

By the Committee on Regulated Industries; and Senator Latvala

580-03240-15

2015636c1

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) "Licensed ~~audit~~ firm" or "public accounting firm" means
21 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

580-03240-15

2015636c1

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 to
34 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) ~~s. 473.3101(1) (a) 2.~~, at least one general partner
52 is a certified public accountant in some state and meets the
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

580-03240-15

2015636c1

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 certified
75 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) ~~s. 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.

580-03240-15

2015636c1

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 is
101 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) ~~s. 473.3101(1)(a)2.~~, at least one
104 member is a certified public accountant in some state and meets
105 the requirements of s. 473.3141(1)(a) or (b).

106 (d) All members who are not certified public accountants in
107 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

580-03240-15

2015636c1

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 ~~sole~~
122 ~~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~~
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 file

580-03240-15

2015636c1

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

150 (3)~~(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:

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 public
163 accounting ~~sole proprietor, partnership, corporation, limited~~
164 ~~liability company, or any other~~ firm meets the requirements for
165 practice and, pending that determination, may certify to the
166 department the firm or public accounting firm ~~partnership,~~
167 ~~corporation, or limited liability company~~ for provisional
168 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.

580-03240-15

2015636c1

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
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

580-03240-15

2015636c1

204 473.322, Florida Statutes, is amended to read:

205 473.322 Prohibitions; penalties.—

206 (1) A person may not knowingly:

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

209 (b) Assume or use the titles or designations "certified
210 public accountant" or "public accountant" or the abbreviation
211 "C.P.A." or any other title, designation, words, letters,
212 abbreviations, sign, card, or device tending to indicate that
213 the person holds a license to practice public accounting under
214 this chapter or the laws of any other state, territory, or
215 foreign jurisdiction, unless the person holds an active license
216 under this chapter or has the practice privileges pursuant to s.
217 473.3141;

218 (c) Perform or offer to perform any services described in
219 s. 473.302(8)(a) unless such person holds an active license
220 under this chapter and is a licensed ~~audit~~ firm, provides such
221 services through a licensed ~~audit~~ firm, or complies with ss.
222 473.3101 and 473.3141. This paragraph does not prohibit the
223 performance by persons other than certified public accountants
224 of other services involving the use of accounting skills,
225 including the preparation of tax returns and the preparation of
226 financial statements without expression of opinion thereon;

227 (d) Present as her or his own the license of another;

228 (e) Give false or forged evidence to the board or a member
229 thereof;

230 (f) Use or attempt to use a public accounting license that
231 has been suspended, revoked, or placed on inactive or delinquent
232 status;

580-03240-15

2015636c1

233 (g) Employ unlicensed persons to practice public
234 accounting; or

235 (h) Conceal information relative to violations of this
236 chapter.

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