

# ASSEMBLY, No. 4633

## STATE OF NEW JERSEY 219th LEGISLATURE

INTRODUCED SEPTEMBER 14, 2020

**Sponsored by:**

**Assemblyman THOMAS P. GIBLIN**

**District 34 (Essex and Passaic)**

**Assemblywoman BETTYLOU DECROCE**

**District 26 (Essex, Morris and Passaic)**

**Senator NELLIE POU**

**District 35 (Bergen and Passaic)**

**SYNOPSIS**

Permits certain nonresident Certified Public Accountants to provide attest services.

**CURRENT VERSION OF TEXT**

As introduced.



**(Sponsorship Updated As Of: 6/3/2021)**

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

3

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

6

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

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

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

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

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

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

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

**EXPLANATION – Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.**

**Matter underlined thus is new matter.**

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

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

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

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

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

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

30 (cf: P.L.2019, c.10, s.4.)

31

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

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

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

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

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

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

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

- 1 (ii) It complies with the qualifications described in section 26 of  
2 P.L.1997, c.259 (C.45:2B-67); and
- 3 (iii) It can lawfully offer or render attest services in the state  
4 where those individuals with practice privileges have their principal  
5 place of business.
- 6 (2) A firm that is not subject to the requirements of paragraph  
7 (1) of this subsection may perform compilation services and  
8 professional services other than attest services while using the title  
9 "Certified Public Accountant," "CPA," "Certified Public Account  
10 firm," or "CPA firm," without registering with the board only if:
- 11 (a) It can lawfully do so in the state where those individuals  
12 with practice privileges have their principal place of business; and
- 13 (b) It performs those services through an individual with  
14 practice privileges under subsection d. of section 6 of P.L.2008,  
15 c.45 (C.45:2B-50.1).
- 16 (3) (Deleted by amendment, P.L.2019, c.10)
- 17 (a) (Deleted by amendment, P.L.2019, c.10)
- 18 (b) (Deleted by amendment, P.L.2019, c.10)
- 19 (4) (Deleted by amendment, P.L.2019, c.10)
- 20 b. A firm seeking to register with the board shall meet the  
21 following requirements:
- 22 (1) (Deleted by amendment, P.L.2019, c.10);
- 23 (2) Notwithstanding any other provision of law to the contrary,  
24 a simple majority of the ownership of a firm, in terms of financial  
25 interest and voting rights of all partners, officers, shareholders,  
26 members, or managers, shall belong to certified public accountants  
27 of any state or possession of the United States or the District of  
28 Columbia in good standing, and licensed to practice public  
29 accountancy where licensed. Other than a nonlicensee owner, any  
30 partner, officer, shareholder, member, or manager whose principal  
31 place of business is in this State shall be a certified public  
32 accountant in good standing, and licensed to practice public  
33 accountancy in this State; and
- 34 (3) There shall be a certified public accountant in the firm who  
35 has ultimate responsibility for each attest engagement. On all firm  
36 applications and renewal forms, a licensee or an individual who  
37 qualifies for the practice privilege under section 6 of P.L.2008, c.45  
38 (C.45:2B-50.1) shall be designated as responsible and in charge of  
39 all professional matters relating to the practice of accountancy by  
40 the registered firm. Each owner of a firm in this State, other than a  
41 nonlicensee, personally engaged within this State in the practice of  
42 public accountancy shall be a certified public accountant in good  
43 standing, and licensed to practice public accountancy in this State,  
44 or shall be an individual who qualifies for the practice privilege  
45 under section 6 of P.L.2008, c.45 (C.45:2B-50.1).
- 46 c. Application for registration of a firm shall be made upon the  
47 affidavit of an owner of the firm who is a certified public  
48 accountant in good standing and licensed to practice public

1 accountancy in this State or who qualifies for the practice privilege  
2 under section 6 of P.L.2008, c.45 (C.45:2B-50.1). The board shall  
3 in each case determine whether the applicant is eligible for  
4 registration. A firm which is so registered may use the words  
5 "certified public accountant" or the abbreviation "CPAs" in  
6 connection with its firm name. Notification shall be given to the  
7 board within 90 days after admission or withdrawal of an owner  
8 licensed and practicing in this State from any firm so registered.  
9 (cf: P.L.2019, c.10, s.6.)

10

11 3. This act shall take effect immediately.

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#### STATEMENT

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16 The bill revises the attest mobility provisions of the  
17 "Accountancy Act of 1997" to make them conform to the Uniform  
18 Accountancy Act. This bill allows a nonresident CPA to provide  
19 attest services in this State without registering with the New Jersey  
20 State Board of Accountancy and without having to have a physical  
21 office in this State. While a nonresident CPA would not be required  
22 to provide notice to the board or pay a fee for the privilege of  
23 practicing in this State, the nonresident CPA will be subject to the  
24 full regulatory oversight of the board.

25 The bill makes a technical correction to language that was added  
26 to the "Accountancy Act of 1997" by P.L.2019, c.10 to eliminate  
27 the restriction on nonresident CPAs that provide attest services.