

ASSEMBLY, No. 2561

STATE OF NEW JERSEY

INTRODUCED DECEMBER 9, 1996

By Assemblyman DiGAETANO

1 AN ACT concerning public accounting, amending P.L.1987, c.392 and  
2 amending and supplementing P.L.1977, c.144.

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4 **BE IT ENACTED** *by the Senate and General Assembly of the State*  
5 *of New Jersey:*

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7 1. (New section) In order to provide business and industry with  
8 access to affordable accounting services, on and after the effective  
9 date of this act, the New Jersey State Board of Accountancy shall  
10 provide for licensure of accountant practitioners in accordance with  
11 the provisions of this act. A licensed accountant practitioner shall be  
12 authorized to perform, or offer to perform, for a client or a potential  
13 client, compilation services as defined by the American Institute of  
14 Certified Public Accountants, but shall be prohibited from performing,  
15 or offering to perform, review or audit services for a client or potential  
16 client.

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18 2. (New section) a. Except as provided in subsection b. of this  
19 section, no person shall be issued a license by the board to practice as  
20 an accountant practitioner unless he shall have passed all sections of  
21 a written examination, as the board shall determine, which shall  
22 include sections in accounting, taxation and law, with a passing grade  
23 of 75 on each section.

24 b. A person who does not attain a passing grade in each section of  
25 the written examination approved by the board the first time he sits for  
26 the examination shall be issued a license as an accountant practitioner  
27 if: (1) the applicant passes the remaining sections of the examination  
28 within six consecutive examinations given after the one at which the  
29 first section or sections were passed; and (2) at each subsequent sitting  
30 at which the applicant seeks to pass any additional sections, the  
31 applicant writes all sections not yet passed and attains an average  
32 grade of 50 on all sections written but not yet passed. The board may  
33 by regulation prescribe the terms and conditions under which an  
34 applicant who has passed any parts of the examination may be

**EXPLANATION - Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and intended to be omitted in the law.**

**Matter underlined thus is new matter.**

1 reexamined in only the remaining parts.

2 c. Examinations shall be given by the board at least twice a year,  
3 and any person who wishes to sit for an examination shall apply to the  
4 board at least 60 days prior to the date of examination. The board  
5 may make use of the applicable sections of the National Society of  
6 Public Accountants Uniform Registered Accountants Examination and  
7 Grading, or any other examination offered by an organization  
8 recognized by the board, which the board deems appropriate.

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10 3. (New section) Every applicant for examination as an accountant  
11 practitioner shall present to the board a written application on a form  
12 to be provided by the board, together with the required fee, and  
13 satisfactory proof that the applicant:

14 a. is at least 18 years of age;

15 b. is of good moral character; and

16 c. has a baccalaureate degree or its equivalent as determined by the  
17 New Jersey Commission on Higher Education, including courses in  
18 accounting and related professional courses as the board may require.

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20 4. (New section) Every applicant for licensure as an accountant  
21 practitioner, having passed the examination required pursuant to  
22 section 2 of this act, shall demonstrate that he has had one year of  
23 experience in the practice of public accountancy, or its equivalent as  
24 determined by the board, under the direction of a licensee meeting  
25 requirements prescribed by the board.

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27 5. Section 17 of P.L.1977, c.144 (C.45:2B-17) is amended to read  
28 as follows:

29 17. ~~Biennial~~ Triennial registration. Every person or firm certified  
30 or registered to practice certified public accounting or public  
31 accounting within this State shall ~~biennially~~ triennially register with  
32 and pay to the board a ~~biennial~~ triennial registration fee.

33 Notice of the failure to pay such ~~biennial~~ triennial registration fee  
34 shall be given to the person or firm so failing, which notice shall state  
35 that, upon the continued failure to pay such fee, the certificate or  
36 registration issued to such person or firm will be declared forfeited by  
37 the board at the time and place stated therein unless such fee is sooner  
38 paid. The board may make rules and regulations regarding the  
39 reissuance of a certificate or registration to any person or firm whose  
40 certificate or registration has been forfeited under this section and  
41 fixing the fee to be paid for same.

42 Unless he has given notice thereof in some previous application to  
43 the board, an individual paying his ~~biennial~~ triennial registration fee,  
44 in addition to any other information which the board may require, shall  
45 state in his application whether any certificate as a certified public  
46 accountant or any charter as a chartered accountant or any license to

1 practice or registration or enrollment as a public accountant ever  
2 issued to or made for him by any state or political subdivision of the  
3 United States or by any foreign country or political subdivision of the  
4 United States or by an accounting society of a foreign country has  
5 been revoked or suspended, and, if so, such facts relating to such  
6 revocation or suspension as the board may require.

7 No certified public accountant or public accountant of this State,  
8 who has not registered pursuant to the requirements of this section for  
9 a particular [biennial] triennial registration period, shall, during such  
10 period, hold himself out to be engaged in practice as a certified public  
11 accountant or public accountant within this State, or use in connection  
12 with his name any title or designation tending to imply that he is  
13 engaged in practice as a certified public accountant or public  
14 accountant within this State.

15 (cf: P.L.1994, c.43, s.5)

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17 6. Section 1 of P.L.1987, c.392 (C.45:2B-17.1) is amended to read  
18 as follows:

19 1. a. The New Jersey State Board of Accountancy shall require  
20 any person certified or registered as a public accountant, as a  
21 condition for [biennial] triennial registration pursuant to section 17 of  
22 P.L.1977, c.144 (C.5:2B-17), to complete [48] 120 credits of  
23 continuing professional education during each [biennial] triennial  
24 period of certification or registration, with no less than 24 credits  
25 during any one year, pursuant to section 3 of this act. Persons who are  
26 engaged in the practice of public accounting or are involved with the  
27 attest function in issuing audit, review or compilation reports, shall  
28 have at least 16 of the required credits in the areas of auditing, review  
29 or compilation.

30 b. Each credit of continuing professional education required  
31 pursuant to subsection a. of this section shall represent or be  
32 equivalent to one hour of verified course attendance at a board  
33 approved course or seminar.

34 (cf: P.L.1987, c.392, s.1)

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36 7. This act shall take effect immediately.

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#### STATEMENT

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41 This bill increases the registration period for certified public  
42 accountants and public accountants from two years to three years;  
43 increases the number of continuing education credits from 24 credits  
44 to 40 credits per year; and provides for the licensure of accountant  
45 practitioners to perform certain accounting functions. The new  
46 category of accountant practitioners established by the bill will permit

1 individuals who graduate from college with an accounting degree, but  
2 do not choose to attend a fifth year of college to become a certified  
3 public accountant, to perform compilation services as defined by the  
4 American Institute of Certified Public Accountants.

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10 Increases registration period of licensed accountants from two to three  
years and provides for the licensure of accountant practitioners.