

MAINE STATE LEGISLATURE

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R. & S.

L.D. 1345

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BUSINESS AND ECONOMIC DEVELOPMENT

Reported by: Senator Rand

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**STATE OF MAINE
SENATE
118TH LEGISLATURE
FIRST SPECIAL SESSION**

COMMITTEE AMENDMENT " A" to S.P. 424, L.D. 1345, Bill, "An Act to Amend the Public Accountancy Laws"

Amend the bill by striking out all of sections 2 to 28 and inserting in their place the following:

Sec. 2. 32 MRSA §12228, sub-§3, as enacted by PL 1987, c. 489, §2, is amended to read:

3. Education requirement. The education requirement for a certificate, which must be met ~~no--later--than--120--days--after~~ before an applicant ~~sits~~ is eligible to apply for the examination prescribed in subsection 4, ~~shall be a baccalaureate degree or its equivalent conferred by a college or university acceptable to the board,~~ is as follows:

A. During the 5-year period immediately following October 1, 1997, a baccalaureate degree or its equivalent conferred by a college or university acceptable to the board; and

B. After October 1, 2002, at least 150 semester hours of education, including a minimum 4-year baccalaureate or higher degree conferred by a college or university acceptable to the board, the total educational program to include basic courses in accounting and auditing determined to be appropriate under board rules. Rules adopted by the board pursuant to this paragraph are routine technical rules as defined in Title 5, chapter 375, subchapter II-A.

Sec. 3. 32 MRSA §12228, sub-§4, as amended by PL 1995, c. 353, §23, is further amended to read:

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2 4. **Examination; administration.** The examination to be
3 passed as a condition for the granting of a certificate must be
4 in writing, must be held twice a year and must be ~~the Uniform~~
5 ~~Certified Public Accountant Examination prepared by the Board of~~
6 ~~Examiners of the American Institute of Certified Public~~
7 ~~Accountants or any other examination approved by the board~~ test
8 the applicant's knowledge of the subjects of accounting and
9 auditing and such other related subjects as the board may specify
10 by rule. Rules adopted pursuant to this section are routine
11 technical rules as defined in the Maine Administrative Procedure
12 Act, Title 5, chapter 375, subchapter II-A. The time for holding
13 the examination must be fixed by the board and may be changed
14 from time to time. The board shall prescribe by rule the methods
15 of applying for and conducting the examination, including methods
16 for grading papers and determining a passing grade required of an
17 applicant for a certificate, except that the board, to the extent
18 possible, shall see to it that the grading of the examination and
19 the passing grades are uniform with those applicable in all other
20 states. The board may make the use of all or any part of the
21 Uniform Certified Public Accountant Examination and the Advisory
22 Grading Service of the American Institute of Certified Public
23 Accountants or any other examination approved by the board and
24 may contract with 3rd parties to perform such administrative
25 services with respect to the examination as it considers
26 appropriate to assist it in performing its duties under this
27 section.

28 **Sec. 4. 32 MRSA §12228, sub-§5,** as amended by PL 1995, c. 353,
29 §24, is repealed and the following enacted in its place:

30 **5. Examination; passing.** An applicant is required to pass
31 all sections of the examination provided for in subsection 4 in
32 order to qualify for a certificate. The passing grade for each
33 section is 75%. If, at a given sitting of the examination, an
34 applicant passes 2 or more but not all sections, then the
35 applicant is given credit for those sections that the applicant
36 has passed and need not sit for reexamination in those sections,
37 if:

38 A. At that sitting the applicant wrote all sections of the
39 examination for which the applicant does not have credit;

40 B. The applicant attained a minimum grade of 50% on each
41 section taken at that sitting;

42 C. The applicant passes the remaining sections of the
43 examination within 6 consecutive examinations given after
44 the one at which the first sections were passed;

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2 D. At each subsequent sitting at which the applicant seeks
4 to pass any additional sections, the applicant writes all
6 sections for which the applicant does not have credit; and

8 E. In order to receive credit for passing additional
10 sections in any such subsequent sitting, the applicant
12 attains a minimum grade of 50% on sections taken at that
14 sitting.

16 **Sec. 5. 32 MRSA §12228, sub-§§7 and 8,** as enacted by PL 1987,
18 c. 489, §2, are amended to read:

20 **7. Waiver.** The board may, in particular cases, waive or
22 defer any of the requirements of subsections 5 and 6 regarding
24 the circumstances in which the various ~~parts~~ sections of the
examination must be passed upon a showing that, by reason of
circumstances beyond the applicant's control, ~~he~~ the applicant
was unable to meet that requirement.

26 **8. Administration fee.** The board may charge, or provide
28 for a 3rd party administering the examination to charge, each
applicant a fee in an amount prescribed by the board by rule for
each ~~part~~ section of the examination or reexamination taken by
the applicant.

30 **Sec. 6. 32 MRSA §12228, sub-§10,** as amended by PL 1993, c.
32 634, Pt. C, §1, is further amended by amending the first
34 paragraph to read:

36 **10. Experience.** The During the 5-year period immediately
38 following October 1, 1997, the applicant shall show that the
40 applicant has had 2 years of experience in the practice of public
42 accountancy or its equivalent, meeting requirements prescribed by
44 the board by rule; or, if the applicant's educational
46 qualifications ~~comprise--a--baccalaureate--degree--meeting--the~~
48 ~~requirements-set-out-in-subsection-3~~ include, a master's masters
degree conferred by a college or university approved by the board
and ~~one year of experience~~, then only one year of experience in
that practice or its equivalent is required. After October 1,
2002, for initial issuance of a certificate under this
subsection, an applicant shall demonstrate 2 years of experience
that was under the direction of a licensee under this subchapter
and shall meet the other requirements prescribed by the board by
rule. The applicant's experience must include the use of
accounting or auditing skills, including the issuance of reports
on financial statements, and at least one of the following: the
provision of management advisory, financial advisory or
consulting services; the preparation of tax returns; the
furnishing of advice on tax matters; or equivalent activities
defined by the board by rule. Board rules adopted pursuant to

2 this subsection are routine technical rules as defined in Title
 4 5, chapter 375, subchapter II-A. To the extent the applicant's
 6 experience is as an auditor engaged in the examination of
 8 financial statements for the Department of Audit or as a revenue
 10 agent or similar position engaged in the examination of personal
 12 and corporate income tax returns for the Bureau of Taxation, the
 applicant receives credit at the rate of 50% toward the
 experience required by this subsection. To the extent the
 applicant's experience is as an examiner engaged in financial
 examinations for the Bureau of Insurance, the applicant receives
 credit under this subsection if that experience meets the
 following standards:'

14 Further amend the bill by inserting at the end before the
 16 summary the following:

18 **FISCAL NOTE**

20 Certain changes in future eligibility requirements will
 22 result in insignificant reductions of dedicated revenue to the
 Board of Accountancy within the Department of Professional and
 Financial Regulation from certification fees.

24 The Board of Accountancy will incur some minor additional
 26 costs to adopt certain rules pertaining to certification
 requirements. These costs can be absorbed within the board's
 28 existing budgeted resources.'

30 **SUMMARY**

32 This amendment replaces all but section 1 of the bill. This
 34 amendment amends the public accountancy laws in the following
 36 ways.

38 1. Beginning in 2002, the educational requirements to sit
 for the certified public accountancy examination are raised to at
 least 150 semester hours to include basic courses in accounting
 and auditing.

42 2. The examination content is clarified to include testing
 the applicant's knowledge of accounting, auditing and other
 44 related subjects that the Board of Accountancy may set by rule.
 The amendment allows the board to use all or any part of the
 46 Uniform Certified Public Accountant Examination.

48 3. Examination standards for passing are outlined for
 certification as a public accountant.

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2 4. Beginning in 2002, the experience requirements for
3 licensure for all applicants, including those applicants
4 possessing a masters degree, are amended to include the use of
5 accounting or auditing skills for 2 years under the direction of
6 a licensee.