

HOUSE BILL No. 4797

May 8, 1991, Introduced by Reps. Munsell, Joe Young, Jr., Shugars, Dobb, Gire, Wozniak, Dalman, Brackenridge, Middaugh, Dolan, Fitzgerald, Willis Bullard, Clarke, Dobronski and Clack and referred to the Committee on State Affairs.

A bill to amend section 704 of Act No. 299 of the Public Acts of 1980, entitled as amended "Occupational code," as amended by Act No. 482 of the Public Acts of 1988, being section 339.704 of the Michigan Compiled Laws.

THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1 Section 1. Section 704 of Act No. 299 of the Public Acts of
2 1980, as amended by Act No. 482 of the Public Acts of 1988, being
3 section 339.704 of the Michigan Compiled Laws, is amended to read
4 as follows:

5 Sec. 704. (1) The department, upon application, ~~and pay~~
6 ~~ment of the fee prescribed in section 11 of Act No. 152 of the~~
7 ~~Public Acts of 1979, being section 338.2211 of the Michigan~~
8 ~~Compiled Laws,~~ shall, at the direction of the board, issue a
9 certificate of certified public accountant to an individual who

1 is 18 years of age or older, who is of good moral character, who
2 has not been convicted of embezzlement or misappropriation of
3 funds, who meets the educational requirements set forth in sub-
4 section (2) OR (3), who holds a certificate of examination under
5 subsection ~~(3)~~ (5), and who meets the experience requirements
6 set forth in subsection ~~(5)~~ (7).

7 (2) Except as otherwise provided in ~~this subsection~~
8 SUBSECTION (4), before ~~an examination~~ JANUARY 1, 2000, an
9 applicant for a certificate of examination shall have completed
10 at least a curriculum required for a baccalaureate degree with a
11 concentration in accounting, or its equivalent, at an educational
12 institution recognized by the board.

13 (3) BEGINNING JANUARY 1, 2000, AN INDIVIDUAL SUBMITTING AN
14 INITIAL APPLICATION FOR A CERTIFICATE OF EXAMINATION SHALL HAVE
15 COMPLETED AT LEAST 150 SEMESTER HOURS OR EQUIVALENT CREDITS OF
16 COLLEGE OR UNIVERSITY COURSES, INCLUDING A BACCALAUREATE OR GRAD-
17 UATE DEGREE WITH A CONCENTRATION IN ACCOUNTING OR ITS EQUIVALENT,
18 AT AN EDUCATIONAL INSTITUTION RECOGNIZED BY THE BOARD.

19 (4) An applicant for a certificate of examination UNDER
20 SUBSECTIONS (2) AND (3) shall be considered to have fulfilled the
21 educational requirements of ~~this subsection~~ THOSE SUBSECTIONS
22 if he or she is scheduled to receive his or her baccalaureate OR
23 HIGHER degree with a concentration in accounting, or its equiva-
24 lent, from an educational institution recognized by the board,
25 within 30 days after the date of the examination provided for in
26 subsection ~~(4)~~ (6), as certified by the chief academic officer
27 of the educational institution. If an applicant fails to fulfill

1 the educational requirements of the educational institution
2 within 30 days of the examination provided for in subsection
3 ~~(4)~~ (6), then the board shall not credit the examination
4 results to the applicant.

5 (5) ~~(3)~~ The department or any person authorized by the
6 board shall grant a certificate of examination which is valid for
7 the life of the holder to an individual who meets all of the fol-
8 lowing requirements:

9 (a) At the time of filing an application for writing the
10 examination prescribed in this section, the individual is a resi-
11 dent of this state, has a place of business in this state, or is
12 regularly employed in this state.

13 ~~(b) The individual pays the fee prescribed in section 11 of~~
14 ~~Act No. 152 of the Public Acts of 1979.~~

15 (B) ~~(c)~~ The individual meets the educational requirements
16 of subsection (2) OR (3).

17 (C) ~~(d)~~ The individual successfully passes a written exam-
18 ination in accounting theory, auditing, and other related
19 subjects, which examination is prepared and scored without per-
20 sonal identification by a national testing organization, is
21 administered under the direction of the board, and is an examina-
22 tion the passage of which is given reciprocal status in the plu-
23 rality of states as compared to other examinations.

24 (6) ~~(4)~~ The examination described in subsection ~~(3)~~ (5)
25 shall take place as often as the department and the board deter-
26 mine, but shall be held not less than once a year. A notice of
27 the time and place for holding the examination shall be mailed to

1 an applicant approved by the board for examination under this
2 article. The board may require an applicant to appear in person
3 to answer questions or produce evidence to sustain facts which
4 will determine whether the qualifications of the applicant are as
5 prescribed by this article and the rules of the board. Only the
6 names and addresses of individuals who ~~make application~~ APPLY
7 to take the examination shall be released to organizations for
8 the purpose of providing applicants with information relating to
9 available professional educational materials and courses. The
10 department shall be reimbursed by the organizations for the costs
11 involved. This subsection ~~shall~~ DOES not prevent the board
12 from making public announcements of the names of individuals
13 receiving certificates under this ~~act~~ ARTICLE.

14 (7) ~~(5)~~ An individual shall have 2 years qualifying
15 experience which shall have been obtained within a period begin-
16 ning 6 years immediately preceding the date of the initial appli-
17 cation for a certificate of certified public accountant. The
18 experience shall have been obtained in 1 or more of the following
19 responsible audit positions or as provided in this section:

20 (a) The practice of public accounting, under the direction
21 and supervision of a certified public accountant of this or
22 another state.

23 (b) A governmental agency involving 1 of the following:

24 (i) Auditing the books and accounts or financial activities
25 of persons engaged in 3 or more distinct lines of commercial or
26 industrial business in accordance with generally accepted
27 auditing standards.

1 (ii) Auditing the books and accounts of financial activities
2 of 3 or more distinct governmental agencies or independent orga-
3 nizational units other than an employer of the applicant in
4 accordance with generally accepted auditing standards, and in
5 which the results of the auditing are reported to a third party.

6 (iii) Reviewing a financial statement and supporting mate-
7 rial covering the financial condition and operations of entities
8 engaged in 3 or more distinct lines of commercial or industrial
9 business to determine the reliability and fairness of the finan-
10 cial reporting and compliance with the generally accepted
11 accounting principles and applicable laws and governmental
12 regulations.

13 (iv) A combination of (i), (ii), and (iii).

14 (8) ~~-(6)-~~ The department, upon proper application and at the
15 direction of the board, shall issue a certificate of certified
16 public accountant to an applicant who holds a valid and unrevoked
17 certificate as a certified public accountant issued by or under
18 the authority of another state or holds a valid and unrevoked
19 certificate as a chartered accountant or its equivalent issued by
20 or under the authority of a foreign country, or a political sub-
21 division of the foreign country, if the applicant has complied
22 with the requirements of this act, this article, and the rules of
23 the department and the board, and either the original certificate
24 was secured as the result of an examination which, in the judg-
25 ment of the board, is equivalent to the examination which was
26 administered in this state during the same time period as the
27 examination passed by the applicant, or the holder of the

1 certificate has maintained an office for the practice of public
2 accounting under the authority of the certificate for not less
3 than 10 years.

4 (9) ~~-(7)-~~ An individual who has ~~earned a graduate degree in~~
5 ~~accounting or its equivalent at an educational institution recog-~~
6 ~~nized by the board~~ SATISFIED THE EDUCATIONAL REQUIREMENTS OF
7 SUBSECTION (10), and who has completed at least 2 years, within
8 the 6-year period immediately prior to applying for a certificate
9 of certified public accountant, as a full-time instructor of
10 accounting in subjects above the elementary level prescribed in
11 rules promulgated by the board as qualifying in meeting the cur-
12 riculum leading to the mastery of a body of knowledge commensu-
13 rate with professional responsibility for the practice of public
14 accounting, and who has met the other requirements of this arti-
15 cle, shall be considered as having received the equivalent of 1
16 year of qualifying experience under subsection ~~-(5)-~~ (7).

17 (10) ~~-(8)-~~ An individual who has earned a graduate degree in
18 accounting or its equivalent at an educational institution recog-
19 nized by the board, and who has completed a curriculum leading to
20 the mastery of a body of knowledge commensurate with professional
21 responsibility for the practice of public accounting as pre-
22 scribed in rules promulgated by the board, shall be considered as
23 having received the equivalent of 1 year of qualifying experience
24 under subsection ~~-(5)-~~ (7). HOWEVER, BEGINNING JANUARY 1, 2000,
25 A GRADUATE DEGREE IN ACCOUNTING OR ITS EQUIVALENT SHALL QUALIFY
26 AS EXPERIENCE UNDER SUBSECTION (7) ONLY TO THE EXTENT THAT IT

1 EXCEEDS THE REQUIREMENTS FOR QUALIFICATION FOR THE INITIAL
2 CERTIFICATE OF EXAMINATION UNDER SUBSECTION (3).