

SENATE No. 150

The Commonwealth of Massachusetts

PRESENTED BY:

Anne M. Gobi

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to modernize public accountancy.

PETITION OF:

NAME:

Anne M. Gobi

DISTRICT/ADDRESS:

Worcester, Hampden, Hampshire and Middlesex

SENATE No. 150

By Ms. Gobi, a petition (accompanied by bill, Senate, No. 150) of Anne M. Gobi for legislation to modernize public accountancy. Consumer Protection and Professional Licensure.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE SENATE, NO. 165 OF 2017-2018.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act to modernize public accountancy.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 SECTION 1. Section 87A of chapter 112 of the General Laws, , as appearing in the 2014
2 Official Edition, is hereby amended by striking out, in line 22, the words “on financial
3 statements” and, said section is further amended by striking out the words “financial statements”
4 and inserting in place thereof the following words:- “any attest or compilation, means” and, said
5 section is further amended by striking out, in line 31, the word “any” and inserting in place
6 thereof the following words:- “the attested or compiled”, and said section is further amended by
7 inserting after the words “reliability of the”, in line 40, the following words:- “attested or
8 compiled”.

9 SECTION 2. Subclause (C) of paragraph (2) of subsection (d) of section 87B of the
10 General Laws, as so appearing, is hereby amended by striking out, in line 40, the word “five”
11 and inserting in place thereof the following word:- “four”.

12 SECTION 3. Paragraph (1) of subsection (h) of said section is hereby stricken out.

13 SECTION 4. Paragraph (5) of subsection (h) of said section is hereby amended by
14 striking out, in lines 146-147, the following words “on the financial statements”

15 SECTION 5. Paragraph (6) of subsection (h) of said section is hereby amended by
16 striking out, in line 151, the following words “on financial statements”

17 SECTION 6. Section 87B 1/2 of the General Laws, as so appearing, is hereby amended
18 by inserting the following subsection:-

19 (k) The board shall issue a license to a firm that holds a certificate issued by another state
20 upon showing that:

21 (1) the firm holds a valid license from a U.S. jurisdiction;

22 (2) the firm complies with the firm ownership and peer review requirements pursuant to
23 this chapter at the time the application is made.

24 SECTION 7. Section 87B of the General Laws, as so appearing, is hereby amended by
25 inserting the following subsection:-

26 (j) A licensee or person engaged in the practice of certified public accountancy shall
27 adhere to the American Institute of CPAs’ Code of Professional Conduct.

28 SECTION 8. Clause (i) of paragraph (2) of subsection (b) of section 87B ½ of chapter
29 112 of the General Laws, as so appearing, is hereby amended by striking out, in lines 40-41, the
30 words:- “as its managing partner or agent”

31 SECTION 9. Clause (iii) of paragraph (2) of subsection (b) of said chapter, as so
32 appearing, is hereby amended by striking out, in lines 49-50, the words:- “on financial
33 statements”

34 SECTION 10. Section 87B ½ of said chapter 112, as so appearing, is hereby amended by
35 striking out subsection (c) and inserting in place thereof the following subsection:-

36 (c) An applicant for initial issuance or renewal of a permit to practice under this section
37 shall be required to register each office of a firm within the commonwealth with the board and
38 show that all attest and compilation services rendered in this commonwealth are under the charge
39 of a person holding a valid license to practice issued under section 87B or the corresponding
40 provision of prior law or some other state.

41 SECTION 11. Subsection (a) of section 87D of the General Laws, as so appearing, is
42 hereby amended by striking out, in line 3, the following words “on financial statements”