

No. 1984-23

AN ACT

HB 1445

Amending the act of May 26, 1947 (P.L.318, No.140), entitled, as reenacted and amended, "An act relating to the public practice of certified public accountants; providing for the certification of persons desiring to practice, the registrations of public accountants, requiring continuing education for registrants, and the listing of persons engaged in practicing as certified public accountants and public accountants, and for the suspension and revocation of such certificates, subject to appeal and for their reinstatement; prescribing the powers and duties of the State Board of Examiners of Public Accountants and the Department of State; providing for ownership of working papers; defining unlawful acts and acts not unlawful; providing penalties, and repealing existing laws," creating the State Board of Accountancy and granting it powers and duties; further providing for education and experience requirements and permits to practice; and providing for injunctions and penalties.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. The title and section 2 of the act of May 26, 1947 (P.L.318, No.140), known as The C.P.A. Law, reenacted and amended December 8, 1976 (P.L.1280, No.286), are amended to read:

AN ACT

Relating to the public practice of certified public accountants; providing for the certification of persons desiring to practice, the registrations of public accountants, requiring continuing education for registrants, **[and the listing of persons engaged in practicing as certified public accountants and public accountants,]** and for the suspension and revocation of such certificates, subject to appeal and for their reinstatement; prescribing the powers and duties of the State Board of **[Examiners of Public Accountants]** *Accountancy* and the Department of State; providing for ownership of working papers; defining unlawful acts and acts not unlawful; providing penalties, and repealing existing laws.

Section 2. Definitions.—The following words and phrases when used in this act shall have the meanings ascribed to them in this section:

"Biennial period" *The two-year period beginning May 1, 1986 and ending April 30, 1988 and each subsequent two-year period.*

"Board" *The State Board of [Examiners of Public Accountants as constituted by The Administrative Code of 1929 and its amendments] Accountancy.*

"Certified public accountant" *Persons to whom a certificate of certified public accountant has been issued under "The C.P.A. Law" and partnerships, professional corporations or professional associations, composed of certified public accountants, which if engaged in the practice of public accounting, are registered and are [holders of live permits] current licensees as herein provided.*

“Corporations” Professional corporations and professional associations as defined by the act of July 9, 1970 (P.L.461, No.160), known as the “Professional Corporation Law,” and the act of August 7, 1961 (P.L.941, No.416), known as the “Professional Association Act,” and any amendments thereof.

“*Current licensee*” *The holder of a certificate to practice as a certified public accountant under this act or a registration to practice as a public accountant under this act, which certificate or registration has not been suspended or revoked and has not expired, and a current license issued under section 8.2, 8.3, 8.4, 8.5 or 8.6.*

“Department” The [Commissioner of Professional and Occupational Affairs in the Department of State of this Commonwealth as constituted by The Administrative Code of 1929 and its amendments] *Department of State acting through the Commissioner¹ of Professional and Occupational Affairs.*

["In good standing" The holder of a certificate of certified public accountant, registration or permit which is not revoked or suspended or the holder of a registration or permit issued to a public accountant registered under this act which is not revoked or suspended.]

["Masculine terms" shall also include the feminine.]

“*Opinions on financial statements*” *Any report, opinion or assurance based upon examinations in accordance with generally accepted auditing standards or standards for accounting and review services as to whether the presentation of information used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private or governmental, is in conformity with generally accepted accounting principles or other comprehensive basis of accounting.*

“*Person*” *Includes a corporation, partnership and association, as well as a natural person.*

“*Public accountant*” Persons who are qualified and accepted for registration in accordance with this act and partnerships, professional corporations or professional associations engaged in practice as public accountants which are registered and are [holders of live permits] *current licensees* as herein provided.

“*Public accounting*” *The practice of examining financial statements of commercial or noncommercial enterprises and issuing a report expressing or disclaiming an opinion on such statements or expressing assurance on such statements, which opinion or assurance, when issued, is based on examinations in accordance with generally accepted auditing standards or standards for accounting and review services as to whether the presentation of information is in conformity with generally accepted accounting principles or other comprehensive basis of accounting, and which opinion or assurance may assist in the making of judgments by others. The term also includes the performance of other professional services in any or all matters relating to accounting procedure and to the recording, presentation or certification of financial information or data.*

¹ “Commission” in enrolled bill.

“Reporting period” *The two-year period beginning January 1, 1986 and ending December 31, 1987 and each subsequent two-year period.*

Section 2. Section 2.2 of the act, added December 8, 1976 (P.L.1280, No.286), is amended to read:

Section 2.2. Public Accountants’ Advisory Committee.—(a) There is hereby created a Public Accountants’ Advisory Committee to consist of five members to be appointed by the Governor. Members **[first appointed shall be appointed for initially staggered terms, two members to serve for one year, two members to serve for two years, and one member to serve for three years. Thereafter, members]** shall be appointed for *staggered* terms of three years. Upon expiration of a term of office, a member shall continue to serve **[until his successor shall have been appointed and shall have qualified] for a period not to exceed six months, if a successor has yet to be duly appointed and qualified according to law.** Members shall not serve for more than two consecutive full three year terms and shall not be eligible for reappointment until after three years have elapsed.

(b) Members of the advisory committee **[first appointed shall be qualified to be registered as public accountants pursuant to this act. Successor members of the advisory committee]** shall be registered pursuant to this act as public accountants**]. The Governor may appoint members to the committee from a list of qualified persons submitted to him by the Pennsylvania Society of Public Accountants.] and shall be current licensees.**

(c) Three members of the committee shall constitute a quorum. The committee shall select, from among their number, a chairman who shall conduct meetings of the committee.

(d) The committee shall advise and aid the board in matters which would affect public accountants. **[The committee may receive, review and recommend to the board for registration as a public accountant, such applicants as may be qualified pursuant to the act.]** The committee shall recommend to the board courses, meetings, or conferences to fulfill the requirements of continuing education for public accountants.

Section 3. The act is amended by adding a section to read:

Section 2.3. State Board of Accountancy.—(a) The State Board of Accountancy shall consist of fifteen members, one of whom shall be the Commissioner of Professional and Occupational Affairs in the Department of State, one of whom shall be the Director of the Bureau of Consumer Protection in the Office of Attorney General or his designee, and the remaining thirteen of whom shall be appointed by the Governor, subject to the consent of the Senate, as follows:

(1) Eight members shall be certified public accountants who have held certificates of certified public accountant issued by this Commonwealth, all of whom are current licensees as required by this act and four of whom have been actively engaged in the practice of public accounting as their principal occupation at the time of their appointment. Two members shall be appointed from the eastern part of the State, two from the western part, two from the central part, and two from any part of the State. No member of the board shall be a teacher or instructor in any coaching school which has as its

primary purpose preparation for the examination under this act or any person who has a financial interest in such coaching school.

(2) Three members shall be persons representing the public at large. Such public members shall not be affiliated in any manner with the profession and shall not hold public office during the term of membership on the board.

(3) Two members shall be public accountants registered under this act and shall be current licensees.

(b) The terms of the members of the board shall be four years from the respective dates of their appointment, provided that a member may continue to serve for a period not to exceed six months beyond the expiration of his term, if a successor has yet to be duly appointed and qualified according to law. A board member shall not serve more than two consecutive four-year terms and shall not be eligible for reappointment until after four years have elapsed.

(c) Eight members of the board shall constitute a quorum. The board shall select, from among their number, a chairman and a secretary.

(d) Each member of the State Board of Accountancy shall be paid reasonable traveling and other expenses and per diem compensation at the rate of sixty dollars (\$60) for each day of actual service while on board business.

(e) A member who fails to attend three consecutive meetings shall forfeit his seat unless the Commissioner of Professional and Occupational¹ Affairs, upon written request from the member, finds that the member should be excused from a meeting because of illness or the death of an immediate family member.

(f) In the event that any of the said members of the board shall die or resign during his term of office, his successor shall be appointed in the same way and with the same qualifications as above set forth and shall hold office for the unexpired term.

Section 4. Section 3(1), (2), (3), (4), (5), (7), (10) and (11) of the act are amended and clauses are added to read:

Section 3. General Powers of the Board.—The Board shall have the power:

(1) To provide for **[and to]**, regulate **[the issuance of certificates]** and **[issue]** *approve the issuance* of a certificate of certified public accountant to any person (a) who meets the general qualifications and education and experience requirements provided herein and who passes the examination required by the board, or (b) who meets the requirements for the issuance of a certificate by reciprocity.

(2) To provide for and to regulate registration and **[permits]** *licenses* to practice as provided herein *but the board shall not have the power to require a photograph as part of an application for a certificate of certified public accountant.*

(3) **[To prescribe the subject, manner, time and place of examination for the certificate of certified public accountant: Provided, That an]** *To contract with a professional testing organization for the preparation and administration of the examination, in accordance with section 812.1(a) of the act of April 9, 1929 (P.L.177, No.175), known as "The Administrative Code of*

¹ "Occupational and Professional" in enrolled bill.

1929," and to establish prior to the administration of each examination an appropriate minimum passing score, in keeping with the purposes of this act. The examination shall be held at least twice in each calendar year, and simultaneously in at least two counties of the Commonwealth, and shall be a written examination in general accounting, theory of accounts, accounting practice, auditing and **[such other subjects as the board shall determine to be appropriate]** related subjects. The board may make such use of all or any part of the Uniform Certified Public Accountants' examination and/or Advisory Grading service of the American Institute of Certified Public Accountants as it deems appropriate to assist in performing its duties hereunder.

(4) To keep a **[roster]** record showing the names and the places of business of persons to whom the certificate of certified public accountant has been issued under this act and under prior laws and all others registered or holding **[permits]** licenses under this act. **[The department shall publish such roster biennially in booklet form and shall mail copies thereof to all permit holders listed and shall furnish the same to others upon request.]** The department shall furnish copies of such record to the public upon request and may establish a reasonable fee for such copies which shall not exceed the cost of reproduction.

(5) To suspend for a fixed term or revoke the certificate and **[permit]** license of any certified public accountant or the registration and **[permit]** license of all others registered under this act or to censure the holder of such certificate, registration or **[permit]** license as provided for in this act.

* * *

(7) To arrange for assistance in the performance of its duties, and to administer and enforce the laws of the Commonwealth relating to registration of and practice by certified public accountants, and all others registered or holding **[permits]** licenses under this act and to instruct and require its agents to seek an injunction, or bring prosecution for a violation of this act.

* * *

(10) To adopt, promulgate and enforce such rules and regulations consistent with the provisions of this act establishing requirements of continuing education to be met by certified public accountants[,] and public accountants **[and foreign accountants]** registered under this act as a condition for renewal of biennial **[permits]** licenses to engage in the practice of public accounting in this Commonwealth.

(11) To promulgate and amend rules of professional conduct, uniformly applicable to certified public accountants[, foreign accountants] and public accountants registered under this act, appropriate to establish and maintain a high standard of integrity and dignity in the profession of public accounting. **[The board may, in its discretion, adopt as its rules of professional conduct the Code of Professional Ethics of the Pennsylvania Institute of Certified Public Accountants or any part thereof.]**

* * *

(13) To submit annually, to the Professional Licensure Committee of the House and the Consumer Protection and Professional Licensure Committee

of the Senate, a description of the types of complaints received, status of the cases, board action which has been taken and length of time from the initial complaint to final board resolution.

(14) To submit within a reasonable time following the biennial reporting period ending December 31, 1985, to the Professional Licensure Committee of the House and the Consumer Protection and Professional Licensure Committee of the Senate, a list of names of continuing education sponsors approved by the board and a summary of the types of continuing education courses, indicating the course content and subject matter, taken by current licensees in accordance with section 8.2 of this act during such biennial reporting period.

(15) To submit annually to the House and Senate Appropriations Committees, fifteen days after the Governor has submitted his budget to the General Assembly, a copy of the budget request for the upcoming year which the board previously submitted to the department.

Section 5. Section 3.1 of the act is amended to read:

Section 3.1. General Qualifications.—A person shall be permitted to take the examination for the certificate of certified public accountant and the certificate **[of certified public accountant]** shall be granted by the board to any person (a) who is a resident of this Commonwealth, is enrolled in a college or university in this Commonwealth, or is engaged in public accounting therein at the time he first sits for the examination, and (b) who has attained the age of eighteen years and (c) who is of good moral character, and (d) who meets the requirements of education and experience as herein-after provided and (e) who, with respect to granting a certificate shall have passed a written examination **[in general accounting, theory of accounts, accounting practice, auditing and such other subjects as the board shall determine to be appropriate]** *as provided in section 3.*

Section 6. Section 4 of the act is amended to read:

Section 4. Education and Experience Requirements.—(a) Before any person is permitted to take the examination or is issued a certificate of certified public accountant, the board shall be satisfied that he has complied with the following requirements:

(1) Graduation with a baccalaureate degree from a college or university approved at the time of graduation by *the* Department of Education, pursuant to policies and standards promulgated by the State Board of Education, or an education which is the equivalent thereof, and completion of at least twelve semester credits in accounting subjects of a content satisfactory to the board, not necessarily as part of his undergraduate work, and at least two years of public accounting experience **[of a caliber satisfactory to the board,]** *or two years experience as an auditor with a unit of Federal, State or local government including, but not limited to, employment with the Department of the Auditor General; provided that the public accounting experience or the experience as an auditor with a unit of government was of a caliber satisfactory to the board, required the use of auditing skills and was supervised by a certified public accountant or public accountant, or*

(2) Graduation with a Master's Degree in Accounting or Business Administration or an equivalent Master's Degree from a college or university approved at the time of graduation by *the* Department of Education, pursuant to policies and standards promulgated by the State Board of Education, and completion of at least twelve semester credits in accounting subjects of a content satisfactory to the board, not necessarily as part of his undergraduate or graduate work, and at least one year of public accounting experience **[of a caliber satisfactory to the board]** *or one year experience as an auditor with a unit of Federal, State or local government including, but not limited to, employment with the Department of the Auditor General; provided that the public accounting experience or the experience as an auditor with a unit of government was of a caliber satisfactory to the board, required the use of auditing skills and was supervised by a certified public accountant or public accountant.*

(3) Subject to the general qualifications of section 3.1, *the department, upon authorization by the board* **[may]**, *shall* issue a certificate of certified public accountant to a person who has qualified for permission to take the examination under section 4(a)(1) or (2) provided he has passed the written examination of the board in general accounting, theory of accounts, accounting practice, auditing and **[such other subjects as the board shall determine to be appropriate]** *related subjects.*

(b) As an alternative to **[sections]** *section* 4(a)(1) and (2), a person **[may]** *shall* be permitted to take the examination without meeting the experience requirements as provided in **[sections]** *section* 4(b)(3) and (4) hereof, if the board shall be satisfied that he has complied with one of the following requirements:

(1) Graduation with a baccalaureate degree from a college or university approved at the time of graduation by the Department of Education, or an education which is the equivalent thereof, and completion of at least twenty-four semester credits in accounting subjects of a content satisfactory to the board, not necessarily as a part of his undergraduate work, or

(2) Graduation with a Master's Degree or a Doctor's Degree from a college or university approved at the time of graduation by the Department of Education and completion of at least twenty-four semester credits in accounting subjects of a content satisfactory to the board, not necessarily as part of his undergraduate or graduate work.

(3) Subject to the general qualifications of section 3.1, *the* **[board may]** *department, upon authorization by the board, shall* issue a certificate of certified public accountant to a person who has qualified for permission to take the examination under section 4(b)(1) provided he has passed the written examination of the board in general accounting, theory of accounts, accounting practice, auditing and **[such other subjects as the board shall determine to be appropriate]** *related subjects* and, further provided he has at least two years of public accounting experience **[of a caliber satisfactory to the board]** *or two years experience as an auditor with a unit of Federal, State or local government including, but not limited to, employment with the Department of the Auditor General; provided that the public accounting*

experience or the experience as an auditor with a unit of government was of a caliber satisfactory to the board, required the use of auditing skills and was supervised by a certified public accountant or public accountant.

(4) Subject to the general qualifications of section 3.1, the **[board may department, upon authorization by the board, shall]** issue a certificate of certified public accountant to a person who has qualified for permission to take the examination under section 4(b)(2) provided he has passed the written examination of the board in general accounting, theory of accounts, accounting practice, auditing and **[such other subjects as the board shall determine to be appropriate,]** *related subjects*, further provided he has at least one year of public accounting experience **[of a caliber satisfactory to the board]** *or one year experience as an auditor with a unit of Federal, State or local government including, but not limited to, employment with the Department of the Auditor General; provided that the public accounting experience or the experience as an auditor with a unit of government was of a caliber satisfactory to the board, required the use of auditing skills and was supervised by a certified public accountant or public accountant.*

(c) Notwithstanding the provisions of section 4(b) above, the board **[may, in its discretion,]** *shall* permit an applicant to take the examination during the final term, semester or quarter of the school year in which he will graduate, if it is reasonably expected that he will fulfill the educational requirements of section 4(b) and receive the required degree: Provided, however, That he must receive the required degree within ninety days after the date of the examination in order to fulfill the educational requirements set forth in section 4(b).

(d) Subject to such regulations as the board may adopt governing reexaminations, a candidate shall be entitled to retake the examination referred to in **[sections] section 4(a)(3)[, 4] and (b)(3) and (4).**

(e) Service in the Armed Forces of the United States subsequent to July 1, 1940, shall be substituted for the experience requirements in **[sections] section 4(a)(1) and [4](b)(3)** above, on the basis of one month's experience credit for each six months' service: Provided, That the maximum credit for such service shall be six months.

(f) A person who has previously taken the examination under the provisions of a prior CPA Law of this Commonwealth shall continue to be permitted to take the examination and receive a certificate subject to such prior provisions.

Section 7. Section 5 of the act is amended to read:

Section 5. Certificates Issued by Reciprocity.—Without requiring a written examination the board may, in its discretion, issue a certificate of certified public accountant to a holder of a certificate of certified public accountant then in full force and effect issued as the result of a written examination by any other state or **[political subdivision] Federal district, territory or insular possession** of the United States: Provided, That the applicant shall submit evidence satisfactory to the board that he possesses the general qualifications specified in this act; that he **[possesses the equivalent of the education and experience requirements for issuance of a certificate of certified**

public accountant in this Commonwealth in effect at the time he received his original certificate] *has passed the written examination required to practice as a certified public accountant under the laws of such other state or [political subdivision] Federal district, territory or insular possession of the United States [or the education and experience requirements in effect in this Commonwealth at the time of filing his application for a reciprocal certificate; and]; that he meets the continuing education requirements specified in section 8.2(b) of this act; and that he has at least two years of public accounting experience.*

Section 8. Section 6 of the act is amended to read:

Section 6. Fees.—(a) All fees required under the provisions of this act shall be fixed by the [department in accordance with existing law. All fees collected under the provisions of this act shall be received by the department and shall be paid into the State Treasury through the Department of Revenue for the use of the General Fund of the Commonwealth.] board, by regulation and shall be subject to review in accordance with the act of June 25, 1982 (P.L. 633, No. 181), known as the “Regulatory Review Act.” If the revenues generated by fees, fines and civil penalties imposed in accordance with the provisions of this act are not sufficient to match expenditures over a two-year period, the board shall increase those fees by regulation, subject to review in accordance with the “Regulatory Review Act,” such that the projected revenues will meet or exceed projected expenditures.

(b) If the Bureau of Professional and Occupational Affairs determines that the fees established by the board are inadequate to meet the minimum enforcement efforts required, then the bureau, after consultation with the board, shall increase the fees by regulation, subject to review in accordance with the “Regulatory Review Act,” such that adequate revenues are raised to meet the required enforcement effort.

Section 9. Section 8.1 of the act is repealed.

Section 10. Section 8.2 of the act is amended to read:

Section 8.2. [Permits] Licenses to Practice.—(a) Biennial [permits] licenses to engage in practice in this Commonwealth shall be issued by the department to (i) holders of the certificate of certified public accountant issued by this Commonwealth[, foreign accountants] and public accountants registered under [sections 8.1 and 8.7 respectively of] this act who shall have furnished evidence satisfactory to the board of compliance with the requirements of subsection (b) of this section and (ii) partnerships and corporations registered under sections 8.3 to 8.6 of this act. [There shall be a biennial permit fee in an amount to be determined, from time to time, by the department not to exceed thirty dollars (\$30). Permits] Licenses to practice issued September 1, 1983 shall expire on the [last day of August of 1977 and on the] last day of [August] April of 1986 and on the last day of April of alternate years thereafter, or on such other biennial expiration dates as the department may fix. [Permits] Licenses may be renewed, biennially, for a period of two years by [such certificate holders and registrants in good standing] such certified public accountants and public accountants upon completion of the continuing education requirement and upon payment of the biennial fee.

[Failure of a certificate holder or registrant to apply for such permit to practice within (a) three years from the expiration date of the permit to practice last obtained or renewed, or (b) three years from the date upon which the certificate holder or registrant was granted his certificate or registration, if no permit was ever issued, shall deprive the certificate holder or registrant of the right to such permit: Provided, That a] A certified public accountant or a public accountant registered under this act who is not engaged in the practice of public accounting may request the board, in writing, to place his name on the inactive roll and thus protect his right to obtain a **[permit] license at such time as he may become engaged in the practice of public accounting. The board, in its discretion, may also review each case of failure to apply for such biennial **[permit] license** and determine whether such failure was due to **[excusable neglect] reasonable cause**. **[In such case the renewal fee or the fee for the issuance of the original permit, as the case may be, shall be such amount as the department shall, from time to time, determine.]****

(b) **[Effective with respect to biennial permits to be issued for the two-year period beginning September 1, 1981 and for each] Each** subsequent period, each certified public accountant~~[, public accountant and foreign] and public~~ accountant filing an application for a **[permit] license** or a renewal thereof to engage in the practice of public accounting in this Commonwealth must, **[during the two-year period immediately preceding]** During the reporting period immediately preceding a biennial date, complete eighty hours of continuing education, **[as defined by and acceptable to the board, which shall include a specified number of hours dealing with accounting, auditing and tax subjects.] in programs approved by the board. The reporting period for licenses to be issued May 1, 1986 shall be September 1, 1983 to December 31, 1985.** No carry-over of credits shall be permitted from one biennial **[permit] license** period to another. **The continuing education requirement shall not apply to partnerships, corporations or associations but shall apply to all natural persons who apply for a license or a renewal thereof under this section.**

(c) Failure by an applicant for renewal of his biennial **[permit] license** to furnish evidence of completion of **[eighty] the required number of** hours of acceptable continuing education shall constitute grounds for denial or refusal to renew such **[permit] license**, unless the board, in its discretion, shall determine such failure to have been due to reasonable cause, **in which case the board shall grant an extension.**

(d) In issuing rules, regulations and individual orders **[in] with** respect **[of] to** requirements of continuing education, the board, in its discretion, may **[among other things, use and]** rely upon guidelines and pronouncements of recognized educational and professional organizations; may prescribe for content, duration and organization of courses; shall take into account the accessibility of such continuing education as it may require, and any impediments to interstate practice of public accounting which may result from differences in such requirements in other states; and may provide for relaxation or suspension of such requirements in instances of individual hardship such as for reasons of health, military service or other good cause.

Section 11. Sections 8.3, 8.4(3), 8.5 and 8.6 introductory paragraph and (3) of the act, added December 8, 1976 (P.L.1280, No.286), are amended to read:

Section 8.3. Partnerships Composed Solely of Certified Public Accountants.—A partnership composed solely of certified public accountants engaged in this Commonwealth in the practice of public accounting shall, **within six (6) months after the enactment of this act,** register with the board as a partnership of certified public accountants, provided it meets the following requirements:

(1) At least one partner thereof must be a certified public accountant of this Commonwealth **[in good standing and the holder of a live permit issued under section 8.2 of this act,]** and *a current licensee, and*

(2) Each partner thereof personally engaged within this Commonwealth in the practice of public accounting as a member thereof (i) must be a certified public accountant of this Commonwealth **[in good standing and the holder of a live permit issued under section 8.2 of this act]** and *a current licensee*, or (ii) must be a certified public accountant of some state or **[political subdivision]** *Federal district, territory or insular possession* of the United States in good standing and must have filed with the board, but not have been refused by the board, an application for a certificate of certified public accountant of this Commonwealth by reciprocity and after having received such certificate must have filed for, but not been refused, a **[permit] license** under section 8.2 of this act, and

(3) Each partner thereof engaged in the practice of public accounting in the United States must be a certified public accountant of some state or **[political subdivision]** *Federal district, territory or insular possession* of the United States in good standing, and

(4) Each **[manager]** *individual* in charge of an office of a partnership in this Commonwealth must be a certified public accountant of this Commonwealth **[in good standing and the holder of a live permit issued under section 8.2 of this act]** and *a current licensee*.

Section 8.4. Corporations Composed Solely of Certified Public Accountants.—A professional corporation or a professional association composed solely of certified public accountants organized in this Commonwealth or any other state or territory of the United States or District of Columbia, and engaged in the practice of public accounting in this Commonwealth as certified public accountants, shall register with the board and file with the board a copy of its Articles of Incorporation, or Articles of Association, and a copy of its bylaws, and such professional corporation, or professional association shall at all times have the following characteristics:

* * *

(3) All shareholders of the professional corporation or associates of the professional association shall be persons duly qualified to practice as certified public accountants in a state or territory of the United States or the District of Columbia, and engaged in the practice of public accounting. At least one shareholder of a professional corporation must be a certified public accountant of this Commonwealth, and each shareholder thereof personally

engaged within this Commonwealth in the practice of public accounting as a shareholder thereof, must be a certified public accountant of this Commonwealth. Each **[manager] individual** in charge of an office of a professional corporation in this Commonwealth must be a certified public accountant of this Commonwealth **[in good standing and the holder of a live permit issued under section 8.2 of this act] and a current licensee**. At least one associate of a professional association must be a certified public accountant of this Commonwealth and each associate thereof personally engaged within this Commonwealth in the practice of public accounting as an associate thereof, must be a certified public accountant of this Commonwealth. Each **[manager] individual** in charge of an office of a professional association in this Commonwealth must be a certified public accountant of this Commonwealth **[in good standing and the holder of a live permit issued under section 8.2 of this act] and a current licensee**. Shareholders or associates shall at all times own their shares or interest in their own right and shall be the real and beneficial owners of such equity capital or interest ascribed to them.

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Section 8.5. Partnerships, Composed of Certified Public Accountants and Public Accountants or Solely of Public Accountants.—A partnership, composed of certified public accountants and public accountants or solely of public accountants, engaged in this Commonwealth in the practice of public accounting shall, **within six (6) months after the enactment of this act,** register with the board as a partnership of public accountants provided it meets the following requirements:

(1) At least one partner thereof must be a certified public accountant or a public accountant registered under this act, **in good standing and the holder of a live permit issued under section 8.2 of this act] and a current licensee**, and

(2) Each partner thereof personally engaged within this Commonwealth in the practice of public accounting as a member thereof (i) must be a certified public accountant or a public accountant registered under this act, **in good standing and the holder of a live permit issued under section 8.2 of this act] and a current licensee**, or (ii) must be a certified public accountant of some state or **[political subdivision] Federal district, territory or insular possession** of the United States in good standing and must have filed with the board, but not have been refused by the board, an application for certificate of certified public accountant of this Commonwealth by reciprocity and after having received such certificate, must have filed for, but not have been refused, a **[permit] license** under section 8.2 of this act, and

(3) Each **[manager] individual** in charge of an office of a partnership in this Commonwealth must be a certified public accountant or a public accountant of this Commonwealth **[in good standing and the holder of a live permit issued under section 8.2 of this act] and a current licensee**.

Section 8.6. Corporations, Composed of Certified Public Accountants and Public Accountants or Solely of Public Accountants.—A professional corporation or a professional association, composed of certified public accountants and public accountants or solely of public accountants, orga-

nized under the laws of this Commonwealth and engaged in the practice of public accounting in this Commonwealth as public accountants, shall[, **within twelve (12) months after the enactment of this act,**] register with the board and file with the board a copy of its Articles of Incorporation, or Articles of Association, and a copy of its bylaws, and such professional corporation, or professional association shall at all times have the following characteristics:

* * *

(3) All shareholders of the professional corporation or associates of the professional association shall be persons duly qualified to practice as certified public accountants in a state or territory of the United States or the District of Columbia, or as public accountants registered under this act, and engaged in the practice of public accounting. At least one shareholder of a professional corporation must be a certified public accountant, or a public accountant registered under this act and each shareholder thereof personally engaged within this Commonwealth in the practice of public accounting as a shareholder thereof, must be a certified public accountant, or a public accountant registered under this act. Each **[manager] individual** in charge of an office of a professional corporation in this Commonwealth must be a certified public accountant[, or a public accountant registered under this act, in good standing and the holder of a live permit issued under section 8.2 of this act] and a current licensee. At least one associate of a professional association must be a certified public accountant, or a public accountant registered under this act and each associate thereof personally engaged within this Commonwealth in the practice of public accounting as an associate thereof, must be a certified public accountant, or a public accountant registered under this act. Each **[manager] individual** in charge of an office of a professional association in this Commonwealth must be a certified public accountant, or a public accountant registered under this act[, in good standing and the holder of a live permit issued under section 8.2 of this act] and a current licensee. Shareholders or associates shall at all times own their shares of interest in their own right and shall be the real and beneficial owners of such equity capital or interest ascribed to them.

* * *

Section 12. Section 8.7 of the act, added December 8, 1976 (P.L.1280, No.286), is amended to read:

Section 8.7. Registration of Public Accountants.—Any person (i) who is a resident of this Commonwealth or has a place of business therein, and (ii) who has attained the age of eighteen years, and (iii) who is of good moral character, and (iv) meets the requirements of clause (1) or (2) to the satisfaction of the board as set forth in clause (3) may register with the board as a public accountant within twelve (12) months from publication in the Pennsylvania Bulletin of the announcement that application forms are available and not thereafter:

(1) Persons who held themselves out to the public as public accountants and who were engaged as principals (as distinguished from employes) within this Commonwealth (i) **[at the effective date of this act] on or before**

December 8, 1976 in the practice of public accounting as their principal occupation, or (ii) at any time within six (6) years prior to **[the effective date of this act] December 8, 1976.**

(2) Persons serving in the armed forces of the United States of America **[at the effective date of this act] on or before December 8, 1976** who immediately prior to entering such service held themselves out to the public as public accountants and were engaged as principals (as distinguished from employes) within this Commonwealth in the practice of public accounting as their principal occupation. **[In the case of any such person, the time for registration shall be extended for a period of six (6) months from the time such person is separated from active duty with such service.]**

(2.1) The time for registration for persons who meet the requirements of clause (1) or (2) shall be twelve (12) months from publication in the Pennsylvania Bulletin of the announcement that they are eligible for registration and that application forms are available.

(3) In order to meet the requirements of clauses (1) and (2), the applicant must furnish the board with evidence that he, as a principal (as distinguished from an employe), has held himself out to the public as being engaged in the practice of public accounting as his principal occupation.

(4) The board shall in each case determine whether the applicant qualified for registration. Any individual who is so registered and who holds a permit issued under section 8.2 of this act shall be styled and known as a "public accountant."

(5) The department shall charge a fee for registration hereunder.

(6) Persons who have registered as provided in this section and whose qualifications as set forth in their registration applications are in compliance with this section may continue to hold themselves out to the public as public accountants and engage as principals in the practice of public accounting within this Commonwealth and shall not be subject to sections 12, 14, 15, 16 and 16.2 for a period of one (1) year from the enactment hereof but thereafter shall be subject to the provisions of sections 12, 14, 15, 16 and 16.2.

Section 13. Sections 9, 9.1 heading, introductory paragraph, (1), (2), (5), (6), (7), (10) and 9.2 of the act are amended to read:

Section 9. Procedure for the Suspension and Revocation of Certificates; Appeals.—The procedure to be followed in the suspension and revocation of certificates, registrations or **[permits] licenses** to practice under this act, censure of certificate holders or registrants, and in appeals taken from actions of the board shall be that prescribed by the act, approved the fourth day of June, one thousand nine hundred forty-five (Pamphlet Laws 1388), known as the Administrative Agency Law, and its amendments, and any General Rules of Administrative Practice and Procedure promulgated by the board pursuant to said act.

Section 9.1. Revocation or Suspension of Certificate, Registration or **[Permit] License.**—In accordance with the procedure referred to in section 9 of this act, the board, by **[a two-third's vote] a majority vote** of its maximum authorized membership as provided by law, or by **a majority vote of the duly qualified and confirmed membership** or a minimum of **[five] seven** affirma-

tive votes, *whichever is greater*, if the membership of the board is less than its authorized membership as provided by law, may revoke or suspend any certificate of certified public accountant or the registration of those registered under [sections 8.1 and 8.7 of] this act, or may revoke, suspend or refuse to renew any [permit] license issued under [section 8.2(a)(i) of] this act, or may censure the holder of any such certificate, registration or [permit] license, for any one or any combination of the following causes:

(1) Fraud or deceit in obtaining a certificate as certified public accountant or in obtaining registration under this act or in obtaining a [permit] license to practice under this act.

(2) Dishonesty, fraud or gross negligence in the practice of public accounting.

* * *

(5) Pleading guilty, entering a plea of nolo contendere, or being found guilty of a felony under the laws of any state or [political subdivision] *Federal district, territory or insular possession* of the United States or of the United States.

(6) Pleading guilty, entering a plea of nolo contendere, or being found guilty of any crime, an element of which is dishonesty or fraud under the laws of any state or [political subdivision] *Federal district, territory or insular possession* of the United States or of the United States.

(7) Cancellation, revocation, suspension or refusal to renew authority to practice as a certified public accountant, public accountant or foreign accountant by any other state or [political subdivision] *Federal district, territory or insular possession* of the United States for any cause other than failure to pay a registration or other fee in such other state or [political subdivision] *Federal district, territory or insular possession*.

* * *

(10) Failure [(1) of a certificate holder or registrant to obtain a biennial permit under section 8.2 within either (a) three years from the expiration date of the permit to practice last obtained or renewed by said certificate holder or registrant, or (b) three years from the date upon which the certificate holder or registrant was granted a certificate or registration if no permit was ever issued, unless under section 8.2, such failure shall have been excused by the board; or (2)] of a certificate holder or registrant to furnish evidence of satisfaction of requirements of continuing education as required by the board under and pursuant to section 8.2 or to meet any conditions in respect of continuing education which the board may have ordered in respect of such certificate holder or registrant under that section.

* * *

Section 9.2. Reinstatement.—Upon application in writing and after hearing pursuant to notice, the board [may issue a new certificate to a certified public accountant whose certificate has been revoked, or may permit the re-registration of any person, partnership or corporation whose registration has been revoked, or] may reissue or modify the suspension of any [permit] license to practice which has been [revoked or] suspended. *Unless ordered to do so by a court, the board shall not reinstate the certificate of a person to*

practice as a certified public accountant or the registration of a person to practice as a public accountant which has been revoked, and such person shall be required to apply for a certificate in accordance with section 3.1 if he desires to practice at any time after such revocation.

Section 14. Section 9.3 of the act, added December 8, 1976 (P.L.1280, No.286), is amended to read:

Section 9.3. Revocation or Suspension of Partnership or Corporation Registration or **[Permit] License**.—In accordance with the procedure referred to in section 9 of this act, the board shall revoke the registration and **[permit] license** to practice of a partnership or corporation if at any time it does not have all the qualifications prescribed by the section of this act under which it qualified for registration.

Section 15. Sections 11, 11.1, 12, 13, 14 and 16 of the act are amended to read:

Section 11. Ownership of Working Papers.—**[All statements, records, schedules, working papers and memoranda prepared by or for a certified public accountant, public accountant, partnership or corporation incident to or in the course of professional service to clients by such certified public accountant, public accountant, partnership or corporation, except reports submitted to a client, shall be and remain the property of such certified public accountant, public accountant, partnership or corporation in the absence of an express agreement between the parties to the contrary. No such statement, record, schedule, working paper or memorandum shall be sold, transferred, or bequeathed, without the consent of the client or his personal representative, successor or assignee, to anyone other than one or more surviving partners, shareholders or associates of such certified public accountant or such public accountant.]** (a) *All statements, records, schedules, working papers and memoranda prepared by a licensee or a partner, shareholder, officer, director or employe of a licensee incident to or in the course of rendering services to a client pursuant to the practice of public accountancy, except reports submitted to a client and statements, records, schedules, working papers and memoranda provided by a client to a licensee or a partner, shareholder, officer, director or employe of a licensee, shall be and remain the property of the licensee in the absence of an express agreement between the licensee and the client to the contrary. No such statement, record, schedule, working paper or memorandum shall be sold, transferred or bequeathed, without the consent of the client or his personal representative, successor or assignee, to anyone other than one or more surviving partners or shareholders or new partners or shareholders of the licensee or any combined or merged firm or successor in interest to the licensee.*

(b) *In addition to any statements, records, schedules, working papers, memoranda or reports required to be furnished or returned to the client in accordance with subsection (a), a licensee shall furnish to his client or former client, upon request made within a reasonable time after original issuance of the document in question:*

(1) *A copy of a tax return of the client.*

(2) *A copy of any report or other document issued by the licensee to or for such client and not formally withdrawn or disavowed by the licensee prior to the request.*

(3) *A copy of the licensee's working papers to the extent that such working papers include records that would ordinarily constitute part of the client's records and are not otherwise available to the client.*

(4) *Any accounting or other records belonging to, or obtained from or on behalf of, the client which the licensee removed from the client's premises or received for the client's account. The licensee may make and retain copies of such documents of the client whenever those documents form the basis for work done by him.*

Section 11.1. Privileged Communication.—Except by permission of the client or person or entity engaging him or the heirs, successors or personal representatives of such client or person or entity, a certified public accountant, public accountant, partnership or corporation, holding a **[permit] license** to practice under this act, or a person employed by a certified public accountant, public accountant, partnership, or a director of or a person employed by a professional corporation holding a **[permit] license** to practice under this act, or an associate of or a person employed by a professional association holding a **[permit] license** to practice under this act shall not be required to, and shall not voluntarily, disclose or divulge information of which he may have become possessed relative to and in connection with any professional services as a certified public accountant, public accountant, partnership or corporation. The information derived from or as the result of such professional services shall be deemed confidential and privileged: Provided, however, That nothing herein shall be taken or construed as prohibiting the disclosure of information required to be disclosed by the standards of the profession in reporting on the examination of financial statements, or in making disclosures in a court of law or in disciplinary investigations or proceedings when the professional services of the certified public accountant, public accountant, partnership or corporation are at issue in an action, investigation or proceeding in which the certified public accountant, public accountant, partnership or corporation are parties.

Section 12. Unlawful Acts.—(a) It is unlawful for any person (1) to assume or use the title or designation “certified public accountant,” or the abbreviation “CPA,” 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 has received, or has been notified in writing by the board that he has qualified to receive a certificate of certified public accountant issued by this Commonwealth, which is not revoked or suspended, or (2) to assume or use such title, designation or abbreviation in the practice of public accounting unless he has received or has been notified in writing that he has qualified to receive a certificate of certified public accountant by this Commonwealth and unless he **[also holds a permit issued under section 8.2 of this act, which is not revoked or suspended, hereinafter referred to as a “live permit”]**: Provided, That a foreign accountant who has registered under the provisions of section 8.1 of this act, and who holds a live

permit issued under section 8.2 of this act, may use the title under which he is permitted to practice in his country, followed by the name of the country from which he received his certificate, license or degree] *is a current licensee.*

(b) It is unlawful for any person to use the title "certified public accountant," "public accountant" or any abbreviation thereof, or the letters "CPA" or "PA" by virtue of any certificate, registration or permit illegally or fraudulently obtained by such person, or issued unlawfully or through any fraudulent representation or deceit, or misstatement of material fact or fraudulent concealment of a material fact made or induced or aided or abetted by such person.

(c) It is unlawful for any partnership or corporation to assume or use the title or designation "certified public accountant," or the abbreviation "CPA," or any other title, designation, words, letters, abbreviation, sign, card or device, tending to indicate that such partnership or corporation is composed of certified public accountants, unless such partnership or corporation is registered as a partnership or corporation of certified public accountants under sections 8.3 and 8.4 of this act and **[holds a live permit issued under section 8.2 of this act]** *is a current licensee.*

(d) It is unlawful for any person, partnership or corporation to sell or offer to sell or fraudulently obtain, furnish or procure any certificate, registration or **[permit]** *license* under the provisions of this act or cause or aid or abet another person so to do.

(e) It is unlawful for any person or persons to engage in the practice of public accounting in this Commonwealth as a limited partnership providing for limited liability of the members or partners.

(f) Except as prescribed in subsections (a) and (c), **[in respect of]** *with respect to* certified public accountants, it is unlawful for any person, partnership, or corporation to use a title, including the word "certified" as a part thereof, or any other title or designation likely to be confused with "certified public accountant," or any title or designation implying or connoting accreditation by a state or **[political subdivision]** *Federal district, territory or insular possession* of the United States, for the practice of any type of book-keeping, accounting, auditing, tax or other professional practice related thereto, or to use any abbreviation of such title or designation.

(g) It is unlawful for any person to assume or use the title or designation "certified public accountant" or "public accountant" in conjunction with names indicating or implying that there is a partnership or corporation, or in conjunction with the designation "and Company" or "and Co" or a similar designation, if there is, in fact, no bona fide partnership or corporation registered under sections 8.3 through 8.6: Provided, That a sole proprietor or partnership lawfully using such title or designation in conjunction with such names or designation prior to November 1, 1961 may continue to do so if he, or it, otherwise complies with the provisions of this act: And further provided, That any public accountant registered under this act using the title or designation public accountant or the abbreviation "PA" in conjunction with such names or designation prior to the effective date of this act may continue to do so if he otherwise complies with the provisions of this act.

(h) **[No person shall]** *It is unlawful for any person to sign or affix a partnership or corporate name to any opinion or certificate attesting in any way to the reliability of any representation or estimate in regard to any person or organization embracing (1) financial information or (2) facts respecting compliance with conditions established by law or contract, including but not limited to, statutes, ordinances, regulations, grants, loans, and appropriations, together with any wording, accompanying or contained in such opinion or certificate, which indicates that such partnership or corporation is composed of or employs (i) accountants or auditors or (ii) persons having expert knowledge in accounting or auditing, unless the partnership or corporation [holds a live permit issued under section 8.2 of this act] is a current licensee.*

(i) **[It is unlawful for a certified public accountant, public accountant, partnership or corporation, engaged in the practice of public accounting, to use an impersonal fictitious name or a name which indicates a specialty. Firm names may contain the names of one or more of the present or former associates or shareholders or of partners who were associated with a predecessor accounting firm.]** *It is unlawful for a certified public accountant, public accountant, partnership or corporation, engaged in the practice of public accountancy, to use a professional or firm name which is misleading as to the legal form of the firm, or as to the persons who are partners, officers or shareholders of the firm, or as to any other matter: Provided, however, That the names of one or more former partners or shareholders may be included in the name of a firm or its successor.*

(j) It is unlawful for any person to assume or use the title or designation "public accountant" or the abbreviation "PA" or any other title, designation, words, letters, abbreviation, sign, card or device, tending to indicate that such person is a public accountant, unless such person is registered as a public accountant under section 8.7 of this act and **[holds a live permit issued under section 8.2 of this act] is a current licensee**, or unless such person has received, or has been notified in writing by the board that he has qualified to receive a certificate as certified public accountant issued by this Commonwealth and **[holds a live permit issued under section 8.2 of this act] is a current licensee**.

(k) It is unlawful for any partnership or corporation to assume or use the title or designation "public accountant" or the abbreviation "PA" or any other title, designation, words, letters, abbreviation, sign, card or device, tending to indicate that such partnership or corporation is composed of public accountants, unless such partnership or corporation is registered as a partnership or corporation of public accountants under section 8.5 or 8.6 of this act, or as a partnership or corporation of certified public accountants under section 8.3 or 8.4 of this act and **[holds a live permit issued under section 8.2 of this act] is a current licensee**; and each manager in charge of an office of the firm in this Commonwealth is a certified public accountant or a public accountant registered under this act, **in good standing and the holder of a live permit issued under section 8.2 of this act] and is a current licensee**.

(l) It is unlawful for any person, partnership or corporation to assume or use the title or designation "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," "licensed public accountant," "registered public accountant," or "accredited accountant," or any other title or designation likely to be confused with "certified public accountant" or "public accountant," or any of the abbreviations "CA," "EA," "RA," "LA," "RPA," "LPA," or "AA," or similar abbreviations likely to be confused with "CPA": Provided, however, That anyone who **[holds a live permit issued under section 8.2 of this act] is a current licensee** may hold himself out to the public as an "accountant," "auditor" or "accountant and auditor" [: **Provided, however, That a foreign accountant registered under section 8.1 of this act and who holds a live permit issued under section 8.2 of this act may use the title under which he is permitted to practice in his own country, followed by the name of the country from which he received his certificate, license or degree.**]

(m) It is unlawful for any person to sign or affix his name or any trade or assumed name used by him in his profession or business to any opinion or certificate attesting in any way to the reliability of any representation or estimate in regard to any person or organization embracing (1) financial information or (2) facts respecting compliance with conditions established by law or contract, including, but not limited to statutes, ordinances, regulations, grants, loans, and appropriations, together with any wording accompanying or contained in such opinion or certificate, which indicates (i) that he is an accountant or auditor, or (ii) that he has expert knowledge in accounting or auditing, unless he **[holds a live permit issued under section 8.2 of this act] is a current licensee**: Provided, however, That the provisions of this subsection shall not prohibit any officer, employe, partner, or principal of any organization from affixing his signature to any statement or report in reference to the affairs of said organization with any wording designating the position, title, or office which he holds in said organization, nor shall the provisions of this subsection prohibit any act of a public official or public employe in the performance of his duties as such.

(n) It is unlawful for any person, partnership or corporation not **[holding a live permit under section 8.2 of this act] a current licensee** to hold himself or itself out to the public as an "auditor" or as an accountant and auditor by use of either designation on any sign, card, letterhead, or in any advertisement or directory: Provided, however, That this subsection shall not prohibit any officer, employe, partner, or principal of any organization from describing himself by the position, title or office he holds in such organization, nor shall this subsection prohibit any action of a public official or public employe in the performance of his duties as such.

(o) It is unlawful for any person, partnership or corporation to indicate by printed or written statement, sign, card or other device that such person, foreign accountant, partnership or corporation holds membership in any society, association or organization of certified public accountants or public accountants, unless such person holds a valid certificate of certified public accountant issued by this Commonwealth or by some state or **[political sub-**

division] Federal district, territory or insular possession of the United States, is registered as a foreign accountant **[under section 8.1]** or as a public accountant under section 8.7, and in the case of a partnership or corporation, they are registered under sections 8.3 through 8.6 of this act.

[(p) The provisions of sections 12, 14, 15, 16 and 16.2 as they relate to public accountants permitted to register under section 8.7 and as to partnerships permitted to register under sections 8.3 and 8.5 and as to corporations permitted to register under sections 8.4 and 8.6, the said sections shall become effective one (1) year from the enactment hereof.]

Section 13. Acts Not Unlawful.—(a) Nothing contained in this act shall prohibit any person not a certified public accountant or a public accountant registered under this act from serving as an employe of or an assistant to a certified public accountant, a public accountant, a partnership of certified public accountants or public accountants or a corporation, holding a **[permit to practice] current license** issued under section 8.2 of this act, or a foreign accountant registered under section 8.1 of this act: Provided, That such employe or assistant shall not issue any accounting or financial statement over his name.

(b) Nothing contained in this act shall prohibit a certified public accountant, or partnership or corporation composed of certified public accountants of another state or **[political subdivision] Federal district, territory or insular possession** of the United States, **[for 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,]** and who is concurrently engaged in public practice in such state, **[political subdivision or country] Federal district, territory or insular possession** from temporarily practicing in this Commonwealth on professional business **[incident to their regular practice outside this Commonwealth]:** Provided, That such **[temporary]** practice is conducted in conformity with the regulations and rules **[of professional conduct] governing temporary practice** promulgated by the board.

[(c) Persons, partnerships or corporations other than as defined in this act offering and rendering only bookkeeping and similar technical services or engaged in the preparation of tax returns are not required to register under this act and may continue to perform such services. Such persons, partnerships, or corporations may use the title or designation of “accountant” or “accountants.”]

(c) Nothing contained in this act shall prohibit persons, partnerships or corporations other than as defined in this act from offering and rendering bookkeeping and similar technical services or other services involving the use of accounting skills, including the preparation of tax returns and the preparation or compilation of financial statements without issuing a report that expresses an opinion or assurance on the statements. These persons, partnerships or corporations may use the title or designation “accountant” or “accountants.”

Section 14. Injunction Against Unlawful Act.—Whenever in the judgment of **[two-thirds] a majority** of the maximum authorized member-

ship of the board as provided by law, or in the judgment of a *majority of the duly qualified and confirmed membership or a minimum of [five] seven members, whichever is greater*, if the membership of the board is less than its authorized membership as provided by law, any person, partnership or corporation, has engaged or is about to engage in any acts or practices which constitute or will constitute a violation of this act the board or its agents may make application to the appropriate court for an order enjoining such acts or practices and, upon a showing by the board that such person, partnership or corporation has engaged or is about to engage in any such acts or practices, an injunction, restraining order or such other order as may be appropriate shall be granted by such court without bond.

Section 16. Penalties.—(a) Any person, partnership or corporation violating any of the provisions of this act shall be guilty of a misdemeanor *of the third degree* and upon conviction thereof shall be sentenced to pay a fine not exceeding ~~[one thousand dollars (\$1,000)]~~ *two thousand five hundred dollars (\$2,500)* or suffer imprisonment not exceeding one (1) year, or both.

(b) The right of the board to suspend and revoke certificates and ~~[permits]~~ *licenses* issued under this act and the right to censure certificate holders or registrants shall be in addition to the penalties set forth in this section.

(c) *In addition to any other civil remedy or criminal penalty provided for in this act, the board, by a vote of the majority of the maximum number of the authorized membership of the board as provided by law, or by a vote of the majority of the duly qualified and confirmed membership or a minimum of seven members, whichever is greater, may levy a civil penalty of up to one thousand dollars (\$1,000) on any current licensee who violates any provision of this act or on any person who practices accounting without being properly licensed to do so under this act. The board shall levy this penalty only after affording the accused party the opportunity for a hearing, as provided in Title 2 of the Pennsylvania Consolidated Statutes (relating to administrative law and procedure).*

(d) *All fines and civil penalties imposed in accordance with this section shall be paid into the Professional Licensure Augmentation Account.*

Section 16. Any reference in any statute of this Commonwealth containing the words "State Board of Examiners of Public Accountants" shall instead refer to the State Board of Accountancy, as provided in this act.

Section 17. Persons who are members of the State Board of Examiners of Public Accountants on the effective date of this act shall serve on the State Board of Accountancy until their current terms on the State Board of Examiners of Public Accountants would have expired or until their successors are duly appointed and qualified, but no longer than six months after the expiration of their terms.

Section 18. All rules and regulations promulgated by the State Board of Examiners of Public Accountants shall remain in full force and effect until amended or repealed by the State Board of Accountancy.

Section 19. Any person who holds a permit to practice as a certified public accountant or as a public accountant, which permit is not suspended,

revoked or expired on the effective date of this act shall be deemed to be a "current licensee" and the holder of a "license" to practice as a certified public accountant or as a public accountant as those terms are used pursuant to the amendments made by this act to the act of May 26, 1947 (P.L.318, No.140), known as The C.P.A. Law.

Section 20. This act, with respect to the State Board of Examiners of Public Accountants, shall constitute the legislation required to reestablish an agency pursuant to the act of December 22, 1981 (P.L.508, No.142), known as the Sunset Act.

Section 21. (a) Section 421 of the act of April 9, 1929 (P.L.177, No.175), known as The Administrative Code of 1929, is repealed.

(b) All other acts and parts of acts are repealed insofar as they are inconsistent with this act.

Section 22. This act shall take effect April 1, 1984.

APPROVED—The 7th day of March, A. D. 1984.

DICK THORNBURGH