

**\*\*\*Pending\*\*\***

**AMENDMENT No. 1 PROPOSED TO**

**Senate Bill NO. 2363**

**By Representative(s) Committee**

**Amend by striking all after the enacting clause and inserting  
in lieu thereof the following:**

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

34       73-33-1.   Any person residing or having a place for the  
35 regular transaction of business in the State of Mississippi being  
36 of good moral character, and who shall have received from the  
37 State Board of Public Accountancy a license certifying his  
38 qualifications as a certified public accountant as hereinafter  
39 provided, shall be styled or known as a certified public  
40 accountant, and it shall be unlawful for any other person or  
41 persons to assume such title or use any letters, abbreviations or  
42 words to indicate that such person using same is a certified  
43 public accountant, unless, at the discretion of the board, such  
44 person has been granted use of the title of "certified public  
45 accountant retired" by the Mississippi State Board of Public  
46 Accountancy or has received a reciprocal certified public  
47 accountant license from the State Board of Public Accountancy.

48       A certified public accountant practicing public accounting  
49 must be associated and registered with a certified public  
50 accountant firm, except a certified public accountant who is  
51 practicing as a sole proprietor. A firm permit to practice public  
52 accounting shall not be issued to any individual(s) who do not

hold a certified public accountant license or reciprocal certified public accountant license issued by the board.

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

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

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

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

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

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

(c) "Practice of, or practicing, CPA public accounting or CPA public accountancy" means the performance, the offering to perform, or maintaining an office by a person, persons or firm holding itself out to the public as certified public accountant(s) or CPA firm, for a client or potential client, or certified public accountant(s) or CPA firm performing one or more kinds of services

85 involving the use of accounting or auditing skills, including, but  
86 not limited to, the issuance of reports on financial statements,  
87 or of one or more kinds of management advisory, financial advisory  
88 or consulting services, or the preparation of tax returns or the  
89 furnishing of advice on tax matters.

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

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

97 73-33-5. The Mississippi State Board of Public Accountancy  
98 is hereby authorized with the following powers and duties:

99 (a) To adopt a seal;

100 (b) To govern its proceedings;

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

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

115 (e) To notify applicants who have failed an  
116 examination \* \* \* of such failure and in what branch or branches

117 deficiency was found;

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

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

133       \* \* \*

134           (h) To employ personnel;

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

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

146       Each application or filing made under this section shall  
147 include the Social Security number(s) of the applicant in  
148 accordance with Section 93-11-64, Mississippi Code of 1972.

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

151           73-33-7.   The Mississippi State Board of Public Accountancy  
152 is authorized to charge each applicant a fee for a certified  
153 public accountant license. However, a firm permit to practice  
154 public accounting shall be issued without the assessment of a fee  
155 by the board. All fees shall be in such amounts as to be  
156 determined by the board and paid when the application is filed.

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

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

180           Any person who has lost a certified public accountant license

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

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

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

200 73-33-9. The Mississippi State Board of Public Accountancy  
201 may, in its discretion, issue a reciprocal certified public  
202 accountant license to practice to any holder of any certified  
203 public accountant's certificate or license issued under the law of  
204 another state, which shall entitle the holder to use the  
205 abbreviation, "CPA," in this state provided that the state issuing  
206 the original certificate or license grants similar privileges to  
207 the certified public accountants of this state. The fee for a  
208 license shall be in such reasonable amount as \* \* \* determined by  
209 the board. Such license shall not allow the holder thereof to  
210 engage in the practice of public accounting as a certified public  
211 accountant unless the holder meets the requirements of the  
212 Mississippi State Board of Public Accountancy.

213           SECTION 6.   Section 73-33-11, Mississippi Code of 1972, is  
214 amended as follows:

215           73-33-11.   The Mississippi State Board of Public Accountancy  
216 may revoke, suspend or take other appropriate action with respect  
217 to any \* \* \* license or permit issued pursuant to this  
218 chapter \* \* \* for any unprofessional conduct by the licensee or  
219 permit holder, or for other sufficient cause, provided written  
220 notice shall have been sent by registered mail (with the  
221 addressee's receipt required) to the holder thereof, twenty (20)  
222 days before any hearing thereon, stating the cause for such  
223 contemplated action and appointing a day and a place for a full  
224 hearing thereon by said board, provided further, no certificate or  
225 license be cancelled or revoked until a hearing shall have been  
226 given to the holder thereof according to law.   But, after such  
227 hearing, said board may, in its discretion, suspend such a  
228 certified public accountant from practice as a certified public  
229 accountant in this state not exceeding twelve (12) months.

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

242           \* \* \*

243           The accused \* \* \* may appear in person and/or by counsel or,  
244 in the instance of a firm permit holder through its manager and/or

245 counsel to defend such charges. If the accused does not appear or  
246 answer, judgment may be entered by default, provided the board  
247 finds that proper service was made on the accused.

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

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

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

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



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

281           The board may, at any time, reinstate a license or permit if  
282 it finds that such reinstatement is justified.

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

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

305           73-33-13. If any person shall: (a) falsely represent  
306 himself to the public as having received a certified public  
307 accountant license or falsely represent a firm in which he has an  
308 ownership interest to the public as having received a firm permit

309 as provided in this chapter; or (b) falsely assume to practice as  
310 a certified public accountant; or (c) falsely use the  
311 abbreviation, "C.P.A.," or any similar words or word, letters or  
312 letter to indicate that the person using the same is a certified  
313 public accountant, without having received a certified public  
314 accountant license \* \* \* as provided in this chapter; or (d) if  
315 any person having received a certified public accountant license  
316 and having lost such license by cancellation, revocation or  
317 suspension as provided by this chapter, shall continue to use the  
318 "CPA" abbreviation, use the words certified public accountant, or  
319 practice public accounting after losing his license; or (e) if any  
320 person shall represent that a CPA firm with a suspended or revoked  
321 permit in which he has an ownership interest is entitled to  
322 perform such practice--he shall be deemed guilty of a misdemeanor  
323 and upon conviction thereof shall be punished by a criminal fine  
324 of not less than Five Hundred Dollars (\$500.00) or of not more  
325 than Five Thousand Dollars (\$5,000.00), or by imprisonment in the  
326 county jail for not longer than six (6) months, or by both such  
327 fine and imprisonment, in the discretion of the court for each  
328 such an offense.

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

331 73-33-15. (1) It shall be unlawful for any person, except a  
332 registered public accountant, who is associated and registered  
333 with a firm permit holder and/or for any firm, except for a  
334 certified public accountant firm that holds a valid CPA firm  
335 permit to practice public accounting issued pursuant to this  
336 chapter to:

337 (a) Issue, sign or permit his name or firm name to be  
338 associated with any report, transmittal letter or other written  
339 communication issued as a result of an examination of financial  
340 statements or financial information which contains either an

341 expression of opinion or other attestation as to the fairness,  
342 accuracy or reliability of such financial statements;

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

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

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

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

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

**99\HR03\SB2363A.J \*HR03/SB2363AJ\***

373       73-33-19. Any person holding on July 1, 1999, a certificate  
374 without a license registered with the Mississippi State Board of  
375 Public Accountancy shall automatically receive a certified public  
376 accountant's license. After July 1, 1999, the board shall not  
377 issue certificates without licenses and shall issue licenses only  
378 as provided under the provisions of this chapter.

379       SECTION 10. This act shall take effect and be in force from  
380 and after July 1, 1999, and shall stand repealed on July 1, 2001.

**Further, amend by striking the title in its entirety and  
inserting in lieu thereof the following:**

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 REVISE CERTAIN RECIPROCITY REQUIREMENTS; TO AMEND SECTION  
17 73-33-11, MISSISSIPPI CODE OF 1972, TO REVISE THE PROCEDURE BY  
18 WHICH THE STATE BOARD OF PUBLIC ACCOUNTANCY MAY REVOKE, CANCEL OR  
19 SUSPEND CERTIFICATES, LICENSES AND PERMITS OR TAKE OTHER  
20 DISCIPLINARY ACTION AGAINST A REGISTRANT; TO AMEND SECTION  
21 73-33-13, MISSISSIPPI CODE OF 1972, TO MAKE IT A MISDEMEANOR TO  
22 REPRESENT THAT A CERTIFIED PUBLIC ACCOUNTANT FIRM WITHOUT A  
23 CURRENT PERMIT IS LICENSED TO PRACTICE PUBLIC ACCOUNTING; TO AMEND  
24 SECTION 73-33-15, MISSISSIPPI CODE OF 1972, TO REQUIRE THAT A  
25 CERTIFIED PUBLIC ACCOUNTANT BE ASSOCIATED WITH A REGISTERED FIRM  
26 TO PRACTICE PUBLIC ACCOUNTING; TO CREATE A NEW CODE SECTION TO BE  
27 CODIFIED AS SECTION 73-33-19, MISSISSIPPI CODE OF 1972, TO PROVIDE  
28 THAT ANY PERSON HOLDING A CERTIFICATE WITHOUT A LICENSE ON JULY 1,  
29 1999, SHALL AUTOMATICALLY RECEIVE A CERTIFIED PUBLIC ACCOUNTANT'S  
30 LICENSE; AND FOR RELATED PURPOSES.