

MAINE STATE LEGISLATURE

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DATE: 4-15-99

L.D. 941
(Filing No. H-234)

BUSINESS AND ECONOMIC DEVELOPMENT

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
119TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 685, L.D. 941, Bill, "An Act to Require That Certified Public Accounting and Public Accounting Firms Have a Majority of Their Owners Hold Certificates"

Amend the bill by striking out all of section 1 and inserting in its place the following:

'Sec. 1. 32 MRSA §12252, sub-§3, as enacted by PL 1987, c. 489, §2, is repealed and the following enacted in its place:

3. Individual permits required. The following provisions apply to the issuance of individual permits.

A. An applicant for initial issuance or renewal of a permit to practice under this section shall show that a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members or managers, belongs to holders of certificates who are licensed in a state and that all partners, officers, shareholders, members or managers whose principal place of business is in this State and who perform professional services in this State hold valid permits issued by the board. At least a simple majority of the ownership of a public accounting firm, in terms of financial interests and voting rights, must belong to holders of permits issued by the board. Firms may include nonlicensee owners in accordance with paragraph B.

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B. A certified public accountancy firm or public accountancy firm may include nonlicensee owners as long as:

(1) All nonlicensee owners are individuals who actively participate in the certified public accountancy firm or public accountancy firm; and

(2) The firm complies with such other requirements as the board may impose by rule.'

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

FISCAL NOTE

Allowing accounting firms with a minority of nonlicensed owners to apply for licensure may increase the number of firms seeking licensure and may result in a minor increase in dedicated revenue collected by the Department of Professional and Financial Regulation on behalf of the Board of Accountancy.'

SUMMARY

This amendment clarifies the requirements for nonlicensee owners of certified public accounting or public accounting firms. The amendment also adds a fiscal note to the bill.