



130th MAINE LEGISLATURE

FIRST REGULAR SESSION-2021

Legislative Document

No. 171

H.P. 124

House of Representatives, January 25, 2021

An Act To Enable Out-of-state Certified Public Accountancy Firms To Provide Services in Maine on the Basis of Substantial Equivalency

Received by the Clerk of the House on January 21, 2021. Referred to the Committee on Innovation, Development, Economic Advancement and Business pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

R(+ B. Hunt

ROBERT B. HUNT Clerk

Presented by Representative MILLETT of Cape Elizabeth. Cosponsored by Representatives: BAILEY of Gorham, HASENFUS of Readfield, PEBWORTH of Blue Hill, ROBERTS of South Berwick.

| 1 | Be it enacted by the People of the State of Maine as follows: |
|----------------------------|---|
| 2 3 | Sec. 1. 32 MRSA §12252, sub-§1, as amended by PL 2015, c. 110, §8, is further amended to read: |
| 4 5 6 | 1. Licensure. The board shall grant or renew a license to accounting firms that submit the application required by the board, pay the fee as set under section 12203 and demonstrate their qualifications in accordance with this section. |
| 7 | A. A firm must hold a license issued under this section if it: |
| 8 9 | (1) Has an office in this State performing any of the services described in section 12201, subsection 3-A, paragraphs A to D; |
| 10 | (2) Has an office in this State that uses the title "CPA" or "CPA firm"; or |
| 11 12 13 14 | (3) Does not have an office in this State <u>and does not meet the requirements of</u> <u>section 12253</u> but performs any of the services described in section 12201, subsection 3-A, paragraphs paragraph A, C or D for a client having its home office in this State. |
| 15 16 17 18 | B. A firm that does not have an office in this State may perform services described in section 12201, subsection 3-A, paragraph B or F for a client having its home office in this State and may use the title "CPA" or "CPA firm" without a license issued under this section only if: |
| 19 20 21 | (1) It qualifies for a firm license pursuant to subsections 3 and 8 <u>and it performs</u> such services through an individual with practice privileges under section 12232; and <u>or</u> |
| 22 23 | (2) It performs such services through an individual with practice privileges under section 12232. |
| 24 | (3) It meets the requirements of section 12253. |
| 25 26 27 28 | C. A firm that is not subject to the requirements of paragraphs A and B may perform professional services other than those described in section 12201, subsection 3-A while using the title "CPA" or "CPA firm" in this State without a license issued under this section only if the firm meets the requirements of section 12253 or: |
| 29 30 | (1) Performs such services through an individual with practice privileges under section 12232; and |
| 31 32 | (2) Has legal authority to perform such services in the state of that individual's principal place of business. |
| 33 | Sec. 2. 32 MRSA §12253 is enacted to read: |
| 34 35 | <u>§12253. Accountancy firm practice without license on the basis of substantial equivalency</u> |
| 36 37 38 39 40 | 1. Substantial equivalency. A firm with a principal place of business outside the State is presumed to have qualifications substantially equivalent to the State's requirements and has all the privileges of licensees of the State and may provide professional services in the State without the requirement to obtain a license under this section or to otherwise notify or register with the board or pay any fee if the firm: |

| 1 2 3 4 5 | A. Holds a valid license as a certified public accountancy firm from a state that the board has verified to be in substantial equivalence with the certified public accountancy firm licensure requirements of a national association of state boards of accountancy and standards promulgated by the American Institute of Certified Public Accountants; or |
|--|--|
| 6 7 8 9 10 11 | B. Holds a valid license as a certified public accountancy firm from a state that is not in substantial equivalence with the certified public accountancy firm requirements under paragraph A, but the board determines that the certified public accountancy firm's qualifications are substantially equivalent to the certified public accountancy firm licensure requirements of a national association of state boards of accountancy and standards promulgated by the American Institute of Certified Public Accountants. |
| 12 13 14 | In determining substantial equivalence, the board may consult determinations and verifications from a national qualification appraisal service of a national association of state boards of accountancy. |
| 15 16 17 18 19 | 2. 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 3. |
| 20 21 | 3. Conditions. A licensee of another state exercising the practice privilege afforded under this section must consent, as a condition of the grant of the practice privilege: |
| 22 23 | A. To the personal and subject matter jurisdiction and disciplinary authority of the board; |
| 24 | B. To comply with the provisions of this chapter and the board's rules; and |
| 25 26 27 | C. To the stipulation that, in the event the license 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 the State. |
| 28 | SUMMARY |
| 29 30 31 32 33 34 35 | This bill establishes parity in license mobility between certified public accountancy firms and individual certified public accountants by enabling out-of-state certified public accountancy firms to provide services in Maine on the basis of substantial equivalency in the same manner as individual certified public accountants. A certified public accountancy firm providing services in Maine on the basis of substantial equivalency need not provide notice or register with the Board of Accountancy but must follow the requirements of Maine law and the board's rules. |