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LEGISLATIVE ACTION

Senate	.	House
Comm: RCS	.	
04/01/2015	.	
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The Committee on Regulated Industries (Latvala) recommended the following:

**Senate Amendment (with title amendment)**

Delete everything after the enacting clause  
and insert:

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

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

(7) "Licensed ~~audit~~ firm" or "public accounting firm" means  
a sole proprietorship, partnership, corporation, limited  
liability company, firm, or any other legal entity ~~a firm~~



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11 licensed under s. 473.3101.

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

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

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

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

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

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

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



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40 is a certified public accountant in some state and meets the  
41 requirements of s. 473.3141(1) (a) or (b).

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

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

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

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

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

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

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

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



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

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 is  
89 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) ~~s. 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)(a) or (b).

94 (d) All members who are not certified public accountants in  
95 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



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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 ~~sole~~  
110 ~~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~~  
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); ~~The following must hold~~  
123 ~~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



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127 a CPA firm. The board shall define by rule what constitutes a  
128 CPA firm; or 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 file  
134 an application for licensure with the department and supply the  
135 information that 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:

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 public  
151 accounting sole proprietor, partnership, corporation, limited  
152 liability company, or any other firm meets the requirements for  
153 practice and, pending that determination, may certify to the  
154 department the firm or public accounting firm partnership,  
155 corporation, or limited liability company for provisional



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156 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  
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, are 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



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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 (a) Practice public accounting unless the person is a  
196 certified public accountant or a public accountant;

197 (b) Assume or use the titles or designations "certified  
198 public accountant" or "public accountant" or the abbreviation  
199 "C.P.A." or any other title, designation, words, letters,  
200 abbreviations, sign, card, or device tending to indicate that  
201 the person holds a license to practice public accounting under  
202 this chapter or the laws of any other state, territory, or  
203 foreign jurisdiction, unless the person holds an active license  
204 under this chapter or has the practice privileges pursuant to s.  
205 473.3141;

206 (c) Perform or offer to perform any services described in  
207 s. 473.302(8) (a) unless such person holds an active license  
208 under this chapter and is a licensed ~~audit~~ firm, provides such  
209 services through a licensed ~~audit~~ firm, or complies with ss.  
210 473.3101 and 473.3141. This paragraph does not prohibit the  
211 performance by persons other than certified public accountants  
212 of other services involving the use of accounting skills,  
213 including the preparation of tax returns and the preparation of





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214 financial statements without expression of opinion thereon;  
215 (d) Present as her or his own the license of another;  
216 (e) Give false or forged evidence to the board or a member  
217 thereof;  
218 (f) Use or attempt to use a public accounting license that  
219 has been suspended, revoked, or placed on inactive or delinquent  
220 status;  
221 (g) Employ unlicensed persons to practice public  
222 accounting; or  
223 (h) Conceal information relative to violations of this  
224 chapter.

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

226  
227 ===== T I T L E A M E N D M E N T =====

228 And the title is amended as follows:

229 Delete everything before the enacting clause  
230 and insert:

231 A bill to be entitled  
232 An act relating to public accountancy; amending s.  
233 473.302, F.S.; revising the definition of the term  
234 "licensed audit firm"; amending s. 473.309, F.S.;  
235 revising practice requirements for partnerships,  
236 corporations, and limited liability companies;  
237 amending s. 473.3101, F.S.; revising provisions  
238 relating to the licensure of firms and public  
239 accounting firms; amending s. 473.316, F.S.; revising  
240 the definition of the term "quality review" to include  
241 a peer review; amending ss. 473.3125 and 473.322,  
242 F.S.; conforming provisions to changes made by the



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act; providing an effective date.