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2015 Legislature

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 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) "Licensed ~~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

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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

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53 requirements of s. 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

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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)(a) or (b).

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

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

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

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

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

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

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

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105 the requirements of s. 473.3141(1) (a) or (b).

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

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

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

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

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

121 473.3101 Licensure of firms or public accounting firms
122 ~~sole proprietors, partnerships, corporations, limited liability~~
123 ~~companies, and other legal entities.-~~

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

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131 ~~proprietor, general partner, shareholder, or member who is a~~
 132 ~~certified public accountant.~~

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

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

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

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

150 (3)1. ~~(b)~~ A firm that is not subject to the requirements of
 151 paragraph (1)(c) subparagraph (a)2. may perform other
 152 professional services while using the title "CPA," "CPA firm,"
 153 or any other title, designation, words, letters, abbreviations,
 154 or device tending to indicate that the firm practices public
 155 accounting in this state without a license issued under this
 156 section only if:

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

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

162 (4)(2) The board shall determine whether the firm or
 163 public accounting ~~sole proprietor, partnership, corporation,~~
 164 ~~limited liability company, or any other~~ firm meets the
 165 requirements for practice and, pending that determination, may
 166 certify to the department the firm or public accounting firm
 167 ~~partnership, corporation, or limited liability company~~ for
 168 provisional licensure.

169 (5)(3) Each license must be renewed every 2 years. Each
 170 firm or public accounting ~~sole proprietor, partnership,~~
 171 ~~corporation, limited liability company, or any other~~ firm
 172 licensed under this section must notify the department within 1
 173 month after any change in the information contained in the
 174 application on which its license is based.

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

177 473.316 Communications between the accountant and client
 178 privileged.—

179 (1) For purposes of this section:

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

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

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

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

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

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

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

205 473.322 Prohibitions; penalties.—

206 (1) A person may not knowingly:

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

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

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