



Sen. Deanna Demuzio

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09500SB0745sam001

LRB095 05191 RAS 34463 a

1 AMENDMENT TO SENATE BILL 745

2 AMENDMENT NO. _____. Amend Senate Bill 745 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Accounting Act is amended
5 by changing Sections 1, 4, 9, 9.01, 9.02, 13, 14, 14.3, and
6 30.2 and by adding Section 5.2 as follows:

7 (225 ILCS 450/1) (from Ch. 111, par. 5501)

8 (Section scheduled to be repealed on January 1, 2014)

9 Sec. 1. No person shall hold himself or herself out to the
10 public in this State in any manner by using the title
11 "Certified Public Accountant" or use the abbreviation "C.P.A."
12 or "CPA" or any words or letters to indicate that the person
13 using the same is a certified public accountant, unless he or
14 she has been issued a license or registration by the Department
15 under this Act or is exercising the practice privilege afforded
16 under Section 5.2 of this Act.

1 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 10-1-06.)

2 (225 ILCS 450/4) (from Ch. 111, par. 5505)

3 (Section scheduled to be repealed on January 1, 2014)

4 Sec. 4. Transitional language.

5 (a) The provisions of this Act shall not be construed to
6 invalidate any certificates as certified public accountants
7 issued by the University under "An Act to regulate the
8 profession of public accountants", approved May 15, 1903, as
9 amended, or any certificates as Certified Public Accountants
10 issued by the University or the Board under Section 4 of "An
11 Act to regulate the practice of public accounting and to repeal
12 certain acts therein named", approved July 22, 1943, as
13 amended, which certificates shall be valid and in force as
14 though issued under the provisions of this Act.

15 (b) Before July 1, 2010, persons who have received a
16 Certified Public Accountant (CPA) Certificate issued by the
17 Board of Examiners or holding similar certifications from other
18 jurisdictions with equivalent educational requirements and
19 examination standards may apply to the Department on forms
20 supplied by the Department for and may be granted a
21 registration as a Registered Certified Public Accountant from
22 the Department upon payment of the required fee.

23 (c) Beginning with the 2006 renewal, the Department shall
24 cease to issue a license as a Public Accountant. Any person
25 holding a valid license as a Public Accountant prior to

1 September 30, 2006 who meets the conditions for renewal of a
2 license under this Act, shall be issued a license as a Licensed
3 Certified Public Accountant under this Act and shall be subject
4 to continued regulation by the Department under this Act. The
5 Department may adopt rules to implement this Section.

6 (d) The Department shall not issue any new registrations as
7 a Registered Certified Public Accountant after July 1, 2010.
8 After that date, any applicant for licensure under this Act
9 shall apply for a license as a Licensed Certified Public
10 Accountant and shall meet the requirements set forth in this
11 Act. Any person issued a Certified Public Accountant
12 certificate who has been issued a registration as a Registered
13 Certified Public Accountant may renew the registration under
14 the provisions of this Act and that person may continue to
15 renew or restore the registration during his or her lifetime,
16 subject only to the renewal or restoration requirements for the
17 registration under this Act. Such registration shall be subject
18 to the disciplinary provisions of this Act.

19 (e) On and after October 1, 2006, no person shall hold
20 himself or herself out to the public in this State in any
21 manner by using the title "certified public accountant" or use
22 the abbreviation "C.P.A." or "CPA" or any words or letters to
23 indicate that the person using the same is a certified public
24 accountant unless he or she maintains a current registration or
25 license issued by the Department or is exercising the practice
26 privilege afforded under Section 5.2 of this Act. It shall be a

1 violation of this Act for an individual to assume or use the
2 title "certified public accountant" or use the abbreviation
3 "C.P.A." or "CPA" or any words or letters to indicate that the
4 person using the same is a certified public accountant in this
5 State unless he or she maintains a current registration or
6 license issued by the Department or is exercising the practice
7 privilege afforded under Section 5.2 of this Act.

8 (Source: P.A. 93-683, eff. 7-2-04.)

9 (225 ILCS 450/5.2 new)

10 (Section scheduled to be repealed on January 1, 2014)

11 Sec. 5.2. Substantial equivalency.

12 (a) An individual whose principal place of business is not
13 in this State shall have all the privileges of a person
14 licensed under this Act as a certified public accountant
15 without the need to obtain a license or registration from the
16 Department or to file notice with the Department, if the
17 individual:

18 (1) holds a valid license as a certified public
19 accountant issued by another state that the National
20 Qualification Appraisal Service of the National
21 Association of State Boards of Accountancy has verified to
22 be in substantial equivalence with the CPA licensure
23 requirements of the Uniform Accountancy Act of the American
24 Institute of Certified Public Accounts and the National
25 Association of State Boards of Accountancy; or

1 (2) holds a valid license as a certified public
2 accountant issued by another state and obtains from the
3 National Qualification Appraisal Service of the National
4 Association of State Boards of Accountancy verification
5 that the individual's CPA qualifications are substantially
6 equivalent to the CPA licensure requirements of the Uniform
7 Accountancy Act of the American Institute of Certified
8 Public Accounts and the National Association of State
9 Boards of Accountancy; however, any individual who has
10 passed the Uniform CPA Examination and holds a valid
11 license issued by any other state prior to January 1, 2012
12 shall be exempt from the education requirements of Section
13 3 of this Act for the purposes of this item (2).

14 (b) Notwithstanding any other provision of law, an
15 individual who offers or renders professional services under
16 this Section, whether in person or by mail, telephone, or
17 electronic means, shall be granted practice privileges in this
18 State and no notice or other submission must be provided by any
19 such individual.

20 (c) An individual exercising the privilege afforded under
21 this Section and the CPA firm that employs such individual, if
22 any, as a condition of the grant of this privilege, hereby
23 simultaneously consents:

24 (1) to the personal and subject matter jurisdiction and
25 disciplinary authority of the Department;

26 (2) to comply with this Act and the Department's rules

1 adopted under this Act;

2 (3) that in the event that the license from the state
3 of the individual's principal place of business is no
4 longer valid, the individual shall cease offering or
5 rendering professional services in this State individually
6 or on behalf of a CPA firm; and

7 (4) to the appointment of the state board that issued
8 the individual's or the CPA firm's license as the agent
9 upon which process may be served, with the consent of that
10 state board, in any action or proceeding by the Department
11 against the individual.

12 (d) An individual licensee who qualifies for practice
13 privileges under this Section who, for any entity headquartered
14 in this State, performs (i) a financial statement audit or
15 other engagement in accordance with Statements on Auditing
16 Standards; (ii) an examination of prospective financial
17 information in accordance with Statements on Standards for
18 Attestation Engagements; or (iii) an engagement in accordance
19 with Public Company Accounting Oversight Board Auditing
20 Standards may only do so through a firm licensed under this
21 Act.

22
23 (225 ILCS 450/9) (from Ch. 111, par. 5510)

24 (Section scheduled to be repealed on January 1, 2014)

25 Sec. 9. Unlicensed practice.

1 No person shall, ~~after the effective date of this~~
2 ~~amendatory Act of the 93rd General Assembly, begin to practice~~
3 in this State ~~or hold himself out as being able to practice~~
4 ~~licensed certified public accounting in this State~~ or hold
5 himself or herself out as being able to practice in this State
6 as a licensed certified public accountant, unless he or she is
7 licensed in accordance with the provisions of this Act or is
8 exercising the practice privilege afforded under Section 5.2 of
9 this Act. Any person who is the holder of a license as a public
10 accountant heretofore issued, under any prior Act licensing or
11 registering public accountants in this State, valid on the
12 effective date of this amendatory Act shall be deemed to be
13 licensed under this Act shall be subject to the same rights and
14 obligations as persons originally licensed under this Act.

15 ~~No person shall, after the effective date of this~~
16 ~~amendatory Act of the 93rd General Assembly, begin to hold~~
17 ~~himself or herself out as a registered certified public~~
18 ~~accountant unless he or she is registered in accordance with~~
19 ~~the provisions of this Act.~~

20 ~~On and after October 1, 2006, no person may use or~~
21 ~~incorporate the title "certified public accountant" without~~
22 ~~holding a license as a licensed certified public accountant or~~
23 ~~registered certified public accountant under this Act.~~

24 (Source: P.A. 93-683, eff. 7-2-04.)

1 (Section scheduled to be repealed on January 1, 2014)

2 Sec. 9.01. Unlicensed practice; violation; civil penalty.

3 (a) Any person or firm that practices, offers to practice,
4 attempts to practice, or holds oneself out to practice as a
5 licensed certified public accountant in this State without
6 being licensed under this Act or qualifying for the practice
7 privilege set forth in Section 5.2 of this Act shall, in
8 addition to any other penalty provided by law, pay a civil
9 penalty to the Department in an amount not to exceed \$5,000 for
10 each offense as determined by the Department. The civil penalty
11 shall be assessed by the Department after a hearing is held in
12 accordance with the provisions set forth in this Act regarding
13 the provision of a hearing for the discipline of a licensee.

14 (b) The Department has the authority and power to
15 investigate any and all unlicensed activity.

16 (c) The civil penalty shall be paid within 60 days after
17 the effective date of the order imposing the civil penalty. The
18 order shall constitute a judgment and may be filed and
19 execution had thereon in the same manner as any judgment from
20 any court of record.

21 (Source: P.A. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

22 (225 ILCS 450/9.02)

23 (Section scheduled to be repealed on January 1, 2014)

24 Sec. 9.02. Unauthorized use of title; violation; civil
25 penalty.

1 (a) ~~Any On and after October 1, 2006, any~~ person who holds
2 himself or herself out to the public as a licensed certified
3 public accountant in this State by using ~~shall assume~~ the title
4 "certified public accountant" or ~~use~~ the abbreviation "CPA" or
5 any words or letters to indicate that the person using the same
6 is a certified public accountant without having been issued a
7 registration ~~as a registered certified public accountant~~ or a
8 license as a ~~licensed~~ certified public accountant under the
9 provisions of this Act or without qualifying for the practice
10 privilege under Section 5.2 of this Act shall, in addition to
11 any other penalty provided by law, pay a civil penalty to the
12 Department in an amount not to exceed \$5,000 for each offense
13 as determined by the Department. The civil penalty shall be
14 assessed by the Department after a hearing is held in
15 accordance with the provisions set forth in this Act regarding
16 the provision of a hearing for the discipline of a licensee.

17 (b) The Department has the authority and power to
18 investigate any and all alleged improper use of the certified
19 public accountant title or CPA designation.

20 (c) The civil penalty shall be paid within 60 days after
21 the effective date of the order imposing the civil penalty. The
22 order shall constitute a judgment and may be filed and
23 execution had thereon in the same manner as any judgment from
24 any court of record.

25 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

1 (225 ILCS 450/13) (from Ch. 111, par. 5514)

2 (Section scheduled to be repealed on January 1, 2014)

3 Sec. 13. Application for licensure.

4 (a) A person, partnership, limited liability company, or
5 corporation desiring to practice public accounting in this
6 State shall make application to the Department for licensure as
7 a licensed certified public accountant and shall pay the fee
8 required by rule.

9 Applicants have 3 years from the date of application to
10 complete the application process. If the process has not been
11 completed in 3 years, the application shall be denied, the fee
12 forfeited and the applicant must reapply and meet the
13 requirements in effect at the time of reapplication.

14 (b) Any firm, whether organized as a partnership, limited
15 liability company, corporation, or other entity, that (i) has
16 an office in this State that uses the title "CPA" or "CPA
17 firm"; (ii) has an office in this State that performs public
18 accounting services, as defined in Section 8 of this Act; or
19 (iii) does not have an office in this State, but performs
20 attest services, as set forth in subsection (d) of Section 5.2
21 of this Act, for a client that has its home office in this
22 State must hold a license issued under this Act.

23 (c) A firm that does not have an office in this State may
24 perform a review of a financial statement in accordance with
25 the Statements on Standards for Accounting and Review Services
26 for a client with its home office in this State and may use the

1 title "CPA" or "CPA firm" without obtaining a license under
2 this Act, only if the firm (i) performs such services through
3 individuals with practice privileges under Section 5.2 of this
4 Act; (ii) satisfies any peer review requirements in those
5 states in which the individuals with practice privileges under
6 Section 5.2 have their principal place of business; and (iii)
7 meets the qualifications set forth in item (2) of subsection
8 (b) of Section 14 of this Act.

9 (d) A firm that is not subject to the requirements of
10 subsection (b) or (c) of this Section may perform professional
11 services that are not regulated under subsection (b) or (c) of
12 this Section while using the title "CPA" or "CPA firm" in this
13 State without obtaining a license under this Act if the firm
14 (i) performs such services through individuals with practice
15 privileges under Section 5.2 of this Act and (ii) may lawfully
16 perform such services in the state where those individuals with
17 practice privileges under Section 5.2 of this Act have their
18 principal place of business.

19 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

20 (225 ILCS 450/14) (from Ch. 111, par. 5515)

21 (Section scheduled to be repealed on January 1, 2014)

22 Sec. 14. Qualifications. The Department may license as
23 licensed certified public accountants the following:

24 (a) All persons who have received certificates as certified
25 public accountants from the Board or who hereafter receive

1 registrations as registered certified public accountants from
2 the Department who have had at least one year of full-time
3 experience, or its equivalent, providing any type of service or
4 advice involving the use of accounting, attest, management
5 advisory, financial advisory, tax, or consulting skills, which
6 may be gained through employment in government, industry,
7 academia, or public practice.

8 If the applicant's certificate as a certified public
9 accountant from the Board or the applicant's registration as a
10 registered certified public accountant from the Department was
11 issued more than 4 years prior to the application for a license
12 under this Section, the applicant shall submit any evidence the
13 Department may require showing the applicant has completed not
14 less than 90 hours of continuing professional education
15 acceptable to the Department within the 3 years immediately
16 preceding the date of application.

17 (b) All partnerships, limited liability companies, or
18 corporations, or other entities engaged in the practice of
19 public accounting in this State and meeting the following
20 requirements:

21 (1) (Blank).

22 (2) A majority of the ownership of the firm, in terms
23 of financial interests and voting rights of all partners,
24 officers, shareholders, members, or managers, belongs to
25 persons licensed in some state, and the partners, officers,
26 shareholders, members, or managers whose principal place

1 of business is in this State and who practice public
2 accounting in this State, as defined in Section 8 of this
3 Act, hold a valid license issued by this State. An
4 individual exercising the practice privilege afforded
5 under Section 5.2 who performs services for which a firm
6 license is required under subsection (d) of Section 5.2
7 shall not be required to obtain an individual license under
8 this Act.

9 (3) It shall be lawful for a nonprofit cooperative
10 association engaged in rendering an auditing and
11 accounting service to its members only, to continue to
12 render that service provided that the rendering of auditing
13 and accounting service by the cooperative association
14 shall at all times be under the control and supervision of
15 licensed certified public accountants.

16 (4) The Department may adopt rules and regulations as
17 necessary to provide for the practice of public accounting
18 by business entities that may be otherwise authorized by
19 law to conduct business in Illinois.

20 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

21 (225 ILCS 450/14.3)

22 (Section scheduled to be repealed on January 1, 2014)

23 Sec. 14.3. Additional requirements for firms. In addition
24 to the ownership requirements set forth in subsection (b) of
25 Section 14, all firms licensed under this Act shall meet the

1 following requirements:

2 (a) All owners of the firm, whether licensed or not, shall
3 be active participants in the firm or its affiliated entities.

4 (b) An individual who supervises services for which a
5 license is required under Section 8 of this Act, ~~or~~ who signs
6 or authorizes another to sign any report for which a license is
7 required under Section 8 of this Act, or who supervises
8 services for which a firm license is required under subsection
9 (d) of Section 5.2 of this Act shall hold a valid, active
10 Licensed Certified Public Accountant license from this State or
11 another state and shall comply with such additional experience
12 requirements as may be required by rule of the Department
13 Board.

14 (c) The firm shall require that all owners of the firm,
15 whether or not certified or licensed under this Act, comply
16 with rules promulgated under this Act.

17 (d) The firm shall designate to the Department in writing
18 an individual licensed under this Act or, in the case of a firm
19 that must have a license pursuant to subsection (b) of Section
20 13 of this Act, a licensee of another state who meets the
21 requirements set out in item (1) or (2) of subsection (a) of
22 Section 5.2 of this Act, who shall be responsible for the
23 proper registration of the firm.

24 (e) Applicants have 3 years from the date of application to
25 complete the application process. If the process has not been
26 completed in 3 years, the application shall be denied, the fee

1 shall be forfeited, and the applicant must reapply and meet the
2 requirements in effect at the time of reapplication.

3 (Source: P.A. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

4 (225 ILCS 450/30.2) (from Ch. 111, par. 5535.2)

5 (Section scheduled to be repealed on January 1, 2014)

6 Sec. 30.2. Contributory fault. Except in causes of action
7 based on actual fraud or intentional misrepresentation, ~~the the~~
8 principles of liability set forth in Sections 2-1115.05,
9 2-1116, and 2-1117 of the Code of Civil Procedure shall apply
10 to all claims for civil damages brought against any person,
11 partnership, corporation, or any other entity certified,
12 licensed, or practicing under this Act, or any of its
13 employees, partners, members, officers, or shareholders that
14 are alleged to result from acts, omissions, decisions, or other
15 conduct in connection with professional services.

16 This Section applies to causes of action accruing on or
17 after the effective date of this amendatory Act of 1992. This
18 amendatory Act of 1995 applies to causes of action accruing on
19 or after its effective date.

20 (Source: P.A. 89-380, eff. 8-18-95.)

21 (225 ILCS 450/9.1 rep.)

22 Section 10. The Illinois Public Accounting Act is amended
23 by repealing Section 9.1.

1 Section 97. Severability. The provisions of this Act are
2 severable under Section 1.31 of the Statute on Statutes.

3 Section 99. Effective date. This Act takes effect January
4 1, 2008."