

MAINE STATE LEGISLATURE

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ONE - HUNDREDTH LEGISLATURE

Legislative Document

No. 1340

H. P. 961

House of Representatives, February 8, 1961

Referred to Committee on Business Legislation. Sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk

Presented by Mr. Beane of Moscow.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-ONE

AN ACT Relating to Regulation of Public Accountants.

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

R. S., c. 80, §§ 11 - 20, additional. Chapter 80 of the Revised Statutes is amended by adding 10 new sections to be numbered 11 to 20, to read as follows:

Sec. 11. Applicability of foregoing sections. The powers and duties of the board and secretary of the board as enumerated in section 2 shall be applicable to the registration and regulation of and the issuance of permits to public accountants, except that no such examination as required for certified public accountants shall be required of public accountants. In addition thereto, the board may employ such clerks and assistants as it deems necessary to discharge the duties imposed by this chapter, and shall outline their duties and fix their compensation, subject to the Personnel Law. Sections 12 to 20 shall not apply to certified public accountants as provided for in sections 1 to 11.

Sec. 12. Permit required. No person shall engage in the practice of public accountancy in this State unless such person is the holder of a valid permit to practice public accountancy issued by the board. Nothing herein shall prohibit a public accountant of another state or any accountant of a foreign country lawfully practicing therein, from temporarily practicing in this State accountancy incident to his regular practice in another state or country.

Sec. 13. Definitions. "Public accountancy" is the practice of rendering accountancy service for the general public for compensation as an independent contractor. "Public accountant" means any person who has registered with the board as a public accountant and who holds a valid permit for the practice of accountancy for the general public.

Sec. 14. Use of terms. Any person who has received from the board a valid permit to practice accountancy under sections 11 to 20 shall be styled and known as a "public accountant" and may also use the abbreviation "P. A." No other person shall assume or use the term "public accountant," "accountant" or "auditor" or the abbreviation "P. A." or any combination of words, terms or abbreviations or devices tending to indicate that the person using it is a public accountant or intended to circumvent the intent of the provisions hereof.

Sec. 15. Registration; applications; permits. No person shall be eligible to apply for registration or receive a permit to practice in this State as a public accountant unless he is 21 years of age or over, of good moral character, is a citizen of the United States or has declared his intention to become a citizen thereof, and has resided in this State for a period of at least 6 months immediately prior to filing his application for such registration. The board, upon the filing of an application in form prescribed by it, and after receipt of a fee of \$10, shall register and grant a permit to practice as a public accountant to any such person who satisfies the board of his eligibility to apply for such registration and who:

I. Practice of public accountancy. Has held himself out to the public as a public accountant for a period of at least 2 years prior to the effective date hereof, and who is engaged on the effective date hereof in the practice of public accountancy as his principal occupation; or

II. Employed as. Was employed for a period of at least 2 years prior to the effective date hereof as a staff accountant by a certified public accountant or a public accountant or by a firm of certified public accountants or of public accountants and who is regularly assigned to accounting engagements as his principal occupation on the effective date hereof; or

III. Education. Is qualified to practice public accountancy by virtue of his formal education or the equivalent thereof; or

IV. Qualification. Who satisfies the board in any other manner that he is qualified to practice public accountancy in this State; or

V. Prior to entering armed forces. Immediately prior to entering service in the armed forces of the United States or any of the United Nations, was qualified under this section.

Sec. 16. Renewal of permits; expiration. All permits issued shall expire on the first day of January of each year, but may be renewed annually for a period of one year by holders of valid permits in good standing upon the payment of an annual renewal fee of \$5. Failure to renew a permit before expiration thereof shall not deprive a registrant or holder of a valid permit of the right to renewal. No permit shall be renewed after a period of 5 years from the date of expiration without compliance with section 15.

Sec. 17. Permits revoked or suspended. The board may revoke or suspend any permit issued by it upon proof of bad moral character, dishonesty, conviction of crime, incompetency or unethical conduct, provided that a written notice shall have been mailed to the holder of such permit at least 20 days before any hearing thereon, stating the cause for such contemplated action and

appointing a time and place for a hearing thereon before the board. Upon the revocation or suspension of any permit, it shall be surrendered to the board by the holder.

Sec. 18. Registration list filed. Upon the granting of any permit for a public accountant by the board, the secretary shall immediately file in the office of the Secretary of State a certificate showing the name, residence and post-office address of the person to whom the permit was issued, together with the date thereof and such other information as the board may deem advisable. The certificate so filed shall be open to inspection by all persons at all reasonable times.

Sec. 19. Advertising; use of certain designations and practice without permit; use of terms by partnerships and corporations. No person shall advertise or issue any sign, card or other indication designating himself as a public accountant, or shall assume or use the term "public accountant," "accountant" or "auditor" or the abbreviation "P. A." or any combination of words, terms or abbreviations or devices intended to circumvent the intent hereof, or shall practice as such without having received a permit in accordance with sections 11 to 20 or, having received such a permit shall so advertise, represent himself or practice after the revocation or suspension thereof or failure to renew such permit. No partnership, unless all of its partners are holders of a valid permit in accordance with sections 11 to 20 and no corporation shall use the words "public accountant," "accountant" or "auditor," or the abbreviation "P. A." or any combination of words, terms, abbreviations or devices intended to circumvent the intent hereof in describing the partnership or corporation or the business thereof. Any partnership or corporation may represent that a specified person, holding a valid permit in accordance with sections 11 to 20 is a member of such partnership or is in the service or employ of such partnership or corporation. Any violation of this section shall be punished by a fine of not more than \$500, or by imprisonment for not more than 6 months, or by both.

Sec. 20. Annual report. The board shall annually make a report to the Governor and Council showing its receipts and disbursements in detail, the names of persons to whom permits have been issued and the names of persons whose permits have been revoked or suspended, with the reasons therefor, during each fiscal year ending on the 30th day of June.