

SENATE BILL No. 184

DIGEST OF INTRODUCED BILL

Citations Affected: IC 25-2.1.

Synopsis: Regulation of accountancy. Provides that a firm permit is required for an accounting practitioner working for a client. Provides that a member of the Indiana board of accountancy may not serve more than three complete consecutive terms. (Current law allows for only two consecutive terms.) Provides that penalties are deposited into the accountant investigative fund, and increases from \$750,000 to \$1,000,000 the amount of money that must be in the fund before it reverts to the state general fund. Removes the word "knowingly" from the requirements for civil penalties for violating the licensing law. Allows retired status for certified public accountants, and specifies use of "retired" in the title or designation of certified public accountant or the abbreviation CPA.

Effective: July 1, 2014.

Yoder

January 8, 2014, read first time and referred to Committee on Commerce, Economic Development & Technology.



Second Regular Session 118th General Assembly (2014)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2013 Regular Session and 2013 First Regular Technical Session of the General Assembly.

SENATE BILL No. 184



A BILL FOR AN ACT to amend the Indiana Code concerning professions and occupations.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 25-2.1-1-6 IS AMENDED TO READ AS
- 2 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 6. "Client" means an
- 3 individual or entity retaining a licensee **as a contractor and not as an**
- 4 **employee** for the performance of professional services.
- 5 SECTION 2. IC 25-2.1-2-4, AS AMENDED BY P.L.190-2007,
- 6 SECTION 5, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
- 7 JULY 1, 2014]: Sec. 4. (a) A member of the board serves a term of
- 8 three (3) years and until the member's successor is appointed and
- 9 qualified.
- 10 (b) An individual may not serve more than ~~two (2)~~ **three (3)**
- 11 **consecutive** complete terms. An appointment to fill an unexpired term
- 12 is not a complete term.
- 13 (c) All terms expire on June 30.
- 14 SECTION 3. IC 25-2.1-4-5 IS AMENDED TO READ AS
- 15 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 5. (a) Except as
- 16 provided in subsection (c), to renew a certificate under this chapter an



1 applicant must complete one hundred twenty (120) hours of continuing
 2 professional education during a three (3) year period with a minimum
 3 of twenty (20) hours each year.

4 (b) The board may prescribe the content, duration, and organization
 5 of continuing professional education courses that contribute to the
 6 general professional competence of the applicant.

7 (c) If a licensee desires to discontinue the practice of accountancy
 8 in Indiana, the licensee may select inactive **or retired** status on the
 9 renewal form. A licensee selecting inactive **or retired** status may
 10 renew a certificate under this chapter without completing the
 11 continuing professional education courses required by subsection (a).

12 (d) The board may establish the following:

13 (1) Prorated continuing professional education requirements to be
 14 met by applicants whose initial certificates were issued
 15 substantially less than three (3) years before the renewal date.

16 (2) Special lesser requirements to be met by applicants for
 17 certificate renewal whose prior certificates lapsed substantially
 18 before their applications for renewal or for an inactive licensee
 19 who wishes to reactivate the licensee's license, when it would be
 20 inequitable to require a full compliance with all requirements of
 21 continuing professional education that would have been
 22 applicable to the period of lapse.

23 SECTION 4. IC 25-2.1-5-0.5 IS ADDED TO THE INDIANA
 24 CODE AS A NEW SECTION TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2014]: **Sec. 0.5. A firm permit is required by**
 26 **a practitioner working for a client.**

27 SECTION 5. IC 25-2.1-8-4, AS ADDED BY P.L.190-2007,
 28 SECTION 14, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 29 JULY 1, 2014]: Sec. 4. (a) The accountant investigative fund is
 30 established to provide funds for administering and enforcing the
 31 provisions of this article, including investigating and taking
 32 enforcement action against violators of this article. The fund shall be
 33 administered by the Indiana professional licensing agency.

34 (b) The expenses of administering the fund shall be paid from the
 35 money in the fund. The fund consists of:

36 (1) money from a fee imposed upon a person who holds a
 37 certificate as an accounting practitioner, a CPA, or a PA under
 38 IC 25-2.1-2-12(b); **and**

39 (2) civil penalties collected under IC 25-2.1-13-3(b); **and**

40 (3) **civil penalties collected under IC 25-1-11-12.**

41 (c) The treasurer of state shall invest the money in the fund not
 42 currently needed to meet the obligations of the fund in the same



1 manner as other public money may be invested.

2 (d) Money in the fund at the end of a state fiscal year does not revert
3 to the state general fund. However, if the total amount in the fund
4 exceeds ~~seven hundred fifty thousand dollars (\$750,000)~~ **one million**
5 **dollars (\$1,000,000)** at the end of a state fiscal year after payment of
6 all claims and expenses, the amount that exceeds ~~seven hundred fifty~~
7 ~~thousand dollars (\$750,000)~~ **one million dollars (\$1,000,000)** reverts
8 to the state general fund.

9 (e) Money in the fund is continually appropriated to the Indiana
10 professional licensing agency for its use in administering and enforcing
11 this article and conducting investigations and taking enforcement
12 action against persons violating this article.

13 (f) The attorney general and the Indiana professional licensing
14 agency may enter into a memorandum of understanding to provide the
15 attorney general with funds to conduct investigations and pursue
16 enforcement action against violators of this article.

17 (g) The attorney general and the Indiana professional licensing
18 agency shall present the memorandum of understanding annually to the
19 board for review.

20 SECTION 6. IC 25-2.1-12-4 IS AMENDED TO READ AS
21 FOLLOWS [EFFECTIVE JULY 1, 2014]: Sec. 4. (a) An individual
22 may not use the title or designation "certified public accountant", the
23 abbreviation "CPA", or any other title, designation, words, letters,
24 abbreviation, sign, card, or device tending to indicate that the
25 individual is a certified public accountant unless the individual:

- 26 (1) holds a valid CPA certificate;
- 27 (2) meets the substantial equivalency standards of this article; or
- 28 (3) is an employee of a firm holding a permit under IC 25-2.1-5
29 and has not been an employee long enough to meet the experience
30 requirement under IC 25-2.1-3-10 for a certificate.

31 (b) A licensee who has selected inactive status on the licensee's
32 renewal form may not use the title or designation "certified public
33 accountant" or the abbreviation "CPA" unless the title, designation, or
34 abbreviation is immediately followed by the word "inactive".

35 **(c) A licensee who has selected retired status on the licensee's**
36 **renewal form may not use the title or designation "certified public**
37 **accountant" or the abbreviation "CPA" unless the title,**
38 **designation, or abbreviation is immediately followed by the word**
39 **"retired".**

40 SECTION 7. IC 25-2.1-13-3, AS AMENDED BY P.L.190-2007,
41 SECTION 15, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
42 JULY 1, 2014]: Sec. 3. (a) An individual or a firm who knowingly



1 violates IC 25-2.1-12 commits a Class A misdemeanor.
2 (b) If the board finds that an individual or a firm knowingly violates
3 IC 25-2.1-12 or a rule or order established by the board under this
4 section, the board may impose a civil penalty of not more than
5 twenty-five thousand dollars (\$25,000) per violation. Penalties
6 collected under this section shall be deposited in the accountant
7 investigative fund established by IC 25-2.1-8-4.

