

CHAPTER 197

PROFESSIONS AND OCCUPATIONS

HOUSE BILL 08-1226

BY REPRESENTATIVE(S) May M., Labuda, Massey, Mitchell V., and Stephens;  
also SENATOR(S) Veiga, Mitchell S., Penry, and Wiens.

AN ACT

CONCERNING THE ABILITY OF A CERTIFIED PUBLIC ACCOUNTANT FROM ANOTHER STATE TO PRACTICE ACCOUNTANCY IN COLORADO, AND MAKING AN APPROPRIATION THEREFOR.

Be it enacted by the General Assembly of the State of Colorado:

SECTION 1. 12-2-121 (2), Colorado Revised Statutes, is amended to read:

**12-2-121. Exceptions - acts not prohibited - rules.** (2) (a) Nothing in this article shall prohibit a certified public accountant or a registered public accountant ~~of whose principal place of business is located in another state or any accountant who holds a certificate, degree, or license in a foreign country, constituting a recognized qualification for the practice of public accounting in such country~~ JURISDICTION OF THE UNITED STATES, from practicing in this state on professional business, ~~incident to his or her regular practice outside this state, as defined by rules promulgated by the board. The board is authorized to issue temporary practice permits to out-of-state certified public accountants in good standing.~~ Such temporary practice shall be conducted in conformity with the rules ~~of professional conduct~~ promulgated by the board. NOTWITHSTANDING THE REQUIREMENTS OF SECTION 12-2-117, A FOREIGN PARTNERSHIP, CORPORATION, LIMITED PARTNERSHIP, LIMITED LIABILITY LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY MAY ENGAGE IN THE PRACTICE OF ACCOUNTANCY IN THIS STATE WITHOUT REGISTERING WITH THE BOARD.

(b) NOTHING IN THIS ARTICLE SHALL PROHIBIT:

(I) AN ACCOUNTANT WHO HOLDS A CERTIFICATE, DEGREE, OR LICENSE IN A FOREIGN COUNTRY, CONSTITUTING A RECOGNIZED QUALIFICATION FOR THE PRACTICE OF PUBLIC ACCOUNTING IN SUCH COUNTRY, FROM PRACTICING IN THIS STATE ON PROFESSIONAL BUSINESS INCIDENT TO HIS OR HER REGULAR PRACTICE OUTSIDE THIS

Capital letters indicate new material added to existing statutes; dashes through words indicate deletions from existing statutes and such material not part of act.

STATE, AS DEFINED BY THE BOARD. SUCH PRACTICE SHALL BE CONDUCTED IN CONFORMITY WITH RULES PROMULGATED BY THE BOARD.

(II) A CERTIFIED PUBLIC ACCOUNTANT FROM ANOTHER STATE OR JURISDICTION OF THE UNITED STATES WHO IS PRACTICING IN THIS STATE PURSUANT TO THIS SUBSECTION (2) FROM USING THE TITLE "CERTIFIED PUBLIC ACCOUNTANT" OR THE ABBREVIATION "C.P.A.", OR ANY OTHER TITLE, DESIGNATION, WORDS, LETTERS, ABBREVIATION, SIGN, CARD, OR DEVICE TENDING TO INDICATE THAT THE PERSON IS A CERTIFIED PUBLIC ACCOUNTANT; OR

(III) A FOREIGN PARTNERSHIP, CORPORATION, LIMITED PARTNERSHIP, LIMITED LIABILITY LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY THAT IS PRACTICING IN THIS STATE PURSUANT TO THIS SUBSECTION (2) FROM USING THE TITLE OR DESIGNATION "CERTIFIED PUBLIC ACCOUNTANTS" OR THE ABBREVIATION "C.P.A.S", OR ANY OTHER TITLE, DESIGNATION, WORDS, LETTERS, ABBREVIATION, SIGN, CARD, OR DEVICE TENDING TO INDICATE THAT THE PARTNERSHIP, CORPORATION, OR LIMITED LIABILITY COMPANY IS COMPOSED OF CERTIFIED PUBLIC ACCOUNTANTS.

(c) A CERTIFIED PUBLIC ACCOUNTANT FROM ANOTHER STATE OR JURISDICTION OF THE UNITED STATES WHO IS PRACTICING IN THIS STATE PURSUANT TO THIS SUBSECTION (2) AND THE FIRM THAT EMPLOYS THE CERTIFIED PUBLIC ACCOUNTANT SIMULTANEOUSLY CONSENT, AS A CONDITION OF PRACTICING IN THIS STATE:

(I) TO BE SUBJECT TO THE JURISDICTION OF AND DISCIPLINARY AUTHORITY OF THE BOARD;

(II) TO COMPLY WITH THE REQUIREMENTS OF THIS SUBSECTION (2) AND RULES PROMULGATED BY THE BOARD PURSUANT TO THIS SUBSECTION (2);

(III) THAT IF THE CERTIFIED PUBLIC ACCOUNTANT'S CERTIFICATE, LICENSE, OR REGISTRATION ISSUED BY THE STATE IN WHICH THE CERTIFIED PUBLIC ACCOUNTANT'S PRINCIPAL PLACE OF BUSINESS IS LOCATED IS NO LONGER VALID, THE CERTIFIED PUBLIC ACCOUNTANT WILL CEASE TO OFFER OR RENDER PROFESSIONAL SERVICES IN THIS STATE, EITHER INDIVIDUALLY OR ON BEHALF OF A FIRM; AND

(IV) TO APPOINT THE STATE BOARD OR ENTITY THAT ISSUED A CERTIFICATE, LICENSE, OR REGISTRATION TO THE CERTIFIED PUBLIC ACCOUNTANT AS THE AGENT FOR SERVICE OF PROCESS IN ANY ACTION OR PROCEEDING BROUGHT BY THE BOARD AGAINST THE CERTIFIED PUBLIC ACCOUNTANT.

(d) THE BOARD MAY RECOVER ITS REASONABLE COSTS INCURRED AS PART OF ITS INVESTIGATIVE, ADMINISTRATIVE, AND DISCIPLINARY PROCEEDINGS AGAINST A CERTIFIED PUBLIC ACCOUNTANT FROM ANOTHER STATE OR JURISDICTION OF THE UNITED STATES OR FROM A FOREIGN COUNTRY IF THE BOARD:

(I) ENTERS A FINAL ORDER AGAINST THE CERTIFIED PUBLIC ACCOUNTANT, FINDING THAT THE CERTIFIED PUBLIC ACCOUNTANT VIOLATED A PROVISION OF THIS ARTICLE, A RULE ADOPTED BY THE BOARD, OR AN ORDER OF THE BOARD WITH WHICH THE CERTIFIED PUBLIC ACCOUNTANT IS OBLIGATED TO COMPLY AND THE BOARD HAS THE AUTHORITY TO ENFORCE; OR

(II) ENTERS INTO A CONSENT OR SETTLEMENT AGREEMENT IN WHICH THE BOARD FINDS, OR THE CERTIFIED PUBLIC ACCOUNTANT ADMITS OR DOES NOT CONTEST, THAT HE OR SHE VIOLATED A PROVISION OF THIS ARTICLE, A RULE ADOPTED BY THE BOARD, OR AN ORDER OF THE BOARD WITH WHICH THE CERTIFIED PUBLIC ACCOUNTANT IS OBLIGATED TO COMPLY AND THE BOARD HAS THE AUTHORITY TO ENFORCE.

**SECTION 2.** 12-2-104 (1) (j), Colorado Revised Statutes, is amended to read:

**12-2-104. Powers and duties of board.** (1) The board has the power and duty to:

(j) Keep a record of all certificates, ~~permits~~, suspensions, and revocations and of its own proceedings;

**SECTION 3.** 12-2-106, Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBSECTION to read:

**12-2-106. Fees.** (5) NOTHING IN THIS SECTION SHALL BE CONSTRUED TO AUTHORIZE THE BOARD TO IMPOSE ANY NOTICE, FEE, OR OTHER SUBMISSION REQUIREMENT ON A CERTIFIED PUBLIC ACCOUNTANT OR REGISTERED PUBLIC ACCOUNTANT FROM ANOTHER STATE OR A FOREIGN PARTNERSHIP, CORPORATION, LIMITED PARTNERSHIP, LIMITED LIABILITY LIMITED PARTNERSHIP, OR LIMITED LIABILITY COMPANY, THAT IS PRACTICING ACCOUNTANCY IN THIS STATE PURSUANT TO SECTION 12-2-121 (2).

**SECTION 4.** 12-2-115, Colorado Revised Statutes, is amended to read:

**12-2-115. Use of the title "certified public accountant".** (1) Any person who has received from the board and holds an active certificate of certified public accountant shall be styled and known as a certified public accountant and may also use the abbreviation "C.P.A." No other person shall assume or use the title certified public accountant or the abbreviation "C.P.A." or any other word, words, letters, or figures to indicate that the person using the same is a certified public accountant, except as provided in ~~section 12-2-115.5~~ SECTION 12-2-115.5 OR 12-2-121 (2). The terms "chartered accountant" and "certified accountant" and the abbreviation "C.A." are specifically prohibited to such other persons as being misleading to the public.

(2) ANY PERSON AUTHORIZED TO USE THE TITLE "CERTIFIED PUBLIC ACCOUNTANT" OR THE ABBREVIATION "C.P.A." SHALL PROVIDE TO ANY CLIENT RESIDING IN OR HEADQUARTERED IN COLORADO, DURING THE COURSE OF AN ENGAGEMENT, AN ADDRESS AND TELEPHONE NUMBER FOR THE CERTIFIED PUBLIC ACCOUNTANT'S FIRM OR, IN THE CASE OF A SOLE PRACTITIONER, THE ADDRESS AND TELEPHONE NUMBER OF THE SOLE PRACTITIONER.

**SECTION 5.** The introductory portion to 12-2-117 (1), Colorado Revised Statutes, is amended to read:

**12-2-117. Partnerships, professional corporations, and limited liability companies composed of certified public accountants - registration thereof - definitions.** (1) EXCEPT AS PROVIDED IN SECTION 12-2-121 (2), a partnership,

professional corporation, or limited liability company engaged in this state in the practice of public accounting as certified public accountants shall register once every three years with the board as a partnership, professional corporation, or limited liability company of certified public accountants and must meet the following requirements; and, as used in this article, "partnership" includes a registered limited partnership, limited liability partnership, ~~and~~ limited liability limited partnership, ~~and~~ a foreign limited partnership, FOREIGN limited liability partnership, and FOREIGN limited liability limited partnership:

**SECTION 6.** 12-2-120 (1), (2), and (5), Colorado Revised Statutes, are amended to read:

**12-2-120. Unlawful acts.** (1) EXCEPT AS PROVIDED IN SECTION 12-2-121 (2), no person shall assume or use the title or designation "certified public accountant" or the abbreviation "C.P.A.", or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such person is a certified public accountant unless such person holds an active certificate as a certified public accountant under section 12-2-108, 12-2-109, or 12-2-113, or a prior law of this state.

(2) EXCEPT AS PROVIDED IN SECTION 12-2-121 (2), no partnership, professional corporation, or limited liability company shall assume or use the title or designation "certified public accountants" or the abbreviation "C.P.A.s", or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such partnership, professional corporation, or limited liability company is composed of certified public accountants unless such partnership, professional corporation, or limited liability company is registered as a partnership, professional corporation, or limited liability company of certified public accountants under section 12-2-117.

(5) Except as provided in sections 12-2-115, ~~and~~ 12-2-117 (2) (b), AND 12-2-121 (2), no person, partnership, professional corporation, or limited liability company shall assume or use any title or designation using the word "certified", "registered", "chartered", "enrolled", "licensed", "independent", or "approved" in conjunction with the word accountant or auditor or any abbreviation thereof or any title, designation, or abbreviation likely to be confused with "certified public accountant" or the abbreviation "C.P.A."

**SECTION 7.** 12-2-120 (6) (a), Colorado Revised Statutes, is amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

**12-2-120. Unlawful acts.** (6) (a) (III) THE REQUIREMENT IN SUBPARAGRAPH (II) OF THIS PARAGRAPH (a) THAT A PERSON, PARTNERSHIP, PROFESSIONAL CORPORATION, OR LIMITED LIABILITY COMPANY HAVE AN ACTIVE CERTIFICATE OF CERTIFIED PUBLIC ACCOUNTANT OR A VALID REGISTRATION ISSUED BY THE BOARD SHALL NOT APPLY TO A CERTIFIED PUBLIC ACCOUNTANT FROM ANOTHER STATE OR A FOREIGN PARTNERSHIP, PROFESSIONAL CORPORATION, OR LIMITED LIABILITY COMPANY PRACTICING ACCOUNTANCY IN THIS STATE PURSUANT TO SECTION 12-2-121 (2).

**SECTION 8. Appropriation.** (1) In addition to any other appropriation, there

is hereby appropriated, out of any moneys in the division of registrations cash fund created in section 24-34-105 (2) (b) (I), Colorado Revised Statutes, not otherwise appropriated, to the department of regulatory agencies, for allocation to the executive director's office, for legal services, for the fiscal year beginning July 1, 2008, the sum of three thousand six hundred two dollars (\$3,602), or so much thereof as may be necessary, for the implementation of this act.

(2) In addition to any other appropriation, there is hereby appropriated to the department of law, for the fiscal year beginning July 1, 2008, the sum of three thousand six hundred two dollars (\$3,602), or so much thereof as may be necessary, for the provision of legal services to the department of regulatory agencies related to the implementation of this act. Said sum shall be from reappropriated funds received from the executive director's office out of the appropriation made in subsection (1) of this section.

**SECTION 9. Effective date.** This act shall take effect at 12:01 a.m. on the day following the expiration of the ninety-day period after final adjournment of the general assembly that is allowed for submitting a referendum petition pursuant to article V, section 1 (3) of the state constitution, (August 6, 2008, if adjournment sine die is on May 7, 2008); except that, if a referendum petition is filed against this act or an item, section, or part of this act within such period, then the act, item, section, or part, if approved by the people, shall take effect on the date of the official declaration of the vote thereon by proclamation of the governor.

Approved: May 1, 2008