

CHAPTER 297

AN ACT concerning the practice of accounting and amending P.L.2008 c.45 and P.L.1997, c.259.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

1. Section 6 of P.L.2008 c.45 (C.45:2B-50.1) is amended to read as follows:

C.45:2B-50.1 Standards for individual with principal place of business out-of-State.

6. a. An individual whose principal place of business is not in this State shall be presumed to have qualifications substantially equivalent to this State's requirements for certified public accountants and shall have all the privileges of licensed certified public accountants of this State without the need to obtain a license under P.L.1997, c.259 (C.45:2B-42 et seq.) or to notify the board or pay any fee if that individual:

(1) Holds a valid license as a certified public accountant from any state which the National Association of State Boards of Accountancy's (NASBA) National Qualification Appraisal Service has verified to be in substantial equivalence with the certified public accountant licensure requirements of the American Institute of Certified Public Accountants (AICPA) and NASBA Uniform Accountancy Act; or

(2) Holds a valid license as a certified public accountant from any state which the NASBA's National Qualification Appraisal Service has not verified to be in substantial equivalence with the certified public accountant licensure requirements of the AICPA/NASBA Uniform Accountancy Act, but that individual obtains from the NASBA's National Qualification Appraisal Service verification that the individual's personal certified public accountant qualifications are substantially equivalent to the certified public accountant licensure requirements of the AICPA/NASBA Uniform Accountancy Act.

b. In accordance with the provisions of this section and notwithstanding any other provision of law, an individual who offers or renders professional services, whether in person or by mail, telephone, or electronic means, shall be granted practice privileges in this State and no notice or other submission shall be required of that individual. Such individual shall be subject to the requirements of subsection c. of this section.

c. An individual licensee of another state exercising the privilege afforded by this section and the firm that employs that licensee hereby simultaneously consent, as a condition of exercising that privilege:

(1) To the personal and subject matter jurisdiction and disciplinary authority of the board;

(2) To comply with P.L.1997, c.259 (C.45:2B-42 et seq.) and the regulations promulgated pursuant to that act;

(3) That in the event the license from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in this State individually and on behalf of a firm; and

(4) To the appointment of the state board or other authority that issued the individual's license as the individual's agent upon which process may be served in any action or proceeding by this State's board against the licensee.

d. An individual who has been granted the practice privilege under this section or who has a license issued pursuant to section 10 of P.L.1997, c.259 (C.45:2B-51), who performs any attest service may only do so through a firm which meets the requirements of subparagraph (c) of paragraph (1) of subsection a. of section 13 of P.L.1997, c.259 (C.45:2B-54), or that is registered pursuant to P.L.1997, c.259 (C.45:2B-42 et seq.).

e. A licensee of this State offering or rendering services or using a title provided in section 21 of P.L.1997, c.259 (C.45:2B-62) in another state shall be subject to disciplinary action in this State for an action committed in another state for which the licensee would be subject to discipline for an act committed in that state. The board shall investigate any complaint made by the board of accountancy or other licensing authority of another state.

f. Any individual who passed the Uniform Certified Public Accountant Examination and holds a valid license issued by any other state prior to January 1, 2012 shall be exempt from the 150 hour education requirement in subsection c. of section 8 of P.L.1997, c.259 (C.45:2B-49).

2. Section 13 of P.L.1997, c.259 (C.45:2B-54) is amended to read as follows:

C.45:2B-54 Requirements for registration of firm in practice of attest services or public accountancy.

13. a. The board shall only grant or renew registration to a firm engaged in the practice of attest services or public accountancy if that firm meets the requirements provided in this section.

(1) A firm shall register with the board if it:

(a) Has an office in this State engaged in the practice of attest services;

(b) Has an office in this State that uses the title "Certified Public Accountant," "CPA," "Certified Public Accountant firm," or "CPA firm;" or

(c) Does not have an office in this State, but offers or renders attest services, as defined in section 3 of P.L.1997, c.259 (C.45:2B-44), unless it meets each of the following requirements:

(i) It complies with the qualifications described in subsection b. of this section;

(ii) It complies with the qualifications described in section 26 of P.L.1997, c.259 (C.45:2B-67); and

(iii) It can lawfully offer or render attest services in the state where those individuals with practice privileges have their principal place of business.

(2) A firm that is not subject to the requirements of paragraph (1) of this subsection may perform compilation services and professional services other than attest services while using the title "Certified Public Accountant," "CPA," "Certified Public Account firm," or "CPA firm," without registering with the board only if:

(a) It can lawfully do so in the state where those individuals with practice privileges have their principal place of business; and

(b) It performs those services through an individual with practice privileges under subsection d. of section 6 of P.L.2008, c.45 (C.45:2B-50.1).

(3) (Deleted by amendment, P.L.2019, c.10)

(a) (Deleted by amendment, P.L.2019, c.10)

(b) (Deleted by amendment, P.L.2019, c.10)

(4) (Deleted by amendment, P.L.2019, c.10)

b. A firm seeking to register with the board shall meet the following requirements:

(1) (Deleted by amendment, P.L.2019, c.10);

(2) Notwithstanding any other provision of law to the contrary, a simple majority of the ownership of a firm, in terms of financial interest and voting rights of all partners, officers, shareholders, members, or managers, shall belong to certified public accountants of any state or possession of the United States or the District of Columbia in good standing, and licensed to practice public accountancy where licensed. Other than a nonlicensee owner, any partner, officer, shareholder, member, or manager whose principal place of business is in this State

shall be a certified public accountant in good standing, and licensed to practice public accountancy in this State; and

(3) There shall be a certified public accountant in the firm who has ultimate responsibility for each attest engagement. On all firm applications and renewal forms, a licensee or an individual who qualifies for the practice privilege under section 6 of P.L.2008, c.45 (C.45:2B-50.1) shall be designated as responsible and in charge of all professional matters relating to the practice of accountancy by the registered firm. Each owner of a firm in this State, other than a nonlicensee, personally engaged within this State in the practice of public accountancy shall be a certified public accountant in good standing, and licensed to practice public accountancy in this State, or shall be an individual who qualifies for the practice privilege under section 6 of P.L.2008, c.45 (C.45:2B-50.1).

c. Application for registration of a firm shall be made upon the affidavit of an owner of the firm who is a certified public accountant in good standing and licensed to practice public accountancy in this State or who qualifies for the practice privilege under section 6 of P.L.2008, c.45 (C.45:2B-50.1). The board shall in each case determine whether the applicant is eligible for registration. A firm which is so registered may use the words "certified public accountant" or the abbreviation "CPAs" in connection with its firm name. Notification shall be given to the board within 90 days after admission or withdrawal of an owner licensed and practicing in this State from any firm so registered.

3. This act shall take effect immediately.

Approved November 8, 2021.