

HOUSE BILL No. 5220

January 14, 2014, Introduced by Rep. Kelly and referred to the Committee on Regulatory Reform.

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

1 be authorized for the firm, by an individual practicing public
2 accounting in Michigan ~~pursuant to~~ **UNDER** section 727a.

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

5 (a) At least a simple majority of the equity and voting rights
6 of the firm are held directly or beneficially by individuals who
7 are licensed in good standing as certified public accountants of
8 this **STATE** or another state or ~~the equivalent~~ **ARE LICENSED,**
9 **REGISTERED, OR CERTIFIED** in another ~~licensing~~ jurisdiction **THAT HAS**
10 **LICENSING, REGISTRATION, OR CERTIFICATION REQUIREMENTS THAT ARE**
11 **SIMILAR TO THE LICENSING REQUIREMENTS OF THIS STATE AND ARE**
12 acceptable to the board. Owners who are not certified public
13 accountants ~~as defined by section 720(1)(b)~~ must be active
14 individual participants in the firm or its affiliated entities. An
15 individual with practice privileges under section 727a who performs
16 services for which a firm license is required under this section is
17 not required to obtain a certificate under section 726 or a
18 registration or license under section 727.

19 (b) ~~The principal officer of the firm and each officer or~~
20 ~~director having authority for the practice of public accounting by~~
21 ~~the firm are~~ **ALL ATTEST AND COMPILATION SERVICES PROVIDED BY THE**
22 **FIRM IN THIS STATE ARE PERFORMED UNDER THE SUPERVISION OF AN**
23 **INDIVIDUAL WHO IS** licensed **AND** in good standing as **A** certified
24 public accountants **ACCOUNTANT** in this **STATE** or another state or ~~the~~
25 ~~equivalent~~ **IS LICENSED, REGISTERED, OR CERTIFIED** in another
26 ~~licensing~~ jurisdiction **THAT HAS LICENSING, REGISTRATION, OR**
27 **CERTIFICATION REQUIREMENTS THAT ARE SIMILAR TO THE LICENSING**

1 **REQUIREMENTS OF THIS STATE AND ARE** acceptable to the board.

2 (c) Has filed the required certificate of authority with the
3 department ~~pursuant to~~ **UNDER** the business corporations act, 1972 PA
4 284, MCL 450.1101 to 450.2098, if applicable.

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

7 (5) A firm **THAT IS** not required to obtain a Michigan license
8 under subsection (1) may perform a review engagement in accordance
9 with the statements on standards for accounting and review services
10 or a compilation for a client ~~having~~ **THAT HAS** its home office in
11 this state, may use the title "CPA" or "CPA firm", and may practice
12 public accountancy as authorized in this section without a license
13 issued under subsection (1) only if it meets both of the following
14 conditions:

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

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

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

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

27 (b) It can lawfully do so in the licensing jurisdiction where

1 ~~such~~ **THOSE** individuals with practice privilege have their principal
2 place of business.