



102ND GENERAL ASSEMBLY

State of Illinois

2021 and 2022

SB1723

Introduced 2/26/2021, by Sen. Emil Jones, III

SYNOPSIS AS INTRODUCED:

225 ILCS 450/0.03	from Ch. 111, par. 5500.03
225 ILCS 450/2	from Ch. 111, par. 5502
225 ILCS 450/3	from Ch. 111, par. 5504
225 ILCS 450/4	from Ch. 111, par. 5505
225 ILCS 450/5.1	
225 ILCS 450/6	from Ch. 111, par. 5507
225 ILCS 450/6.1	
225 ILCS 450/7	from Ch. 111, par. 5508
225 ILCS 450/14	from Ch. 111, par. 5515
225 ILCS 450/14.1	
225 ILCS 450/17.3	

Amends the Illinois Public Accounting Act. Provides that the Board of Examiners shall certify applicants who successfully complete all portions of the examination and verify completion of 150 semester credit hours. Provides that beginning January 1, 2023, an applicant for the examination shall be required to present proof of 120 college or university semester hours of study or other academic credit unit equivalent. Provides that applicants shall receive certification by the Board upon successful passage of all sections and requirements of the Uniform Certified Public Accountant Examination and verification of completion of educational requirements as determined by rule. Provides that the amendatory Act shall not be construed to invalidate any certificate issued before the effective date of the amendatory Act. Defines the term "exam certificate". Changes references from "certificate" to "certification" and makes corresponding and other changes.

LRB102 05168 SPS 15189 b

1 AN ACT concerning regulation.

2 **Be it enacted by the People of the State of Illinois,**
3 **represented in the General Assembly:**

4 Section 5. The Illinois Public Accounting Act is amended
5 by changing Sections 0.03, 2, 3, 4, 5.1, 6, 6.1, 7, 14, 14.1,
6 and 17.3 as follows:

7 (225 ILCS 450/0.03) (from Ch. 111, par. 5500.03)

8 (Section scheduled to be repealed on January 1, 2024)

9 Sec. 0.03. Definitions. As used in this Act, unless the
10 context otherwise requires:

11 "Accountancy activities" means the services as set forth
12 in Section 8.05 of the Act.

13 "Address of record" means the designated address recorded
14 by the Department in the applicant's, licensee's, or
15 registrant's application file or license file maintained by
16 the Department's licensure maintenance unit. It is the duty of
17 the applicant, licensee, or registrant to inform the
18 Department of any change of address, and those changes must be
19 made either through the Department's website or by directly
20 contacting the Department.

21 "Certification" ~~"Certificate"~~ means certification ~~a~~
22 ~~certificate issued~~ by the Board or University or similar
23 jurisdictions specifying an individual has successfully passed

1 all sections and requirements of the Uniform Certified Public
2 Accountant Examination and verification of completion of 150
3 credit hours. Certification ~~A certificate issued~~ by the Board
4 or University or similar jurisdiction does not confer the
5 ability to use the CPA title and is not equivalent to a
6 registration or license under this Act.

7 "Compilation" means providing a service to be performed in
8 accordance with Statements on Standards for Accounting and
9 Review Services that is presented in the form of financial
10 statements or information that is the representation of
11 management or owners without undertaking to express any
12 assurance on the statements.

13 "Coordinator" means the CPA Coordinator.

14 "CPA" or "C.P.A." means a certified public accountant who
15 holds a license or registration issued by the Department or an
16 individual authorized to use the CPA title under Section 5.2
17 of this Act.

18 "CPA firm" means a sole proprietorship, a corporation,
19 registered limited liability partnership, limited liability
20 company, partnership, professional service corporation, or any
21 other form of organization issued a license in accordance with
22 this Act or a CPA firm authorized to use the CPA firm title
23 under Section 5.2 of this Act.

24 "CPA (inactive)" means a licensed certified public
25 accountant who elects to have the Department place his or her
26 license on inactive status pursuant to Section 17.2 of this

1 Act.

2 "Exam certificate" means an exam certificate issued by the
3 Board, the University, or a similar jurisdiction specifying
4 that an individual has successfully passed all sections and
5 requirements of the Uniform Certified Public Accountant
6 Examination. An exam certificate issued by the Board, the
7 University, or a similar jurisdiction does not confer the
8 ability to use the CPA title and is not equivalent to a
9 registration or license under this Act.

10 "Financial statement" means a structured presentation of
11 historical financial information, including, but not limited
12 to, related notes intended to communicate an entity's economic
13 resources and obligations at a point in time or the changes
14 therein for a period of time in accordance with generally
15 accepted accounting principles (GAAP) or other comprehensive
16 basis of accounting (OCBOA).

17 "Other attestation engagements" means an engagement
18 performed in accordance with the Statements on Standards for
19 Attestation Engagements.

20 "Registered Certified Public Accountant" or "registered
21 CPA" means any person who has been issued a registration under
22 this Act as a Registered Certified Public Accountant.

23 "Report", when used with reference to financial
24 statements, means an opinion, report, or other form of
25 language that states or implies assurance as to the
26 reliability of any financial statements and that also includes

1 or is accompanied by any statement or implication that the
2 person or firm issuing it has special knowledge or competence
3 in accounting or auditing. Such a statement or implication of
4 special knowledge or competence may arise from use by the
5 issuer of the report of names or titles indicating that the
6 person or firm is an accountant or auditor, or from the
7 language of the report itself. "Report" includes any form of
8 language that disclaims an opinion when the form of language
9 is conventionally understood to imply any positive assurance
10 as to the reliability of the financial statements referred to
11 or special competence on the part of the person or firm issuing
12 such language; it includes any other form of language that is
13 conventionally understood to imply such assurance or such
14 special knowledge or competence.

15 "Licensed Certified Public Accountant" or "licensed CPA"
16 means any person licensed under this Act as a Licensed
17 Certified Public Accountant.

18 "Committee" means the Public Accountant Registration and
19 Licensure Committee appointed by the Secretary.

20 "Department" means the Department of Financial and
21 Professional Regulation.

22 "License", "licensee", and "licensure" refer to the
23 authorization to practice under the provisions of this Act.

24 "Peer review" means a study, appraisal, or review of one
25 or more aspects of a CPA firm's or sole practitioner's
26 compliance with applicable accounting, auditing, and other

1 attestation standards adopted by generally recognized
2 standard-setting bodies.

3 "Principal place of business" means the office location
4 designated by the licensee from which the person directs,
5 controls, and coordinates his or her professional services.

6 "Review committee" means any person or persons conducting,
7 reviewing, administering, or supervising a peer review
8 program.

9 "Secretary" means the Secretary of the Department of
10 Financial and Professional Regulation.

11 "University" means the University of Illinois.

12 "Board" means the Board of Examiners established under
13 Section 2.

14 "Registration", "registrant", and "registered" refer to
15 the authorization to hold oneself out as or use the title
16 "Registered Certified Public Accountant" or "Certified Public
17 Accountant", unless the context otherwise requires.

18 "Peer Review Administrator" means an organization
19 designated by the Department that meets the requirements of
20 subsection (f) of Section 16 of this Act and other rules that
21 the Department may adopt.

22 (Source: P.A. 99-78, eff. 7-20-15; 100-419, eff. 8-25-17.)

23 (225 ILCS 450/2) (from Ch. 111, par. 5502)

24 (Section scheduled to be repealed on January 1, 2024)

25 Sec. 2. Board of Examiners. The Governor shall appoint a

1 Board of Examiners that shall determine the qualifications of
2 persons applying for certification ~~certificates~~ and shall make
3 rules for and conduct examinations for determining the
4 qualifications.

5 The Board shall consist of 11 examiners, including 2
6 public members. The remainder shall be certified public
7 accountants in this State who have been residents of this
8 State for at least 5 years immediately preceding their
9 appointment, except that one shall be either a certified
10 public accountant of the grade herein described or an attorney
11 licensed and residing in this State and one shall be a
12 certified public accountant who is an active or retired
13 educator residing in this State. The term of office of each
14 examiner shall be 3 years. As the term of each examiner
15 expires, the appointment shall be filled for a term of 3 years
16 from the date of expiration. Any Board member who has served as
17 a member for 6 consecutive years shall not be eligible for
18 reappointment until 2 years after the end of the term in which
19 the sixth consecutive year of service occurred, except that
20 members of the Board serving on the effective date of this
21 Section shall be eligible for appointment to one additional
22 3-year term. Where the expiration of any member's term shall
23 result in less than 11 members then serving on the Board, the
24 member shall continue to serve until his or her successor is
25 appointed and has qualified. Except as otherwise provided in
26 this Section, no Board member shall serve more than 2 full

1 consecutive terms. Anyone appointed to the Board shall be
2 ineligible to be appointed to the Illinois Public Accountants
3 Registration and Licensure Committee appointed by the
4 Secretary. Appointments to fill vacancies shall be made in the
5 same manner as original appointments for the unexpired portion
6 of the vacated term. The membership of the Board shall
7 reasonably reflect representation from the geographic areas in
8 this State. The members of the Board appointed by the Governor
9 shall receive reasonable compensation for their necessary,
10 legitimate, and authorized expenses in accordance with the
11 Governor's Travel Control Board rules and the Travel
12 Regulation Rules. The Governor may terminate the term of any
13 member of the Board at any time for cause.

14 Information regarding educational requirements, the
15 application process, the examination, and fees shall be
16 available on the Board's Internet web site as well as in
17 printed documents available from the Board's office.

18 The Board shall adopt all necessary and reasonable rules
19 and regulations for the effective administration of this Act.
20 Without limiting the foregoing, the Board shall adopt and
21 prescribe rules and regulations for a fair and impartial
22 method of determining the qualifications of applicants for
23 examination and for a fair and impartial method of examination
24 of persons under Section 2 and may establish rules for
25 subjects conditioned and for the transfer of credits from
26 other jurisdictions with respect to subjects passed. The Board

1 shall verify completion of educational requirements for
2 certification as required under this Act.

3 The Board shall make an annual report of its activities to
4 the Governor and the Secretary. This report shall include a
5 complete operating and financial statement covering its
6 operations during the year, the number of examinations given,
7 the pass/fail ratio for examinations, and any other
8 information deemed appropriate. The Board shall have an audit
9 of its books and accounts every 2 years by the Auditor General.
10 (Source: P.A. 98-254, eff. 8-9-13.)

11 (225 ILCS 450/3) (from Ch. 111, par. 5504)

12 (Section scheduled to be repealed on January 1, 2024)

13 Sec. 3. Qualifications of applicants. The Board shall
14 certify applicants who successfully complete all portions of
15 the examination and verify completion of 150 semester credit
16 hours.

17 (a) To be admitted to take the examination after the year
18 2000 and before January 1, 2023, for the purpose of
19 determining the qualifications of applicants for certificates
20 as certified public accountants under this Act, the applicants
21 shall be required to present proof of the successful
22 completion of 150 college or university semester hours of
23 study or their quarter-hour or other academic credit unit
24 equivalent, to include a baccalaureate or higher degree
25 conferred by a college or university acceptable to the Board,

1 the total educational program to include an accounting
2 concentration or equivalent as determined by Board rule. In
3 adopting those rules, the Board shall consider, among other
4 things, any impediments to the interstate practice of public
5 accounting that may result from differences in the
6 requirements in other states.

7 (b) Beginning January 1, 2023, an applicant for the
8 examination shall be required to present proof of 120 college
9 or university semester hours of study or their quarter-hour or
10 other academic credit unit equivalent, to include a
11 baccalaureate or higher degree conferred by a college or
12 university acceptable to the Board, the total education
13 program to include an accounting concentration or equivalent
14 as determined by Board rule. Applicants shall receive
15 certification by the Board upon successful passage of all
16 sections and requirements of the Uniform Certified Public
17 Accountant Examination and verification of completion of
18 educational requirements as determined by rule.

19 (c) In adopting rules, the Board shall consider, among
20 other things, any impediments to the interstate practice of
21 public accounting that may result from differences in the
22 requirements in other states.

23 ~~Candidates who have taken the examination at least once~~
24 ~~before January 1, 2001, may take the examination under the~~
25 ~~qualifications in effect when they first took the examination.~~

26 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

1 (225 ILCS 450/4) (from Ch. 111, par. 5505)
2 (Section scheduled to be repealed on January 1, 2024)
3 Sec. 4. Transitional language.

4 (a) The provisions of this Act shall not be construed to
5 invalidate any certificates as certified public accountants
6 issued by the University under "An Act to regulate the
7 profession of public accountants", approved May 15, 1903, as
8 amended, or any certificates as Certified Public Accountants
9 issued by the University or the Board under Section 4 of "An
10 Act to regulate the practice of public accounting and to
11 repeal certain acts therein named", approved July 22, 1943, as
12 amended, which certificates shall be valid and in force as
13 though issued under the provisions of this Act.

14 (b) Before July 1, 2012, persons who have received a
15 Certified Public Accountant (CPA) Certificate issued by the
16 Board or University or holding similar certifications from
17 other jurisdictions with equivalent educational requirements
18 and examination standards may apply to the Department on forms
19 supplied by the Department for and may be granted a
20 registration as a registered CPA from the Department upon
21 payment of the required fee.

22 (c) Beginning with the 2006 renewal, the Department shall
23 cease to issue a license as a Public Accountant. Any person
24 holding a valid license as a Public Accountant prior to
25 September 30, 2006 who meets the conditions for renewal of a

1 license under this Act, shall be issued a license as a licensed
2 CPA under this Act and shall be subject to continued
3 regulation by the Department under this Act. The Department
4 may adopt rules to implement this Section.

5 (d) The Department shall not issue any new registrations
6 as a registered CPA on or after July 1, 2012. After that date,
7 any applicant for licensure under this Act shall apply for a
8 license as a licensed CPA and shall meet the requirements set
9 forth in this Act. Any person who has been issued a
10 registration as a registered CPA may renew the registration
11 under the provisions of this Act and that person may continue
12 to renew or restore the registration during his or her
13 lifetime, subject only to the renewal or restoration
14 requirements for the registration under this Act. Such
15 registration shall be subject to the disciplinary provisions
16 of this Act.

17 (e) (Blank).

18 (f) The changes made by this amendatory Act of the 102nd
19 General Assembly do not invalidate any certificate issued
20 before the effective date of this amendatory Act of the 102nd
21 General Assembly.

22 (Source: P.A. 98-254, eff. 8-9-13.)

23 (225 ILCS 450/5.1)

24 (Section scheduled to be repealed on January 1, 2024)

25 Sec. 5.1. Foreign accountants. The Board shall certify

1 ~~issue a certificate to~~ a holder of a foreign designation,
2 granted in a foreign country entitling the holder thereof to
3 engage in the practice of public accounting, provided:

4 (a) The foreign authority that granted the designation
5 makes similar provision to allow a person who holds a
6 valid certification ~~certificate~~ issued by this State to
7 obtain the foreign authority's comparable designation; and

8 (b) The foreign designation (i) was duly issued by a
9 foreign authority that regulates the practice of public
10 accounting and the foreign designation has not expired or
11 been revoked or suspended; and (ii) was issued upon the
12 basis of educational and examination requirements
13 established by the foreign authority or by law; and

14 (c) The applicant (i) received the designation based
15 on educational and examination standards substantially
16 equivalent to those in effect in this State at the time the
17 foreign designation was granted; and (ii) passed a uniform
18 qualifying examination in national standards and an
19 examination on the laws, regulations, and code of ethical
20 conduct in effect in this State acceptable to the Board.

21 (Source: P.A. 93-683, eff. 7-2-04.)

22 (225 ILCS 450/6) (from Ch. 111, par. 5507)

23 (Section scheduled to be repealed on January 1, 2024)

24 Sec. 6. Fees; pay of examiners; expenses. The Board shall
25 charge a fee in an amount at least sufficient to defray the

1 costs and expenses incident to the examination and
2 certification ~~issuance of a certificate~~ provided for in
3 Section 6.1 ~~and for the issuance of a certificate provided for~~
4 ~~in Section 5~~. This fee shall be payable by the applicant at the
5 time of filing an application.

6 (Source: P.A. 92-457, eff. 7-1-04; 93-683, eff. 7-2-04.)

7 (225 ILCS 450/6.1)

8 (Section scheduled to be repealed on January 1, 2024)

9 Sec. 6.1. Examinations.

10 (a) The examination shall test the applicant's knowledge
11 of accounting, auditing, and other related subjects, if any,
12 as the Board may deem advisable. A candidate shall be required
13 to pass all sections of the examination in order to qualify for
14 certification ~~a certificate~~. A candidate may take the required
15 test sections individually and in any order, as long as the
16 examination is taken within a timeframe established by Board
17 rule.

18 (b) On and after January 1, 2005, applicants shall also be
19 required to pass an examination on the rules of professional
20 conduct for certification by the Board, ~~as determined by Board~~
21 ~~rule to be appropriate, before they may be awarded a~~
22 ~~certificate as a Certified Public Accountant.~~

23 (c) Pursuant to compliance with the Americans with
24 Disabilities Act, the Board may provide alternative test
25 administration arrangements that are reasonable in the context

1 of the Certified Public Accountant examination for applicants
2 who are unable to take the examination under standard
3 conditions upon an applicant's submission of evidence as the
4 Board may require, which may include a signed statement from a
5 medical or other licensed medical professional, identifying
6 the applicant's disabilities and the specific alternative
7 accommodations the applicant may need. Any alteration in test
8 administration arrangements does not waive the requirement of
9 sitting for and passing the examination.

10 (d) Any application, document, or other information filed
11 by or concerning an applicant and any examination grades of an
12 applicant shall be deemed confidential and shall not be
13 disclosed to anyone without the prior written permission of
14 the applicant, except that the names and addresses only of all
15 applicants shall be a public record and be released as public
16 information. Nothing in this subsection shall prevent the
17 Board from making public announcement of the names of persons
18 receiving certificates under this Act.

19 (Source: P.A. 93-683, eff. 7-2-04; 94-779, eff. 5-19-06.)

20 (225 ILCS 450/7) (from Ch. 111, par. 5508)

21 (Section scheduled to be repealed on January 1, 2024)

22 Sec. 7. Licensure. A holder of an exam certificate, ~~a~~
23 ~~certificate or~~ registration as a certified public accountant,
24 or certification issued by the Board or Department shall not
25 be entitled to practice public accounting, as defined in

1 Section 8, in this State until the person has been licensed as
2 a licensed CPA by the Department.

3 (Source: P.A. 98-254, eff. 8-9-13.)

4 (225 ILCS 450/14) (from Ch. 111, par. 5515)

5 (Section scheduled to be repealed on January 1, 2024)

6 Sec. 14. Qualifications for licensure as a licensed CPA.

7 The Department may license as licensed CPAs individuals
8 meeting the following requirements:

9 (a) All persons who have received exam certificates or
10 certifications ~~certificates~~ as certified public accountants
11 from the Board or who hereafter received registrations as
12 registered CPAs from the Department who have had at least one
13 year of full-time experience, or its equivalent, providing any
14 type of service or advice involving the use of accounting,
15 audit, management advisory, financial advisory, tax,
16 consulting skills, or other attestation engagements which may
17 be gained through employment in government, industry,
18 academia, or public practice.

19 (a-5) If the applicant's exam certificate or certification
20 ~~certificate~~ as a certified public accountant from the Board or
21 the applicant's registration as a registered CPA from the
22 Department was issued more than 4 years prior to the
23 application for a license as a licensed CPA under this
24 Section, the applicant shall submit any evidence the
25 Department may require showing the applicant has completed not

1 less than 90 hours of continuing professional education
2 acceptable to the Department within the 3 years immediately
3 preceding the date of application.

4 (b) (Blank).

5 (Source: P.A. 98-254, eff. 8-9-13.)

6 (225 ILCS 450/14.1)

7 (Section scheduled to be repealed on January 1, 2024)

8 Sec. 14.1. Foreign accountants. The Department may issue a
9 license as a licensed CPA to a holder of a foreign designation,
10 granted in a foreign country, provided that:

11 (a) the applicant has received certification ~~is the~~
12 ~~holder of a certificate~~ as a certified public accountant
13 from the Board or a registration as a registered CPA from
14 the Department issued under this Act;

15 (b) (Blank);

16 (c) the foreign designation (i) was duly issued by a
17 foreign authority that regulates the practice of public
18 accounting and the foreign designation has not expired or
19 been revoked or suspended; (ii) entitles the holder to
20 issue reports upon financial statements; and (iii) was
21 issued upon the basis of educational, examination, and
22 experience requirements established by the foreign
23 authority or by law; and

24 (d) the applicant (i) received the designation based
25 on standards substantially equivalent to those in effect

1 in this State at the time the foreign designation was
2 granted; and (ii) completed an experience requirement,
3 substantially equivalent to the requirement set out in
4 Section 14, in the jurisdiction that granted the foreign
5 designation or meets equivalent requirements prescribed by
6 the Department by rule, within the 10 years immediately
7 preceding the application.

8 Applicants have 3 years from the date of application to
9 complete the application process. If the process has not been
10 completed in 3 years, the application shall be denied, the fee
11 shall be forfeited, and the applicant must reapply and meet
12 the requirements in effect at the time of reapplication.

13 (Source: P.A. 98-254, eff. 8-9-13.)

14 (225 ILCS 450/17.3)

15 (Section scheduled to be repealed on January 1, 2024)

16 Sec. 17.3. Restoration of license from discipline. At any
17 time after the successful completion of a term of indefinite
18 probation, suspension, or revocation of a license or
19 registration, the Department may restore the license or
20 registration to active status, unless, after an investigation
21 and a hearing, the Secretary determines that restoration is
22 not in the public interest. No person or entity whose license,
23 certification ~~certificate~~, or authority has been revoked as
24 authorized in this Act may apply for restoration of that
25 license, certification, or authority until such time as

1 provided for in the Civil Administrative Code of Illinois.

2 (Source: P.A. 98-254, eff. 8-9-13.)