

# SENATE BILL 513

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9lr2020  
CF 9lr2225

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By: **Senators Ellis, Feldman, Klausmeier, Patterson, Peters, Serafini, and Young**  
Introduced and read first time: February 4, 2019  
Assigned to: Education, Health, and Environmental Affairs

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## A BILL ENTITLED

1 AN ACT concerning

2 **State Board of Public Accountancy – Firm Permits – Attest Services**

3 FOR the purpose of repealing a provision of law that requires a certified public accountant  
4 firm to hold a permit issued by the State Board of Public Accountancy if the firm  
5 performs certain attest services for a client with a home office in this State;  
6 authorizing a certain firm that does not have an office in this State to perform certain  
7 attest services for a certain client in this State without a permit issued by the Board  
8 under certain circumstances; making conforming changes; and generally relating to  
9 certified public accountant firm permits and the State Board of Public Accountancy.

10 BY repealing and reenacting, without amendments,  
11 Article – Business Occupations and Professions  
12 Section 2–101(a) through (c)  
13 Annotated Code of Maryland  
14 (2018 Replacement Volume)

15 BY repealing and reenacting, with amendments,  
16 Article – Business Occupations and Professions  
17 Section 2–401  
18 Annotated Code of Maryland  
19 (2018 Replacement Volume)

20 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,  
21 That the Laws of Maryland read as follows:

22 **Article – Business Occupations and Professions**

23 2–101.

24 (a) In this title the following words have the meanings indicated.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (b) "AICPA" means the American Institute of Certified Public Accountants.

2 (c) "Attest" means to provide the following services:

3 (1) an audit or other engagement performed in accordance with the  
4 Statements on Auditing Standards issued by AICPA;

5 (2) a review of a financial statement performed in accordance with the  
6 Statements on Standards for Accounting and Review Services issued by AICPA;

7 (3) a compilation;

8 (4) any examination, review, or agreed-upon procedures engagement to be  
9 performed in accordance with the Statements on Standards for Attestation Engagements  
10 issued by AICPA; and

11 (5) any engagement performed in accordance with the Auditing Standards  
12 of the Public Company Accounting Oversight Board.

13 2-401.

14 (a) A firm shall hold a permit issued by the Board if the firm:

15 (1) has an office in this State that performs attest services as defined in §  
16 2-101(c) of this title; **OR**

17 (2) has an office in this State that uses the title "CPA" or "CPA firm"[]; or

18 (3) performs attest services described in § 2-101(c)(1), (4), or (5) of this title  
19 for a client with a home office in this State].

20 (b) A firm that does not have an office in this State may perform attest services  
21 as defined in [§ 2-101(c)(2) and (3)] **§ 2-101(C)** of this title for a client [with a home office]  
22 in this State without a permit if the firm:

23 (1) meets the application and peer review requirements under §§ 2-402,  
24 2-402.1, and 2-403 of this subtitle and § 2-4A-02 of this title; and

25 (2) performs services through an individual with a practice privilege under  
26 § 2-321 of this title **IN THE STATE WHERE THE INDIVIDUAL WITH A PRACTICE  
27 PRIVILEGE RETAINS A PRINCIPAL PLACE OF BUSINESS.**

28 (c) The Board shall grant or renew a permit to practice as a CPA firm to a  
29 partnership, limited liability company, or corporation that demonstrates its qualifications  
30 in accordance with this section.

1 (d) If a firm does not meet the requirements of this section, the firm may perform  
2 [other] professional services **OTHER THAN ATTEST SERVICES** while using the title “CPA”  
3 or “CPA firm” in this State without a permit, if the firm:

4 (1) performs those services through an individual with a practice privilege  
5 provided under § 2–321 of this title; and

6 (2) performs those services in the state where the individual with a practice  
7 privilege retains a principal place of business.

8 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
9 October 1, 2019.