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House Bill 6196 (as reported without amendment)
Sponsor: Representative Bert Johnson
House Committee: Regulatory Reform
Senate Committee: Economic Development and Regulatory Reform

CONTENT

The bill would amend Article 7 (Public Accounting) of the Occupational Code to revise the qualifying experience requirements for receiving a certificate as a certified public accountant (CPA), and expand the requirements for receiving a CPA certificate in Michigan based on holding a certificate from another state or other United States jurisdiction.

An applicant for a CPA certificate must have one year of qualifying experience under the direction and supervision of a licensed CPA that meets certain criteria. The applicant must have performed one financial audit, and may submit an audit performed under the direction and supervision of a licensed CPA who is not the applicant's employer or an audit performed while the applicant was meeting the educational requirements of Article 7. The bill would delete those provisions. Instead, the applicant would have to have one year of qualifying experience, all of which was verified by a CPA and submitted on a form prescribed by the Department of Energy, Labor, and Economic Growth. Qualifying experience would be experience gained through employment in government, industry, academia, or public practice in one or more areas specified in the bill.

The Department must issue a CPA certificate to an individual who holds a valid and unrevoked CPA certificate issued by or under the authority of another state or United States jurisdiction and provides proof that his or her original certificate was secured on the basis of requirements that the State Board of Accountancy determines are equivalent to the standards required for qualification in Michigan at the same time the applicant was issued his or her original certificate. Under the bill, an individual also would be required to have had four years of experience of the type described in the bill's qualifying experience requirements, after having passed the examination upon which the applicant's certificate was based, within 10 years immediately preceding the date of application.

The bill also would do both of the following:

- Include business valuation, forensic accounting, and fraud examination services in the practice of public accounting.
- Subject a CPA to administrative sanctions for a departure from standards of professional practice.

MCL 339.720 et al.

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Date Completed: 9-16-10

Fiscal Analyst: Elizabeth Pratt