

CHAPTER 2015-174

Committee Substitute for Committee Substitute for House Bill No. 373

An act relating to public accountancy; amending s. 473.302, F.S.; revising the definition of the term “licensed audit firm”; amending s. 473.309, F.S.; revising practice requirements for partnerships, corporations, and limited liability companies; amending s. 473.3101, F.S.; revising provisions relating to the licensure of firms and public accounting firms; amending s. 473.316, F.S.; revising the definition of the term “quality review” to include a peer review; amending ss. 473.3125 and 473.322, F.S.; conforming provisions to changes made by the act; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Subsection (7) of section 473.302, Florida Statutes, is amended to read:

473.302 Definitions.—As used in this chapter, the term:

(7) “Licensed ~~audit~~ firm” or “public accounting firm” means a sole proprietorship, partnership, corporation, limited liability company, firm, or any other legal entity a firm licensed under s. 473.3101.

However, these terms shall not include services provided by the American Institute of Certified Public Accountants or the Florida Institute of Certified Public Accountants, or any full service association of certified public accounting firms whose plans of administration have been approved by the board, to their members or services performed by these entities in reviewing the services provided to the public by members of these entities.

Section 2. Section 473.309, Florida Statutes, is amended to read:

473.309 Practice requirements for partnerships, corporations, and limited liability companies; business entities practicing public accounting.—

(1) A partnership may not engage in the practice of public accounting, as defined in s. 473.302(8)(a), or meet the requirements of s. 473.3101(1)(b), unless:

(a) It is a form of partnership recognized by Florida law.

(b) Partners owning at least 51 percent of the financial interest and voting rights of the partnership are certified public accountants in some state. However, each partner who is a certified public accountant in another state and is domiciled in this state must be a certified public accountant of this state and hold an active license.

(c) At least one general partner is a certified public accountant of this state and holds an active license or, in the case of a firm that must have a license pursuant to s. ~~473.3101(1)(c)~~ ~~473.3101(1)(a)2-~~, at least one general partner is a certified public accountant in some state and meets the requirements of s. 473.3141(1)(a) or (b).

(d) All partners who are not certified public accountants in any state are engaged in the business of the partnership as their principal occupation.

(e) It is in compliance with rules adopted by the board pertaining to minimum capitalization, letters of credit, and adequate public liability insurance.

(f) It is currently licensed as required by s. 473.3101.

(2) A corporation may not engage in the practice of public accounting, as defined in s. 473.302(8)(a), or meet the requirements of s. 473.3101(1)(b), unless:

(a) It is a corporation duly organized in this or some other state.

(b) Shareholders of the corporation owning at least 51 percent of the financial interest and voting rights of the corporation are certified public accountants in some state and are principally engaged in the business of the corporation. However, each shareholder who is a certified public accountant in another state and is domiciled in this state must be a certified public accountant of this state and hold an active license.

(c) The principal officer of the corporation is a certified public accountant in some state.

(d) At least one shareholder of the corporation is a certified public accountant and holds an active license in this state or, in the case of a firm that must have a license pursuant to s. ~~473.3101(1)(c)~~ ~~473.3101(1)(a)2-~~, at least one shareholder is a certified public accountant in some state and meets the requirements of s. 473.3141(1)(a) or (b).

(e) All shareholders who are not certified public accountants in any state are engaged in the business of the corporation as their principal occupation.

(f) It is in compliance with rules adopted by the board pertaining to minimum capitalization, letters of credit, and adequate public liability insurance.

(g) It is currently licensed as required by s. 473.3101.

(3) A limited liability company may not engage in the practice of public accounting, as defined in s. 473.302(8)(a), or meet the requirements of s. 473.3101(1)(b), unless:

(a) It is a limited liability company duly organized in this or some other state.

(b) Members of the limited liability company owning at least 51 percent of the financial interest and voting rights of the company are certified public accountants in some state. However, each member who is a certified public accountant in some state and is domiciled in this state must be a certified public accountant of this state and hold an active license.

(c) At least one member of the limited liability company is a certified public accountant and holds an active license in this state or, in the case of a firm that must have a license pursuant to s. 473.3101(1)(c) ~~473.3101(1)(a)2-~~, at least one member is a certified public accountant in some state and meets the requirements of s. 473.3141(1)(a) or (b).

(d) All members who are not certified public accountants in any state are engaged in the business of the company as their principal occupation.

(e) It is in compliance with rules adopted by the board pertaining to minimum capitalization, letters of credit, and adequate public liability insurance.

(f) It is currently licensed as required by s. 473.3101.

(4) A partnership, corporation, limited liability company, or any other firm is engaged in the practice of public accounting if its employees are engaged in the practice of public accounting. Notwithstanding any other provision of law, a licensed ~~audit~~ firm may own all or part of another licensed ~~audit~~ firm.

Section 3. Section 473.3101, Florida Statutes, is amended to read:

473.3101 ~~Licensure of firms or public accounting firms sole proprietors, partnerships, corporations, limited liability companies, and other legal entities.—~~

~~(1) The following must hold a license issued under this section: Each sole proprietor, partnership, corporation, limited liability company, or any other firm seeking to engage in the practice of public accounting, as defined in s. 473.302(8)(a), in this state must file an application for licensure with the department and supply the information the board requires. An application must be made upon the affidavit of a sole proprietor, general partner, shareholder, or member who is a certified public accountant.~~

~~(a) Any firm with an office in this state which performs services as defined in s. 473.302(8)(a); The following must hold a license issued under this section:~~

~~(b)1-~~ Any firm with an office in this state which uses the title “CPA,” “CPA firm,” or any other title, designation, words, letters, abbreviations, or

device tending to indicate that it is a CPA firm. The board shall define by rule what constitutes a CPA firm; or the firm practices public accounting.

~~(c)2.~~ Any firm that does not have an office in this state but performs the services described in s. 473.3141(4) for a client having its home office in this state. The board shall define by rule what constitutes an office.

(2) An applicant for licensure under this section must file an application for licensure with the department and supply the information that the board requires. An application must be made upon the affidavit of a sole proprietor, general partner, shareholder, or member who is a certified public accountant.

~~(3)(b)~~ A firm that is not subject to the requirements of paragraph (1)(c) subparagraph (a)2. may perform other professional services while using the title “CPA,” “CPA firm,” or any other title, designation, words, letters, abbreviations, or device tending to indicate that the firm practices public accounting in this state without a license issued under this section only if:

(a)1. It performs such services through an individual with practice privileges granted under s. 473.3141; and

(b)2. It can lawfully do so in the state where the individual with practice privileges has his or her principal place of business.

~~(4)(2)~~ The board shall determine whether the firm or public accounting sole proprietor, partnership, corporation, limited liability company, or any other firm meets the requirements for practice and, pending that determination, may certify to the department the firm or public accounting firm partnership, corporation, or limited liability company for provisional licensure.

~~(5)(3)~~ Each license must be renewed every 2 years. Each firm or public accounting sole proprietor, partnership, corporation, limited liability company, or any other firm licensed under this section must notify the department within 1 month after any change in the information contained in the application on which its license is based.

Section 4. Paragraph (d) of subsection (1) of section 473.316, Florida Statutes, is amended to read:

473.316 Communications between the accountant and client privileged.

(1) For purposes of this section:

(d) A “quality review” is a study, appraisal, or review of one or more aspects of the professional work of an accountant in the practice of public accountancy which is conducted by a professional organization for the purpose of evaluating quality assurance required by professional standards, including a quality assurance ~~or peer review.~~ The term includes a peer review as defined in s. 473.3125.

Section 5. Paragraph (a) of subsection (1) and subsection (4) of section 473.3125, Florida Statutes, are amended to read:

473.3125 Peer review.—

(1) As used in this section, the term:

(a) “Licensee” means a licensed firm or public accounting sole proprietor, partnership, corporation, limited liability company, or any other firm as defined in s. 473.302(7) and engaged in the practice of public accounting as defined in s. 473.302(8)(a) that is required to be licensed under s. 473.3101.

(4) Effective January 1, 2015, a licensed firm or public accounting sole proprietor, partnership, corporation, limited liability company, or other firm as defined in s. 473.302(7) and licensed under s. 473.3101 and engaged in the practice of public accounting as defined in s. 473.302(8)(a), except for the performance of compilations and reviews as those terms are defined by the board, must be enrolled in a peer review program.

Section 6. Paragraph (c) of subsection (1) of section 473.322, Florida Statutes, is amended to read:

473.322 Prohibitions; penalties.—

(1) A person may not knowingly:

(c) Perform or offer to perform any services described in s. 473.302(8)(a) unless such person holds an active license under this chapter and is a licensed ~~audit~~ firm, provides such services through a licensed ~~audit~~ firm, or complies with ss. 473.3101 and 473.3141. This paragraph does not prohibit the performance by persons other than certified public accountants of other services involving the use of accounting skills, including the preparation of tax returns and the preparation of financial statements without expression of opinion thereon;

Section 7. This act shall take effect July 1, 2015.

Approved by the Governor June 16, 2015.

Filed in Office Secretary of State June 16, 2015.