

By: Senator(s) Woodfield, Kirby, Hewes

To: Business and  
Financial  
InstitutionsSENATE BILL NO. 2363  
(As Passed the Senate)

1 AN ACT TO AMEND SECTION 73-33-1, MISSISSIPPI CODE OF 1972, TO  
2 AUTHORIZE THE STATUS OF A RETIRED CERTIFIED PUBLIC ACCOUNTANT; TO  
3 REQUIRE THAT A CERTIFIED PUBLIC ACCOUNTANT WHO IS PRACTICING  
4 PUBLIC ACCOUNTING BE ASSOCIATED AND REGISTERED WITH A CPA FIRM AND  
5 TO ESTABLISH MINIMUM QUALIFICATIONS FOR SUCH CPA FIRM; TO CODIFY  
6 SECTION 73-33-2, MISSISSIPPI CODE OF 1972, TO PROVIDE DEFINITIONS  
7 OF CERTIFIED PUBLIC ACCOUNTANT (CPA), CPA FIRM, CAPS PRACTICING  
8 PUBLIC ACCOUNTING, AND OTHER TERMS; AND TO DELETE THE REQUIREMENT  
9 THAT A CERTIFIED PUBLIC ACCOUNTANT HOLD A SEPARATE LICENSE TO  
10 PRACTICE PUBLIC ACCOUNTING; TO AMEND SECTION 73-33-5, MISSISSIPPI  
11 CODE OF 1972, TO AUTHORIZE THE STATE BOARD OF PUBLIC ACCOUNTANCY  
12 TO ISSUE PERMITS TO CERTIFIED PUBLIC ACCOUNTANT FIRMS; TO AMEND  
13 SECTION 73-33-7, MISSISSIPPI CODE OF 1972, TO AUTHORIZE THE STATE  
14 BOARD OF PUBLIC ACCOUNTANCY TO CHARGE ANNUAL CERTIFICATE, LICENSE  
15 AND PERMIT FEES; TO AMEND SECTION 73-33-9, MISSISSIPPI CODE OF  
16 1972, TO REQUIRE THAT A HOLDER OF A RECIPROCAL LICENSE BE  
17 ASSOCIATED WITH A FIRM THAT HAS A PERMIT ISSUED BY THE BOARD; TO  
18 AMEND SECTION 73-33-11, MISSISSIPPI CODE OF 1972, TO REVISE THE  
19 PROCEDURE BY WHICH THE STATE BOARD OF PUBLIC ACCOUNTANCY MAY  
20 REVOKE, CANCEL OR SUSPEND CERTIFICATES, LICENSES AND PERMITS OR  
21 TAKE OTHER DISCIPLINARY ACTION AGAINST A REGISTRANT; TO AMEND  
22 SECTION 73-33-13, MISSISSIPPI CODE OF 1972, TO MAKE IT A  
23 MISDEMEANOR TO REPRESENT THAT A CERTIFIED PUBLIC ACCOUNTANT FIRM  
24 WITHOUT A CURRENT PERMIT IS LICENSED TO PRACTICE PUBLIC  
25 ACCOUNTING; TO AMEND SECTION 73-33-15, MISSISSIPPI CODE OF 1972,  
26 TO REQUIRE THAT A CERTIFIED PUBLIC ACCOUNTANT BE ASSOCIATED WITH A  
27 REGISTERED FIRM TO PRACTICE PUBLIC ACCOUNTING; TO CREATE A NEW  
28 CODE SECTION TO BE CODIFIED AS SECTION 73-33-19, MISSISSIPPI CODE  
29 OF 1972, TO PROVIDE THAT ANY PERSON HOLDING A CERTIFICATE WITHOUT  
30 A LICENSE ON JULY 1, 1999, SHALL AUTOMATICALLY RECEIVE A CERTIFIED  
31 PUBLIC ACCOUNTANT'S LICENSE; AND FOR RELATED PURPOSES.

32 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

33 SECTION 1. Section 73-33-1, Mississippi Code of 1972, is  
34 amended as follows:

35 73-33-1. Any person residing or having a place for the  
36 regular transaction of business in the State of Mississippi being  
37 of good moral character, and who shall have received from the  
38 State Board of Public Accountancy a license certifying his  
39 qualifications as a certified public accountant as hereinafter  
40 provided, shall be styled or known as a certified public  
41 accountant, and it shall be unlawful for any other person or

42 persons to assume such title or use any letters, abbreviations or  
43 words to indicate that such person using same is a certified  
44 public accountant, unless, at the discretion of the board, such  
45 person has been granted use of the title of "certified public  
46 accountant retired" by the Mississippi State Board of Public  
47 Accountancy or has received a reciprocal certified public  
48 accountant license from the State Board of Public Accountancy.

49 A certified public accountant practicing public accounting  
50 must be associated and registered with a certified public  
51 accountant firm. A firm permit to practice public accounting  
52 shall not be issued to any individual(s) who do not hold a  
53 certified public accountant license or reciprocal certified public  
54 accountant license issued by the board.

55 In order to obtain and maintain a firm permit, a certified  
56 public accountant firm must meet the qualifications as set and  
57 determined by the board.

58 No person or persons shall engage in the practice of public  
59 accounting as defined herein as a sole proprietor, partnership,  
60 joint venture or professional corporation or other business  
61 organization allowed by law, unless and until each business  
62 organization or office thereof has registered with and been issued  
63 a firm permit by the State Board of Public Accountancy.

64 SECTION 2. The following shall be codified as Section  
65 73-33-2, Mississippi Code of 1972:

66 73-33-2. For the purposes of this chapter, unless context  
67 requires otherwise:

68 (a) "Certified public accountant," "CPA," or "licensee"  
69 means an individual who holds a license issued by the Mississippi  
70 State Board of Public Accountancy to practice public accounting,  
71 and the term "license" is used synonymously for the terms  
72 "certificate" or "certification."

73 (b) "Certified public accountant firm" or "CPA firm"  
74 means any sole proprietorship, professional corporation,  
75 partnership, joint venture, professional association or other  
76 business organization or office thereof allowable under state law  
77 and under the qualifications as set in the rules and regulations  
78 of the board maintained for the purpose of performing or offering  
79 to perform public accounting.

80           (c) "Practice of, or practicing, CPA public accounting  
81 or CPA public accountancy" means the performance, the offering to  
82 perform, or maintaining an office by a person, persons or firm  
83 holding itself out to the public as certified public accountant(s)  
84 or CPA firm, for a client or potential client, or certified public  
85 accountant(s) or CPA firm performing one or more kinds of services  
86 involving the use of accounting or auditing skills, including, but  
87 not limited to, the issuance of reports on financial statements,  
88 or of one or more kinds of management advisory, financial advisory  
89 or consulting services, or the preparation of tax returns or the  
90 furnishing of advice on tax matters.

91           (d) "Firm permit to practice public accounting" means a  
92 permit issued by the Mississippi State Board of Public Accountancy  
93 permitting a certified public accountant firm to practice CPA  
94 public accounting, and "permit holder" means a certified public  
95 accountant firm holding such permit.

96           SECTION 3. Section 73-33-5, Mississippi Code of 1972, is  
97 amended as follows:

98           73-33-5. The Mississippi State Board of Public Accountancy  
99 is hereby authorized with the following powers and duties:

- 100           (a) To adopt a seal;
- 101           (b) To govern its proceedings;
- 102           (c) To set the fees and to regulate the time, manner  
103 and place of conducting examinations to be held under this  
104 chapter. Beginning February 1, 1995, a total of one hundred fifty  
105 (150) collegiate-level semester hours of education including a  
106 baccalaureate degree or its equivalent at a college or university  
107 acceptable to the board shall be required in order to sit for the  
108 examination by candidates who have not previously sat for the  
109 examination. The \* \* \* education program shall include an  
110 accounting concentration or the equivalent as determined by the  
111 board to be appropriate by rules and regulations. The examination  
112 shall cover \* \* \* branches of knowledge pertaining to accountancy  
113 as the board may deem proper;

114 (d) To initiate investigations of certified public  
115 accountant and certified public accountant firm practices;

116 (e) To notify applicants who have failed an  
117 examination \* \* \* of such failure and in what branch or branches  
118 deficiency was found;

119 (f) To adopt and enforce such rules and regulations  
120 concerning certified public accountant examinee and licensee  
121 qualifications and practices and certified public accountant firm  
122 permits and practices as the board considers necessary to maintain  
123 the highest standard of proficiency in the profession of certified  
124 public accounting and for the protection of the public interest.  
125 The standards of practice by certified public accountants and  
126 certified public accountant firms shall include generally accepted  
127 auditing and accounting standards as recognized by the Mississippi  
128 State Board of Public Accountancy;

129 (g) To issue certified public accountant licenses under  
130 the signature and the official seal of the board as provided in  
131 this chapter; and to issue permits to practice public accounting  
132 to certified public accountant firms pursuant to such rules and  
133 regulations as may be promulgated by the board;

134 \* \* \*

135 (h) To employ personnel;

136 (i) To contract for services and rent; and

137 (j) To adopt and enforce all such rules and regulations  
138 as shall be necessary for the administration of this chapter;  
139 provided, however, no adoption or modification of any rules or  
140 regulations of the board shall become effective unless any final  
141 action of the board approving such adoption or modification shall  
142 occur at a time and place which is open to the public and for  
143 which notice by mail of such time and place and the rules  
144 and \* \* \* regulations proposed to be adopted or modified has been  
145 given at least thirty (30) days prior thereto to every person who  
146 is licensed and registered with the board.

147 Each application or filing made under this section shall

148 include the Social Security number(s) of the applicant in  
149 accordance with Section 93-11-64, Mississippi Code of 1972.

150 SECTION 4. Section 73-33-7, Mississippi Code of 1972, is  
151 amended as follows:

152 73-33-7. The Mississippi State Board of Public Accountancy  
153 is authorized to charge each applicant a fee for a certified  
154 public accountant license. However, a firm permit to practice  
155 public accounting shall be issued without the assessment of a fee  
156 by the board. All fees shall be in such amounts as to be  
157 determined by the board and paid when the application is filed.

158 On or before January 1 of each year \* \* \*, each holder of a  
159 certified public accountant license issued by the Mississippi  
160 State Board of Public Accountancy shall register and pay a  
161 reasonable annual registration fee in such amount as to be  
162 determined by the board. If any certified public accountant fails  
163 to register and pay the annual registration fee on or before  
164 January 1, notice of such default shall be sent to the certified  
165 public accountant by certified mail to the delinquent registrant's  
166 last known address as shown by the records of the board. The  
167 license of any certified public accountant who fails to register  
168 and pay the annual registration fee within ten (10) days after  
169 notice is given \* \* \* shall be automatically cancelled, and the  
170 board shall enter the cancellation on its records.

171 On or before January 1 of each year, each certified public  
172 accountant firm holding a permit to practice public accounting  
173 shall register with the board without the assessment of a  
174 registration fee. If any firm fails to register on or before  
175 January 1, notice of such default shall be sent to the firm by  
176 certified mail to the firm's last known address as shown by the  
177 records of the board. The permit to practice of any firm who  
178 fails to register within ten (10) days after notice is given shall  
179 be automatically cancelled, and the board shall enter the  
180 cancellation on its records.

181 Any person who has lost a certified public accountant license

182 or a firm which has lost a permit to practice in this state by  
183 failure to register or failure to pay the annual registration fee  
184 if so required under this section, or who voluntarily cancels or  
185 surrenders such license or permit, may be again \* \* \* licensed or  
186 have a firm permit reinstated by the board without reexamination,  
187 provided such person or firm shall again comply with the  
188 requirements of this chapter and the rules and regulations of the  
189 board; file application for registration; and, if required to pay  
190 a fee under this section, pay all fees in arrears, late fees and a  
191 reinstatement fee as set by the board \* \* \*.

192 Out of the funds collected under this chapter shall be paid  
193 the expenses of the members of the board, including mileage, hotel  
194 expenses and per diem compensation as provided in Section 25-3-69,  
195 for the time expended in carrying out the duties of the office;  
196 provided, however, no expense incurred by the board shall ever be  
197 charged against the funds of the state in excess of amounts  
198 collected under this section.

199 SECTION 5. Section 73-33-9, Mississippi Code of 1972, is  
200 amended as follows:

201 73-33-9. The Mississippi State Board of Public Accountancy  
202 may, in its discretion, issue a reciprocal certified public  
203 accountant license to practice to any holder of any certified  
204 public accountant's certificate or license issued under the law of  
205 another state, which shall entitle the holder to use the  
206 abbreviation, "CPA," in this state provided that the state issuing  
207 the original certificate or license grants similar privileges to  
208 the certified public accountants of this state. The fee for  
209 license and permit registration shall be in such amount as to be  
210 determined by the board. Such license shall not allow the holder  
211 thereof to engage in the practice of public accounting as a  
212 certified public accountant unless the holder is associated with  
213 and registered with a firm and meets the requirements of the  
214 Mississippi State Board of Public Accountancy.

215 SECTION 6. Section 73-33-11, Mississippi Code of 1972, is

216 amended as follows:

217           73-33-11. The Mississippi State Board of Public Accountancy  
218 may revoke, suspend or take other appropriate action with respect  
219 to any \* \* \* license or permit issued pursuant to this  
220 chapter \* \* \* for any unprofessional conduct \* \* \*, or for other  
221 sufficient cause, by the licensee or permit holder. No  
222 disciplinary action may be taken against a licensee or permit  
223 holder until the accused has been furnished both a statement of  
224 the charges against him and notice of the time and place for the  
225 hearing thereon. The board shall provide written notice to the  
226 accused at least twenty (20) days prior to hearing on any action  
227 by the board. Notice may be achieved by certified mail (with the  
228 addressee's receipt required) or by personal service to the  
229 licensee or permit holder. The notice shall contain a statement  
230 of the charges and set a day and place for a hearing before the  
231 board.

232           The members of the board are hereby empowered to sit as a  
233 trial board; to administer oaths (or affirmations); to summon any  
234 witness and to compel his attendance and/or his testimony, under  
235 oath (or affirmation) before the board; to compel the production  
236 before it, of any book, paper or document by the owner or  
237 custodian thereof; and/or to compel any officer to produce, at  
238 such hearing a copy of any public record (not privileged from  
239 public inspection by law) in his official custody, certified to,  
240 by him. The board shall elect one (1) of its members to serve as  
241 clerk, to issue summons and other processes, and to certify copies  
242 of its records or, the board may delegate such duties to the  
243 executive director.

244           \* \* \*

245           The accused \* \* \* may appear in person and/or by counsel or,  
246 in the instance of a firm permit holder through its manager and/or  
247 counsel to defend such charges. If the accused does not appear or  
248 answer, judgment may be entered by default, provided the board  
249 finds that proper service was made on the accused.

250       The minutes of the board shall be recorded in an appropriate  
251 minute book permanently maintained by the board at its office.

252       In a proceeding conducted under this section by the board for  
253 disciplinary action against a licensee or permit holder, those  
254 reasonable costs that are expended by the board in the  
255 investigation and conduct of a proceeding for discipline  
256 including, but not limited to, the cost of service of process,  
257 court reporters, expert witnesses, investigators and legal fees  
258 may be imposed by the board on the accused, the charging party or  
259 both.

260       Such costs shall be paid to the board upon the expiration of  
261 the period allowed for appeal of such penalties under this  
262 section, or may be paid sooner if the guilty party elects. Money  
263 collected by the board under this section shall be deposited to  
264 the credit of the board's special fund in the State Treasury.  
265 When payment of a monetary penalty assessed by the board under  
266 this section is not paid when due, the board shall have the power  
267 to institute and maintain proceedings in its name for enforcement  
268 of payment in the Chancery Court of the First Judicial District of  
269 Hinds County, Mississippi, or in the Chancery Court of the county  
270 where the respondent resides.

271       In case of a decision adverse to the accused, appeal shall be  
272 made within thirty (30) days from the day on which decision is  
273 made \* \* \* to the circuit court of the First Judicial District of  
274 Hinds County, Mississippi, or in the circuit court of the county  
275 in which the accused resides. In the case of a nonresident  
276 licensee, the appeal shall be made to the First Judicial District  
277 of Hinds County, Mississippi. The order of the board shall not  
278 take effect until the expiration of said thirty (30) days.

279       In case of an appeal, \* \* \* bond for costs in the circuit  
280 court shall be given as in other cases; and the order of the board  
281 shall not take effect until such appeal has been finally disposed  
282 of by the court or courts.

283       The board may, at any time, reinstate a license or permit if



284 it finds that such reinstatement is justified.

285         In addition to the reasons specified in the first paragraph  
286 of this section, the board shall be authorized to suspend the  
287 license of any licensee for being out of compliance with an order  
288 for support, as defined in Section 93-11-153. The procedure for  
289 suspension of a license for being out of compliance with an order  
290 for support, and the procedure for the reissuance or reinstatement  
291 of a license suspended for that purpose, and the payment of any  
292 fees for the reissuance or reinstatement of a license suspended  
293 for that purpose, shall be governed by Section 93-11-157 or  
294 93-11-163, as the case may be. Actions taken by the board in  
295 suspending a license when required by Section 93-11-157 or  
296 93-11-163 are not actions from which an appeal may be taken under  
297 this section. Any appeal of a license suspension that is required  
298 by Section 93-11-157 or 93-11-163 shall be taken in accordance  
299 with the appeal procedure specified in Section 93-11-157 or  
300 93-11-163, as the case may be, rather than the procedure specified  
301 in this section. If there is any conflict between any provision  
302 of Section 93-11-157 or 93-11-163 and any provision of this  
303 chapter, the provisions of Section 93-11-157 or 93-11-163, as the  
304 case may be, shall control.

305         SECTION 7. Section 73-33-13, Mississippi Code of 1972, is  
306 amended as follows:

307         73-33-13. If any person shall: (a) falsely represent  
308 himself to the public as having received a certified public  
309 accountant license or falsely represent a firm in which he has an  
310 ownership interest to the public as having received a firm permit  
311 as provided in this chapter; or (b) falsely assume to practice as  
312 a certified public accountant; or (c) falsely use the  
313 abbreviation, "C.P.A.," or any similar words or word, letters or  
314 letter to indicate that the person using the same is a certified  
315 public accountant, without having received a certified public  
316 accountant license \* \* \* as provided in this chapter; or (d) if  
317 any person having received a certified public accountant license

318 and having lost such license by cancellation, revocation or  
319 suspension as provided by this chapter, shall continue to use the  
320 "CPA" abbreviation, use the words certified public accountant, or  
321 practice public accounting after losing his license; or (e) if any  
322 person shall represent that a CPA firm with a suspended or revoked  
323 permit in which he has an ownership interest is entitled to  
324 perform such practice--he shall be deemed guilty of a misdemeanor  
325 and upon conviction thereof shall be punished by a criminal fine  
326 of not less than Five Hundred Dollars (\$500.00) or of not more  
327 than Five Thousand Dollars (\$5,000.00), or by imprisonment in the  
328 county jail for not longer than six (6) months, or by both such  
329 fine and imprisonment, in the discretion of the court for each  
330 such an offense.

331 SECTION 8. Section 73-33-15, Mississippi Code of 1972, is  
332 amended as follows:

333 73-33-15. (1) It shall be unlawful for any person, except a  
334 registered public accountant, who is associated and registered  
335 with a firm permit holder and/or for any firm, except for a  
336 certified public accountant firm that holds a valid CPA firm  
337 permit to practice public accounting issued pursuant to this  
338 chapter to:

339 (a) Issue, sign or permit his name or firm name to be  
340 associated with any report, transmittal letter or other written  
341 communication issued as a result of an examination of financial  
342 statements or financial information which contains either an  
343 expression of opinion or other attestation as to the fairness,  
344 accuracy or reliability of such financial statements;

345 (b) Offer to perform, or perform, for the public,  
346 public accounting, tax consulting or other accounting-related  
347 services while holding himself out as a certified public  
348 accountant or as a firm of certified public accountants or  
349 certified public accountant firm; or

350 (c) Maintain an office or other facility for the  
351 transaction of business as a certified public accountant or

352 certified public accountant firm.

353 (2) Any person or firm violating subsection (1) of this  
354 section shall be guilty of a misdemeanor, and may, upon conviction  
355 therefor, be punished by a criminal fine of not less than Five  
356 Hundred Dollars (\$500.00) nor more than Five Thousand Dollars  
357 (\$5,000.00), or by imprisonment in the county jail for not less  
358 than ten (10) days nor more than six (6) months, or by both such  
359 fine and imprisonment in the discretion of the court.

360 (3) The provisions of paragraph (a) of subsection (1) of  
361 this section shall not be construed to apply to an attorney  
362 licensed to practice law in this state; to a person for making  
363 statements as to his own business; to an officer or salaried  
364 employee of a firm, partnership or corporation for making an  
365 internal audit, statement or tax return for the same; to a  
366 bookkeeper for making an internal audit, statement or tax return  
367 for his employer, whose books he regularly keeps for a salary; to  
368 a receiver, a trustee or fiduciary as to any statement or tax  
369 return with reference to the business or property entrusted to him  
370 as such; to any federal, state, county, district or municipal  
371 officer as to any audit, statement, or tax return made by him in  
372 the discharge of the duties of such office.

373 SECTION 9. The following section shall be codified as  
374 Section 73-33-19, Mississippi Code of 1972:

375 73-33-19. Any person holding on July 1, 1999, a certificate  
376 without a license registered with the Mississippi State Board of  
377 Public Accountancy shall automatically receive a certified public  
378 accountant's license. After July 1, 1999, the board shall not  
379 issue certificates without licenses and shall issue licenses only  
380 as provided under the provisions of this chapter.

381 SECTION 10. This act shall take effect and be in force from  
382 and after July 1, 1999.