

1 A bill to be entitled
 2 An act relating to public accountancy; amending s.
 3 473.302, F.S.; revising the definition of the term
 4 "licensed audit firm"; amending s. 473.309, F.S.;
 5 revising practice requirements for partnerships,
 6 corporations, and limited liability companies;
 7 amending s. 473.3101, F.S.; revising provisions
 8 relating to the licensure of firms and public
 9 accounting firms; amending s. 473.316, F.S.; revising
 10 the definition of the term "quality review" to include
 11 a peer review; amending ss. 473.3125 and 473.322,
 12 F.S.; conforming provisions to changes made by the
 13 act; providing an effective date.

14
 15 Be It Enacted by the Legislature of the State of Florida:

16
 17 Section 1. Subsection (7) of section 473.302, Florida
 18 Statutes, is amended to read:

19 473.302 Definitions.—As used in this chapter, the term:

20 (7) "~~audit~~ firm" or "public accounting firm"
 21 means a sole proprietorship, partnership, corporation, limited
 22 liability company, firm, or any other legal entity ~~a firm~~
 23 licensed under s. 473.3101.

24
 25 However, these terms shall not include services provided by the
 26 American Institute of Certified Public Accountants or the

27 Florida Institute of Certified Public Accountants, or any full
 28 service association of certified public accounting firms whose
 29 plans of administration have been approved by the board, to
 30 their members or services performed by these entities in
 31 reviewing the services provided to the public by members of
 32 these entities.

33 Section 2. Section 473.309, Florida Statutes, is amended
 34 to read:

35 473.309 Practice requirements for partnerships,
 36 corporations, and limited liability companies; business entities
 37 practicing public accounting.—

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

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

42 (b) Partners owning at least 51 percent of the financial
 43 interest and voting rights of the partnership are certified
 44 public accountants in some state. However, each partner who is a
 45 certified public accountant in another state and is domiciled in
 46 this state must be a certified public accountant of this state
 47 and hold an active license.

48 (c) At least one general partner is a certified public
 49 accountant of this state and holds an active license or, in the
 50 case of a firm that must have a license pursuant to s.
 51 473.3101(1) (c) ~~473.3101(1) (a)2.~~, at least one general partner is
 52 a certified public accountant in some state and meets the

53 requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a) or (b)~~.

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

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

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

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

64 (a) It is a corporation duly organized in this or some
65 other state.

66 (b) Shareholders of the corporation owning at least 51
67 percent of the financial interest and voting rights of the
68 corporation are certified public accountants in some state and
69 are principally engaged in the business of the corporation.
70 However, each shareholder who is a certified public accountant
71 in another state and is domiciled in this state must be a
72 certified public accountant of this state and hold an active
73 license.

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

76 (d) At least one shareholder of the corporation is a
77 certified public accountant and holds an active license in this
78 state or, in the case of a firm that must have a license

79 pursuant to s. 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one
 80 shareholder is a certified public accountant in some state and
 81 meets the requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a)~~
 82 ~~or (b).~~

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

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

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

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

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

95 (b) Members of the limited liability company owning at
 96 least 51 percent of the financial interest and voting rights of
 97 the company are certified public accountants in some state.
 98 However, each member who is a certified public accountant in
 99 some state and is domiciled in this state must be a certified
 100 public accountant of this state and hold an active license.

101 (c) At least one member of the limited liability company
 102 is a certified public accountant and holds an active license in
 103 this state or, in the case of a firm that must have a license
 104 pursuant to s. 473.3101(1)(c) ~~473.3101(1)(a)2.~~, at least one

105 member is a certified public accountant in some state and meets
 106 the requirements of s. 473.3141(1) or (2) ~~473.3141(1)(a) or (b)~~.

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

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

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

114 (4) A partnership, corporation, limited liability company,
 115 or any other firm is engaged in the practice of public
 116 accounting if its employees are engaged in the practice of
 117 public accounting. Notwithstanding any other provision of law, a
 118 licensed ~~audit~~ firm may own all or part of another licensed
 119 ~~audit~~ firm.

120 Section 3. Section 473.3101, Florida Statutes, is amended
 121 to read:

122 473.3101 Licensure of firms or public accounting firms
 123 ~~sole proprietors, partnerships, corporations, limited liability~~
 124 ~~companies, and other legal entities.-~~

125 (1) The following must hold a license issued under this
 126 section: ~~Each sole proprietor, partnership, corporation, limited~~
 127 ~~liability company, or any other firm seeking to engage in the~~
 128 ~~practice of public accounting, as defined in s. 473.302(8)(a),~~
 129 ~~in this state must file an application for licensure with the~~
 130 ~~department and supply the information the board requires. An~~

131 ~~application must be made upon the affidavit of a sole~~
132 ~~proprietor, general partner, shareholder, or member who is a~~
133 ~~certified public accountant.~~

134 (a) Any firm with an office in this state which performs
135 services as defined in s. 473.302(8)(a); ~~The following must hold~~
136 ~~a license issued under this section:~~

137 (b)1. Any firm with an office in this state which uses the
138 title "CPA," "CPA firm," or any other title, designation, words,
139 letters, abbreviations, or device tending to indicate that it is
140 a CPA firm. The board shall define by rule what constitutes a
141 CPA firm; or the firm practices public accounting.

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

146 (2) An applicant for licensure under this section must
147 file an application for licensure with the department and supply
148 the information that the board requires. An application must be
149 made upon the affidavit of a sole proprietor, general partner,
150 shareholder, or member who is a certified public accountant.

151 (3) (b) A firm that is not subject to the requirements of
152 paragraph (1)(c) subparagraph (a)2. may perform other
153 professional services while using the title "CPA," "CPA firm,"
154 or any other title, designation, words, letters, abbreviations,
155 or device tending to indicate that the firm practices public
156 accounting in this state without a license issued under this

157 section only if:

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

160 (b)2. It can lawfully do so in the state where the
161 individual with practice privileges has his or her principal
162 place of business.

163 (4)(2) The board shall determine whether the firm or
164 public accounting ~~sole proprietor, partnership, corporation,~~
165 ~~limited liability company, or any other~~ firm meets the
166 requirements for practice and, pending that determination, may
167 certify to the department the firm or public accounting firm
168 ~~partnership, corporation, or limited liability company~~ for
169 provisional licensure.

170 (5)(3) Each license must be renewed every 2 years. Each
171 firm or public accounting ~~sole proprietor, partnership,~~
172 ~~corporation, limited liability company, or any other~~ firm
173 licensed under this section must notify the department within 1
174 month after any change in the information contained in the
175 application on which its license is based.

176 Section 4. Paragraph (d) of subsection (1) of section
177 473.316, Florida Statutes, is amended to read:

178 473.316 Communications between the accountant and client
179 privileged.—

180 (1) For purposes of this section:

181 (d) A "quality review" is a study, appraisal, or review of
182 one or more aspects of the professional work of an accountant in

183 the practice of public accountancy which is conducted by a
 184 professional organization for the purpose of evaluating quality
 185 assurance required by professional standards, including a
 186 quality assurance ~~or peer~~ review. The term includes a peer
 187 review as defined in s. 473.3125.

188 Section 5. Paragraph (a) of subsection (1) and subsection
 189 (4) of section 473.3125, Florida Statutes, are amended to read:

190 473.3125 Peer review.—

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

192 (a) "Licensee" means a licensed firm or public accounting
 193 ~~sole proprietor, partnership, corporation, limited liability~~
 194 ~~company, or any other firm~~ as defined in s. 473.302(7) and
 195 engaged in the practice of public accounting as defined in s.
 196 473.302(8) (a) that is required to be licensed under s. 473.3101.

197 (4) Effective January 1, 2015, a licensed firm or public
 198 accounting ~~sole proprietor, partnership, corporation, limited~~
 199 ~~liability company, or other firm~~ as defined in s. 473.302(7) and
 200 licensed under s. 473.3101 and engaged in the practice of public
 201 accounting as defined in s. 473.302(8) (a), except for the
 202 performance of compilations and reviews as those terms are
 203 defined by the board, must be enrolled in a peer review program.

204 Section 6. Paragraph (c) of subsection (1) of section
 205 473.322, Florida Statutes, is amended to read:

206 473.322 Prohibitions; penalties.—

207 (1) A person may not knowingly:

208 (c) Perform or offer to perform any services described in

209 | s. 473.302(8)(a) unless such person holds an active license
210 | under this chapter and is a licensed ~~audit~~ firm, provides such
211 | services through a licensed ~~audit~~ firm, or complies with ss.
212 | 473.3101 and 473.3141. This paragraph does not prohibit the
213 | performance by persons other than certified public accountants
214 | of other services involving the use of accounting skills,
215 | including the preparation of tax returns and the preparation of
216 | financial statements without expression of opinion thereon;

217 | Section 7. This act shall take effect July 1, 2015.