

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REENGROSSED

*This Version Includes All Amendments
Adopted in the House of Introduction*

LLS NO. 11-0504.02 Chuck Brackney

HOUSE BILL 11-1015

HOUSE SPONSORSHIP

Jones,

SENATE SPONSORSHIP

Tochtrop,

House Committees
Economic and Business Development

Senate Committees

A BILL FOR AN ACT

101 **CONCERNING THE LICENSURE OF CERTIFIED PUBLIC ACCOUNTANTS.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

Section 2 of the bill specifies that to become licensed pursuant to the applicant's educational and experience qualifications, a certified public accountant (CPA) must take an ethics course and have either one year's experience or 30 hours of additional study. Section 2 also clarifies and reorganizes provisions relating to initial licensure of CPAs.

Sections 1 and 3 remove obsolete language and revise the authority of the state board of accountancy (board) to take disciplinary

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

HOUSE
3rd Reading Unamended
January 26, 2011

HOUSE
Amended 2nd Reading
January 25, 2011

action. **Section 4** adds registered CPA firms to the persons against whom the board may issue cease-and-desist orders.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** 12-2-104 (1) (i), Colorado Revised Statutes, is
3 amended to read:

4 **12-2-104. Powers and duties of board.** (1) The board has the
5 power and duty to:

6 (i) Deny the issuance or renewal of, suspend for a specified
7 period, or revoke a certificate; issue a letter of admonition to ~~or censure~~
8 or place on probation or fine any person who, while holding a certificate,
9 violates ~~any of the provisions of this article~~; issue confidential letters of
10 concern; issue cease-and-desist orders; or impose other conditions and
11 limitations;

12 **SECTION 2.** 12-2-109 (1), the introductory portion to 12-2-109
13 (2), and 12-2-109 (2) (a) (II), Colorado Revised Statutes, are amended to
14 read:

15 **12-2-109. Educational and experience requirements - rules -**
16 **repeal.** (1) ~~Any~~ PRIOR TO JULY 1, 2015, A person ~~who has qualified~~
17 ~~under the provisions of section 12-2-108 shall be granted~~ MEETS THE
18 EDUCATIONAL AND EXPERIENCE REQUIREMENTS NECESSARY TO BE ISSUED
19 a certificate of certified public accountant IF THE PERSON HAS:

20 (a) ~~If the person:~~ SUCCESSFULLY COMPLETED A COURSE OF STUDY
21 CONCERNING THE SUBJECT OF PROFESSIONAL ETHICS, APPROVED BY THE
22 BOARD, AND HAS PASSED A WRITTEN EXAMINATION CONCERNING SUCH
23 SUBJECT PREPARED AND GIVEN BY EDUCATIONAL INSTITUTIONS OR
24 PROFESSIONAL ORGANIZATIONS DEEMED QUALIFIED BY THE BOARD TO
25 ADMINISTER SUCH EXAMINATION;

1 ~~(F) Has a baccalaureate degree conferred by an accredited college~~
2 ~~or university with an accounting program approved by the board and has~~
3 ~~a concentration in accounting or what the board determines to be the~~
4 ~~equivalent thereof or has a nonaccounting concentration supplemented by~~
5 ~~what the board determines to be the equivalent of an accounting~~
6 ~~concentration, including related courses in other areas of business~~
7 ~~administration; and~~

8 ~~(H) Has one year's experience that:~~

9 ~~(A) Meets the requirements set by the board by rule;~~

10 ~~(B) Is in any type of service or advice involving the use of~~
11 ~~accounting, attest, compilation, management advisory, financial advisory,~~
12 ~~tax, or consulting skills, which may be gained through employment in~~
13 ~~government, industry, academia, or public practice; and~~

14 ~~(C) Is verified by an actively licensed certified public accountant;~~

15 ~~(b) If the person has successfully completed a course of study~~
16 ~~concerning the subject of professional ethics, approved by the board, and~~
17 ~~passed a written examination concerning such subject prepared and given~~
18 ~~by educational institutions or professional organizations deemed qualified~~
19 ~~by the board to administer such examination; RECEIVED A~~

20 ~~BACCALAUREATE DEGREE CONFERRED BY AN ACCREDITED COLLEGE OR~~
21 ~~UNIVERSITY WITH AN ACCOUNTING PROGRAM APPROVED BY THE BOARD,~~

22 ~~AND HAS A CONCENTRATION IN ACCOUNTING OR WHAT THE BOARD~~
23 ~~DETERMINES TO BE THE EQUIVALENT THEREOF OR HAS A NONACCOUNTING~~

24 ~~CONCENTRATION SUPPLEMENTED BY WHAT THE BOARD DETERMINES TO BE~~
25 ~~THE EQUIVALENT OF AN ACCOUNTING CONCENTRATION, INCLUDING~~

26 ~~RELATED COURSES IN OTHER AREAS OF BUSINESS ADMINISTRATION, AND~~
27 ~~EITHER:~~

- 1 (I) HAS ONE YEAR'S EXPERIENCE THAT:
- 2 (A) MEETS THE REQUIREMENTS SET BY THE BOARD BY RULE;
- 3 (B) IS IN ANY TYPE OF SERVICE OR ADVICE INVOLVING THE USE OF
- 4 ACCOUNTING, ATTEST, COMPILATION, MANAGEMENT ADVISORY,
- 5 FINANCIAL ADVISORY, TAX, OR CONSULTING SKILLS, WHICH MAY BE
- 6 GAINED THROUGH EMPLOYMENT IN GOVERNMENT, INDUSTRY, ACADEMIA,
- 7 OR PUBLIC PRACTICE; AND
- 8 (C) IS VERIFIED BY AN ACTIVELY LICENSED CERTIFIED PUBLIC
- 9 ACCOUNTANT; OR

10 (II) HAS NOT LESS THAN THIRTY SEMESTER HOURS' ADDITIONAL
11 STUDY WHEN THE BACCALAUREATE IS THE HIGHEST DEGREE HELD, THE
12 TOTAL EDUCATIONAL PROGRAM TO INCLUDE AN ACCOUNTING
13 CONCENTRATION OR ITS EQUIVALENT AND SUCH RELATED SUBJECTS AS
14 THE BOARD DETERMINES TO BE APPROPRIATE.

15 ~~(c) If the person has a baccalaureate or higher degree conferred by~~
16 ~~an accredited college or university with an accounting program approved~~
17 ~~by the board and has a concentration in accounting, plus, when the~~
18 ~~baccalaureate is the highest degree held, not less than thirty semester~~
19 ~~hours' additional study, the total educational program to include an~~
20 ~~accounting concentration or its equivalent and such related subjects as the~~
21 ~~board determines to be appropriate.~~

22 (2) On and after July 1, 2015, a person meets the educational AND
23 EXPERIENCE requirements necessary to be issued a certificate of certified
24 public accountant if the applicant:

- 25 (a) (II) Has completed at least one hundred fifty semester hours
- 26 of college education APPROVED BY THE BOARD;

27 **SECTION 3.** The introductory portion to 12-2-124 (2), Colorado

1 Revised Statutes, is amended to read:

2 **12-2-124. Revocation or suspension of partnership,**
3 **professional corporation, or limited liability company registration.**

4 (2) After notice and hearing as provided in section 12-2-125, the board
5 may deny, revoke, suspend, or refuse to renew the registration of a
6 partnership, professional corporation, or limited liability company or the
7 board may fine, ~~issue a confidential letter of concern to~~, issue a letter of
8 admonition to, or place on probation a registrant for any of the causes
9 enumerated in section 12-2-123 or for the following additional causes:

10 **SECTION 4.** 12-2-126 (2) (a), Colorado Revised Statutes, is
11 amended to read:

12 **12-2-126. Investigations, examinations, and cease-and-desist**
13 **orders against unlawful act.** (2) (a) If it appears to the board, based
14 upon credible evidence as presented in a written complaint by any person,
15 that a certificate holder OR REGISTERED FIRM is acting in a manner that is
16 an imminent threat to the health, and safety, AND WELFARE of the public
17 or a person is acting or has acted without the required certificate OR
18 REGISTRATION, the board may issue an order to cease and desist such
19 activity. The order shall set forth the statutes and rules alleged to have
20 been violated, the facts alleged to have constituted the violation, and the
21 requirement that all unlawful acts or uncertified OR UNREGISTERED
22 practices immediately cease.

23 **SECTION 5. Applicability.** This act shall apply to applications
24 for licensure filed on or after the effective date of this act.

25 **SECTION 6. Safety clause.** The general assembly hereby finds,
26 determines, and declares that this act is necessary for the immediate
27 preservation of the public peace, health, and safety.