. Paragraph (c) of subsection (1) of section
192 473.322, Florida Statutes, is amended to read:

193 473.322 Prohibitions; penalties.—

194 (1) A person may not knowingly:

195 (c) Perform or offer to perform any services described in
196 s. 473.302(8) (a) unless such person holds an active license

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197 under this chapter and is a licensed ~~audit~~ firm, provides such
198 services through a licensed ~~audit~~ firm, or complies with ss.
199 473.3101 and 473.3141. This paragraph does not prohibit the
200 performance by persons other than certified public accountants
201 of other services involving the use of accounting skills,
202 including the preparation of tax returns and the preparation of
203 financial statements without expression of opinion thereon;

204
205 -----
206 **T I T L E A M E N D M E N T**

207 Remove everything before the enacting clause and insert:
208 An act relating to public accountancy; amending s.
209 473.302, F.S.; revising the definition of the term
210 "licensed audit firm"; amending s. 473.309, F.S.;
211 clarifying the requirements for practicing public
212 accounting; amending s. 473.3101, F.S.; revising
213 provisions related to public accounting licensure;
214 amending s. 473.316, F.S.; revising the definition of
215 the term "quality review" to include a peer review;
216 amending ss. 473.3125 and 473.322, F.S.; conforming
217 provisions; providing an effective date.
218