

SENATE, No. 2856

STATE OF NEW JERSEY
219th LEGISLATURE

INTRODUCED AUGUST 27, 2020

Sponsored by:
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.



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 Upersonal certified public
30 accountant qualifications are substantially equivalent to the certified
31 public accountant licensure requirements of the AICPA/NASBA
32 Uniform 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.)

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11 3. This act shall take effect immediately.

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14 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.