

MAINE STATE LEGISLATURE

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132nd MAINE LEGISLATURE

FIRST SPECIAL SESSION-2025

Legislative Document

No. 1789

H.P. 1200

House of Representatives, April 24, 2025

**An Act to Amend the Education and Experience Requirements and
Add Reciprocity Privileges in the Certified Public Accountancy
Licensure Laws**

Reference to the Committee on Health Coverage, Insurance and Financial Services
suggested and ordered printed.

A handwritten signature in cursive script, reading "Robert B. Hunt".

ROBERT B. HUNT
Clerk

Presented by Representative ROBERTS of South Berwick.
Cosponsored by Representatives: COLLAMORE of Pittsfield, DUCHARME of Madison,
JULIA of Waterville, MASTRACCIO of Sanford.

1 **Be it enacted by the People of the State of Maine as follows:**

2 **Sec. 1. 32 MRSA §12201, sub-§5-A** is enacted to read:

3 **5-A. Firm practice privilege reciprocity.** "Firm practice privilege reciprocity"
4 means that the recognition of a license or certification of a certified public accountancy
5 firm from another state has all the privileges of licensees of this State without the
6 requirement to obtain a license under section 12252, as long as the firm meets the
7 requirements of section 12253-A.

8 **Sec. 2. 32 MRSA §12201, sub-§5-B** is enacted to read:

9 **5-B. Individual practice privilege reciprocity.** "Individual practice privilege
10 reciprocity" means that the recognition of a license or certification of an individual certified
11 public accountant from another state has all the privileges of licensees of this State without
12 the need to obtain a license under section 12228 or 12231-B, as long as the individual meets
13 the eligibility requirements under section 12232-A.

14 **Sec. 3. 32 MRSA §12201, sub-§6,** as amended by PL 2009, c. 242, §2, is further
15 amended to read:

16 **6. Licensee.** "Licensee" means a person who holds a license issued by the board under
17 section 12230 or ~~12231~~ 12231-B or a corresponding provision of prior law, or a firm that
18 holds a license issued by the board under section 12252.

19 **Sec. 4. 32 MRSA §12201, sub-§12,** as amended by PL 2007, c. 384, §2, is repealed.

20 **Sec. 5. 32 MRSA §12213,** as amended by PL 2009, c. 242, §3, is further amended
21 to read:

22 **§12213. Appointment**

23 The Board of Accountancy, as established by Title 5, section 12004-A, subsection 1,
24 within the department consists of 5 members appointed by the Governor. Each member of
25 the board must be a resident of this State. Four members must be holders of licenses issued
26 under section 12230 or ~~12231~~ 12231-B or a corresponding provision of prior law and must
27 have had, as their principal occupation, active practice as certified public accountants for
28 at least the 5 preceding years. One member of the board must be a public member as
29 defined in Title 5, section 12004-A. Appointments are for 3-year terms. Appointments of
30 members must comply with Title 10, section 8009. The Governor may remove a member
31 of the board for cause.

32 **Sec. 6. 32 MRSA §12228, sub-§3, ¶B,** as repealed and replaced by PL 2007, c.
33 695, Pt. A, §37, is amended to read:

34 B. ~~At least 150 semester hours of education, including a~~ A minimum 4-year
35 **baccalaureate bachelor's** or higher degree conferred by a an accredited college or
36 university acceptable to the board, the total educational program to include basic
37 courses in accounting and auditing determined to be appropriate under board rules.
38 Rules adopted by the board pursuant to this paragraph are routine technical rules as
39 defined in Title 5, chapter 375, subchapter 2-A; and

40 **Sec. 7. 32 MRSA §12228, sub-§3, ¶C,** as amended by PL 2011, c. 478, §1, is
41 further amended to read:

1 C. An examination applicant who has successfully completed the basic courses in
2 accounting and auditing required by paragraph B and who expects to complete a
3 minimum ~~4-year baccalaureate~~ bachelor's or higher degree required in paragraph B
4 within 120 days following the examination is eligible to take the examination. Grades
5 may not be released, nor may credit for the examination or any part of the examination
6 be given to the applicant unless the degree required in paragraph B is completed within
7 120 days following the examination or within such time as the board in its sole
8 discretion may determine.

9 **Sec. 8. 32 MRSA §12228, sub-§10**, as amended by PL 2019, c. 656, §1, is repealed.

10 **Sec. 9. 32 MRSA §12228, sub-§10-A** is enacted to read:

11 **10-A. Experience.** Experience requirements for initial licensure under this chapter
12 are governed by this subsection.

13 A. For initial issuance of a license under section 12230, an applicant must demonstrate
14 fulfillment of at least one of the following experience requirements:

15 (1) Completion of a bachelor's degree and 2 years of experience under the direction
16 of a certified public accountant licensed or certified by any state or territory of the
17 United States or equivalent direction, as determined by the board, by a licensed
18 professional in another country and any other requirements prescribed by the board
19 by rule;

20 (2) Completion of a master's or doctoral degree and one year of experience under
21 the direction of a certified public accountant licensed or certified by any state or
22 territory of the United States or equivalent direction, as determined by the board,
23 by a licensed professional in another country and any other requirements
24 prescribed by the board by rule; or

25 (3) Completion of a bachelor's degree and 30 supplemental credit hours plus one
26 year of experience under the direction of a certified public accountant licensed or
27 certified by any state or territory of the United States or equivalent direction, as
28 determined by the board, by a licensed professional in another country and any
29 other requirements prescribed by the board by rule.

30 B. For purposes of this subsection, experience must include the use of accounting or
31 auditing skills, including the issuance of reports, and at least one of the following:

32 (1) The provision of management advisory, financial advisory or consulting
33 services;

34 (2) The preparation of tax returns;

35 (3) The furnishing of advice on tax matters; or

36 (4) Equivalent activities defined by the board by rule.

37 C. To the extent the applicant's experience is as a revenue agent or in a similar position
38 engaged in the examination of personal and corporate income tax returns for the
39 Department of Administrative and Financial Services, Bureau of Revenue Services, the
40 applicant receives credit at the rate of 50% toward the experience required by this
41 subsection.

1 To the extent the applicant's experience is as an examiner engaged in financial
2 examinations for the Department of Professional and Financial Regulation, Bureau of
3 Insurance, the applicant receives credit under this subsection if that experience meets
4 the following standards:

5 (1) Examinations are performed in conformity with the Examiners' Handbook
6 published by the National Association of Insurance Commissioners or its successor
7 or other organization approved by the board;

8 (2) Working papers prepared by the examiners are in conformity with generally
9 accepted auditing standards and are subject to a review by a supervisor who is a
10 certified public accountant;

11 (3) Written reports of examination are prepared in conformity with the Examiners'
12 Handbook published by the National Association of Insurance Commissioners or
13 its successor or other organization approved by the board. All examiners working
14 on the examinations must participate in the preparation of the report;

15 (4) Reports of examination are prepared in accordance with statutory accounting
16 principles. All examiners working on the examinations must participate in the
17 preparation of the financial statements and corresponding note disclosures; and

18 (5) All examiners assigned to an examination must participate in the planning of
19 the examination and the planning phase conforms to the Examiners' Handbook
20 published by the National Association of Insurance Commissioners or its successor
21 or other organization approved by the board and generally accepted auditing
22 standards.

23 To the extent the applicant's experience is as an auditor engaged in audits for the Office
24 of the State Auditor, the applicant receives credit under this subsection if working
25 papers prepared by the auditor are in conformity with generally accepted auditing
26 standards and are subject to a review by a supervisor who is a certified public
27 accountant.

28 Rules adopted by the board pursuant to this subsection are routine technical rules as defined
29 in Title 5, chapter 375, subchapter 2-A.

30 **Sec. 10. 32 MRSA §12231**, as enacted by PL 2009, c. 242, §12, is repealed.

31 **Sec. 11. 32 MRSA §12231-B** is enacted to read:

32 **§12231-B. Application for licensure on basis of practice privilege reciprocity**

33 The holder of a license or certificate as a certified public accountant issued by another
34 state who establishes that holder's principal place of business in this State may request the
35 issuance of a license from the board prior to establishing that principal place of business.
36 The board shall issue a license to a person who has requested a license from the State and
37 who is eligible for practice privileges as described in section 12232-A.

38 **Sec. 12. 32 MRSA §12232**, as amended by PL 2021, c. 68, §1, is repealed.

39 **Sec. 13. 32 MRSA §12232-A** is enacted to read:

40 **§12232-A. Practice without license in this State on basis of practice privilege**
41 **reciprocity**

1 **1. Individual practice privilege reciprocity based on out-of-state license or**
2 **certificate.** An individual whose principal place of business is not in this State and who
3 holds a valid license or certificate as a certified public accountant from another state has
4 all the privileges of licensees of this State without the need to obtain a license under section
5 12228 or 12231-B, as long as the individual:

6 A. Has obtained a bachelor's or higher degree conferred by an accredited college or
7 university acceptable to the board, with the total educational program including
8 accounting and auditing courses as determined by board rule to be appropriate;

9 B. Has passed the Uniform Certified Public Accountant Examination or successor
10 examination; and

11 C. Meets one of the education and experience combinations in section 12228,
12 subsection 10-A. The experience must include the provision of a service or advice
13 involving the use of accounting, attest, compilation, management advisory, financial
14 advisory, tax or consulting skills, all of which must be verified by a licensee, meeting
15 requirements prescribed by the board by rule.

16 **2. Conditions.** An individual who practices in this State pursuant to subsection 1
17 consents, as a condition of the granting of that practice privilege:

18 A. To the personal and subject matter jurisdiction and disciplinary authority of the
19 board;

20 B. To comply with this chapter and board rules adopted under this chapter;

21 C. That, in the event the individual's license or certificate from the other state is no
22 longer valid, the individual will cease offering or rendering professional services in this
23 State individually or on behalf of a firm; and

24 D. To the appointment of the state board that issued the individual's license or
25 certificate as that individual's agent upon whom process may be served in any action
26 or proceeding by the board against the individual.

27 **3. Attest services.** An individual who has been granted the practice privilege under
28 this section and who performs any attest service may do so only through a firm that meets
29 the requirements of section 12253-A.

30 **4. Disciplinary action.** An individual who has been granted the practice privilege
31 under this section and who is offering or rendering services or using the title of certified
32 public accountant in another state is subject to disciplinary action in this State for an act
33 committed in the other state. The board shall investigate any complaint made by a board of
34 accountancy of the other state.

35 **5. No notice or other submission required.** Notwithstanding any provision of law
36 to the contrary, an individual who qualifies for licensure under this section may offer or
37 render professional services in this State, whether in person or by mail, telephone or
38 electronic means, and a notice or other submission may not be required of any such
39 individual. Such an individual is subject to subsection 2.

40 **6. Additional services.** An individual who qualifies for the practice privilege under
41 this section may perform any of the services listed in section 12201, subsection 3-A for any
42 entity with its home office in the State as long as the individual does so through a firm that
43 has obtained a license issued under section 12252 or is exempt from the licensure

1 requirement pursuant to section 12252, subsection 1, paragraph A, subparagraph (3) or
2 section 12252, subsection 1, paragraph B.

3 **7. Revocation of practice privilege based on out-of-state license or certificate.** The
4 board may revoke or suspend a practice privilege for an individual who has been granted
5 the practice privilege under this section if that individual's state of initial licensure or
6 certification fails to uphold public interests of public accountancy as determined by the
7 board or the license or certificate is revoked by the state of initial licensure or certification.

8 **8. Rulemaking.** The board may adopt rules necessary to implement this section until
9 June 30, 2028. Rules adopted by the board pursuant to this subsection are routine technical
10 rules as defined in Title 5, chapter 375, subchapter 2-A.

11 **Sec. 14. 32 MRSA §12252, sub-§1, ¶A,** as amended by PL 2021, c. 68, §2, is
12 further amended by amending subparagraph (3) to read:

13 (3) Does not have an office in this State but performs any of the services described
14 in section 12201, subsection 3-A, paragraph A, C or D for a client having its home
15 office in this State unless:

16 (a) It qualifies for a firm license pursuant to subsections 3 and 8 and it performs
17 such services through an individual with practice privileges under section
18 ~~42232~~ 12232-A; or

19 (b) It meets the requirements of section ~~42253~~ 12253-A.

20 **Sec. 15. 32 MRSA §12252, sub-§1, ¶B,** as amended by PL 2021, c. 68, §2, is
21 further amended to read:

22 B. A firm that does not have an office in this State may perform services described in
23 section 12201, subsection 3-A, paragraph B or F for a client having its home office in
24 this State and may use the title "CPA" or "CPA firm" without a license issued under
25 this section only if:

26 (1) It qualifies for a firm license pursuant to subsections 3 and 8 and it performs
27 such services through an individual with practice privileges under section ~~42232~~
28 12232-A; or

29 (3) It meets the requirements of section ~~42253~~ 12253-A.

30 **Sec. 16. 32 MRSA §12252, sub-§1, ¶C,** as amended by PL 2021, c. 68, §2, is
31 further amended to read:

32 C. A firm that is not subject to the requirements of paragraphs A and B may perform
33 professional services other than those described in section 12201, subsection 3-A while
34 using the title "CPA" or "CPA firm" in this State without a license issued under this
35 section only if the firm meets the requirements of section ~~42253~~ 12253-A or:

36 (1) Performs such services through an individual with practice privileges under
37 section ~~42232~~ 12232-A; and

38 (2) Has legal authority to perform such services in the state of that individual's
39 principal place of business.

40 **Sec. 17. 32 MRSA §12252, sub-§3, ¶B,** as amended by PL 2015, c. 110, §9, is
41 further amended by amending subparagraph (3) to read:

(3) The firm designates an individual who is a licensee of this State or, in the case of a firm that must have a license pursuant to subsection 1, paragraph A, subparagraph (3), designates an individual who is a licensee of another state who meets the requirements set out in section ~~12232, subsection 1~~ 12232-A who is responsible for the proper licensure of the firm and identifies that individual who is a licensee to the board.

Sec. 18. 32 MRSA §12252, sub-§4, as amended by PL 2009, c. 242, §21, is further amended to read:

4. Office licensed. An applicant for initial issuance or renewal of a license under this section shall license each office of the firm within this State with the board, pay the fee as set under section 12203 and show that each such office is under the charge of a person holding a valid license issued under section 12230 or ~~12231~~ 12231-B or a corresponding provision of prior law or the laws of another state.

Sec. 19. 32 MRSA §12253, as enacted by PL 2021, c. 68, §3, is repealed.

Sec. 20. 32 MRSA §12253-A is enacted to read:

§12253-A. Accountancy firm practice without license in this State on basis of practice privilege reciprocity

1. Firm practice privilege reciprocity. A firm with a principal place of business outside the State has all the privileges of licensees of the State and may provide professional services without the requirement to obtain a license under this section or otherwise notify or register with the board or pay any fee if the firm holds a valid license or certificate as a certified public accountancy firm from a state whose individual licensees or certificate holders are eligible for no-notice practice proceedings. The board shall consider the following when deciding whether a state meets the criteria under this section.

A. The state timely and adequately addresses enforcement referrals made by the board to the accountancy regulatory board of that state.

B. The state makes the disciplinary history of its licensees or certificate holders available on a publicly accessible website in a manner that allows the board to adequately link consumers to the publicly accessible website to obtain information.

C. The state imposes discipline against licensees or certificate holders that is appropriate in light of the nature of the alleged misconduct.

D. The state has in place and is operating pursuant to enforcement practices substantially equivalent to the current best practices guidelines adopted by a national association of state boards of accountancy, as long as those guidelines have been determined by the board to meet or exceed the board's own enforcement practices.

E. The state has in place and implements licensure or certification requirements inclusive of educational, examination and experience that broadly meet or exceed the board's own licensure requirements.

2. Individual practice in eligible firm. Individuals in a firm that is eligible for firm practice privilege reciprocity under this section must agree to comply with the practice privilege reciprocity provisions under section 12232-A.

3. No notice or other submission required. Notwithstanding any provision of law to the contrary, a firm that is eligible to practice in this State without a license in accordance with the requirements of this section may offer or render professional services in this State, whether in person or by mail, telephone or electronic means, without providing notice or making any submission to the board. Such a firm is subject to subsection 4.

4. Conditions. A licensee or certificate holder of another state exercising the practice privilege afforded under this section must consent, as a condition of the granting of that practice privilege:

A. To the personal and subject matter jurisdiction and disciplinary authority of the board;

B. To comply with the provisions of this chapter and board rules; and

C. To the stipulation that, in the event the license or certificate from the state of the firm's principal place of business is no longer valid, the firm will cease offering or rendering professional services in this State.

Sec. 21. 32 MRSA §12275, sub-§14, as amended by PL 2021, c. 68, §4, is further amended to read:

14. Substantial equivalency Practice privilege reciprocity. For purposes of this section:

A. An individual practicing as a certified public accountant without a license on the basis of ~~substantial-equivalency~~ practice privilege reciprocity pursuant to section ~~12232~~ 12232-A and complying with the restrictions on the scope of such a practice is equivalent to an individual licensed as a certified public accountant under section ~~12230 or 12231~~ 12231-B or a corresponding provision of prior law, and each reference in this section to a licensed certified public accountant is deemed to include, on an equal basis, such an individual;

B. A firm in compliance with section 12252, subsection 1 must, for the purposes of this section, be deemed to hold a valid license issued under section 12252; and

C. Notwithstanding any other provision of this section, it is not a violation of this section for a firm that does not hold a valid license under section 12252 and that does not maintain an office in this State to use the title "CPA" or "Certified Public Accountants" as part of the firm's name and to provide professional services in this State, and licensees and individuals with practice privileges may provide services on behalf of such a firm if the firm complies with the requirements of section 12252, subsection 1, paragraph A, subparagraph (3) or section 12252, subsection 1, paragraph B or C, whichever is applicable. An individual or firm authorized under this paragraph to use practice privileges in this State shall comply with the requirements otherwise applicable to licensees under this section.

SUMMARY

This bill revises the licensure statutes for the practice of public accountancy to enable continued access to the profession of public accountancy in the State by amending existing education and experience requirements and pathways to licensure and by clarifying that

- 1 individuals and firms licensed or certified in another state may practice without a license
- 2 in Maine on the basis of practice privilege reciprocity.