

SUBSTITUTE FOR  
HOUSE BILL NO. 5220

A bill to amend 1980 PA 299, entitled  
"Occupational code,"  
by amending section 728 (MCL 339.728), as amended by 2010 PA 215.

**THE PEOPLE OF THE STATE OF MICHIGAN ENACT:**

1       Sec. 728. (1) A firm shall apply for and obtain a Michigan  
2       license under this article in order to engage in the practice of  
3       public accounting in this state if either of the following apply:

4       (a) The firm establishes or maintains an office in this state.

5       (b) An individual ~~representing~~ **WHO REPRESENTS** the firm  
6       performs any engagement described in section 720(1)(a)(i), (iii), or  
7       (iv) for any client ~~having~~ **THAT HAS** its home office in this state.

8       (2) Reports produced pursuant to engagements in subsection  
9       (1)(b) may be supervised or signed, or the report's signature may  
10      be authorized for the firm, by an individual practicing public  
11      accounting in Michigan ~~pursuant to~~ **UNDER** section 727a.

(3) A firm **THAT IS** applying for licensure under this article shall meet ~~all~~**BOTH** of the following requirements:

(a) At least a simple majority of the equity and voting rights of the firm are held directly or beneficially by individuals who are licensed in good standing as certified public accountants of this **STATE** or another state or the equivalent in another licensing jurisdiction acceptable to the board. Owners who are not certified public accountants ~~as defined by section 720(1)(b)~~ must be active individual participants in the firm or its affiliated entities. An individual with practice privileges under section 727a who performs services for which a firm license is required under this section is not required to obtain a certificate under section 726 or a registration or license under section 727.

~~(b) The principal officer of the firm and each officer or director having authority for the practice of public accounting by the firm are~~ **ALL ATTEST AND COMPILATION SERVICES PROVIDED BY THE FIRM IN THIS STATE ARE PERFORMED UNDER THE SUPERVISION OF AN INDIVIDUAL WHO IS** licensed **AND** in good standing as **A** certified public ~~accountants~~**ACCOUNTANT** in this **STATE** or another state or the equivalent in another licensing jurisdiction acceptable to the board.

~~—— (c) Has filed the required certificate of authority with the department pursuant to the business corporations act, 1972 PA 284, MCL 450.1101 to 450.2098, if applicable.~~

(4) A firm shall ~~provide a~~ **NOTIFY THE DEPARTMENT OF ANY** change in address ~~to the department~~ within 30 days of the change.

(5) A firm **THAT IS** not required to obtain a Michigan license

1 under subsection (1) may perform a review engagement in accordance  
2 with the statements on standards for accounting and review services  
3 or a compilation for a client ~~having~~ **THAT HAS** its home office in  
4 this state, may use the title "CPA" or "CPA firm", and may practice  
5 public accountancy as authorized in this section without a license  
6 issued under subsection (1) only if it meets both of the following  
7 conditions:

8 (a) It has met the requirements in subsection (3)(a) and (b)  
9 and section 729(2).

10 (b) It performs ~~such~~ **THOSE** services through an individual ~~with~~  
11 **WHO HAS** practice privileges under section 727a.

12 (6) A firm **THAT IS** not required to obtain a Michigan license  
13 under subsection (1) and that is not seeking to practice under  
14 subsection (5) may perform other professional services within the  
15 practice of public accountancy while using the title "CPA" or "CPA  
16 firm" in this state without a license issued under subsection (1)  
17 only if it meets both of the following conditions:

18 (a) It performs ~~such~~ **THOSE** services ~~through~~ **THROUGH** an  
19 individual with practice privileges under section 727a.

20 (b) It can lawfully do so in the licensing jurisdiction where  
21 ~~such~~ **THOSE** individuals with practice privilege have their principal  
22 place of business.