



Rep. Robert Rita

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09600HB6415ham001

LRB096 21042 ASK 38557 a

1 AMENDMENT TO HOUSE BILL 6415

2 AMENDMENT NO. _____. Amend House Bill 6415 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Public Accounting Act is amended
5 by changing Sections 4 and 16 as follows:

6 (225 ILCS 450/4) (from Ch. 111, par. 5505)

7 (Section scheduled to be repealed on January 1, 2014)

8 Sec. 4. Transitional language.

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

1 amended, which certificates shall be valid and in force as
2 though issued under the provisions of this Act.

3 (b) Before July 1, 2010, persons who have received a
4 Certified Public Accountant (CPA) Certificate issued by the
5 Board of Examiners or holding similar certifications from other
6 jurisdictions with equivalent educational requirements and
7 examination standards may apply to the Department on forms
8 supplied by the Department for and may be granted a
9 registration as a Registered Certified Public Accountant from
10 the Department upon payment of the required fee.

11 (c) Beginning with the 2006 renewal, the Department shall
12 cease to issue a license as a Public Accountant. Any person
13 holding a valid license as a Public Accountant prior to
14 September 30, 2006 who meets the conditions for renewal of a
15 license under this Act, shall be issued a license as a Licensed
16 Certified Public Accountant under this Act and shall be subject
17 to continued regulation by the Department under this Act. The
18 Department may adopt rules to implement this Section.

19 (d) The Department shall not issue any new registrations as
20 a Registered Certified Public Accountant after July 1, 2011
21 ~~2010~~. After that date, any applicant for licensure under this
22 Act shall apply for a license as a Licensed Certified Public
23 Accountant and shall meet the requirements set forth in this
24 Act. Any person issued a Certified Public Accountant
25 certificate who has been issued a registration as a Registered
26 Certified Public Accountant may renew the registration under

1 the provisions of this Act and that person may continue to
2 renew or restore the registration during his or her lifetime,
3 subject only to the renewal or restoration requirements for the
4 registration under this Act. Such registration shall be subject
5 to the disciplinary provisions of this Act.

6 (e) On and after October 1, 2006, no person shall hold
7 himself or herself out to the public in this State in any
8 manner by using the title "certified public accountant" or use
9 the abbreviation "C.P.A." or "CPA" or any words or letters to
10 indicate that the person using the same is a certified public
11 accountant unless he or she maintains a current registration or
12 license issued by the Department or is exercising the practice
13 privilege afforded under Section 5.2 of this Act. It shall be a
14 violation of this Act for an individual to assume or use the
15 title "certified public accountant" or use the abbreviation
16 "C.P.A." or "CPA" or any words or letters to indicate that the
17 person using the same is a certified public accountant in this
18 State unless he or she maintains a current registration or
19 license issued by the Department or is exercising the practice
20 privilege afforded under Section 5.2 of this Act.

21 (Source: P.A. 95-386, eff. 1-1-08.)

22 (225 ILCS 450/16) (from Ch. 111, par. 5517)

23 (Section scheduled to be repealed on January 1, 2014)

24 Sec. 16. Expiration and renewal of licenses; renewal of
25 registration; continuing education.

1 (a) The expiration date and renewal period for each license
2 issued under this Act shall be set by rule.

3 (b) Every holder of a license or registration under this
4 Act may renew such license or registration before the
5 expiration date upon payment of the required renewal fee as set
6 by rule.

7 (c) Every application for renewal of a license by a
8 licensed certified public accountant who has been licensed
9 under this Act for 3 years or more shall be accompanied or
10 supported by any evidence the Department shall prescribe, in
11 satisfaction of completing, each 3 years, not less than 120
12 hours of continuing professional education programs in
13 subjects given by continuing education sponsors registered by
14 the Department upon recommendation of the Committee. Of the 120
15 hours, not less than 4 hours shall be courses covering the
16 subject of professional ethics. All continuing education
17 sponsors applying to the Department for registration shall be
18 required to submit an initial nonrefundable application fee set
19 by Department rule. Each registered continuing education
20 sponsor shall be required to pay an annual renewal fee set by
21 Department rule. Publicly supported colleges, universities,
22 and governmental agencies located in Illinois are exempt from
23 payment of any fees required for continuing education sponsor
24 registration. Failure by a continuing education sponsor to be
25 licensed or pay the fees prescribed in this Act, or to comply
26 with the rules and regulations established by the Department

1 under this Section regarding requirements for continuing
2 education courses or sponsors, shall constitute grounds for
3 revocation or denial of renewal of the sponsor's registration.

4 (d) Licensed Certified Public Accountants are exempt from
5 the continuing professional education requirement for the
6 first renewal period following the original issuance of the
7 license.

8 Notwithstanding the provisions of subsection (c), the
9 Department may accept courses and sponsors approved by other
10 states, by the American Institute of Certified Public
11 Accountants, by other state CPA societies, or by national
12 accrediting organizations such as the National Association of
13 State Boards of Accountancy.

14 Failure by an applicant for renewal of a license as a
15 licensed certified public accountant to furnish the evidence
16 shall constitute grounds for disciplinary action, unless the
17 Department in its discretion shall determine the failure to
18 have been due to reasonable cause. The Department, in its
19 discretion, may renew a license despite failure to furnish
20 evidence of satisfaction of requirements of continuing
21 education upon condition that the applicant follow a particular
22 program or schedule of continuing education. In issuing rules
23 and individual orders in respect of requirements of continuing
24 education, the Department in its discretion may, among other
25 things, use and rely upon guidelines and pronouncements of
26 recognized educational and professional associations; may

1 prescribe rules for the content, duration, and organization of
2 courses; shall take into account the accessibility to
3 applicants of such continuing education as it may require, and
4 any impediments to interstate practice of public accounting
5 that may result from differences in requirements in other
6 states; and may provide for relaxation or suspension of
7 requirements in regard to applicants who certify that they do
8 not intend to engage in the practice of public accounting, and
9 for instances of individual hardship.

10 The Department shall establish by rule a means for the
11 verification of completion of the continuing education
12 required by this Section. This verification may be accomplished
13 through audits of records maintained by licensees; by requiring
14 the filing of continuing education certificates with the
15 Department; or by other means established by the Department.

16 The Department may establish, by rule, guidelines for
17 acceptance of continuing education on behalf of licensed
18 certified public accountants taking continuing education
19 courses in other jurisdictions.

20 (e) For renewals on and after July 1, 2012, as a condition
21 for granting a renewal license to firms and sole practitioners
22 who provide services requiring a license under this Act, the
23 Department shall require that the firm or sole practitioner
24 satisfactorily complete a peer review during the immediately
25 preceding 3-year period, accepted by a Peer Review
26 Administrator in accordance with established standards for

1 performing and reporting on peer reviews, unless the firm or
2 sole practitioner is exempted under the provisions of
3 subsection (i) of this Section. A firm or sole practitioner
4 shall, at the request of the Department, submit to the
5 Department a letter from the Peer Review Administrator stating
6 the date on which the peer review was satisfactorily completed.

7 A new firm or sole practitioner not subject to subsection
8 (l) of this Section shall undergo its first peer review during
9 the first full renewal cycle after it is granted its initial
10 license.

11 The requirements of this subsection (e) shall not apply to
12 any person providing services requiring a license under this
13 Act to the extent that such services are provided in the
14 capacity of an employee of the Office of the Auditor General or
15 to a nonprofit cooperative association engaged in the rendering
16 of licensed service to its members only under paragraph (3) of
17 subsection (b) of Section 14 of this Act or any of its
18 employees to the extent that such services are provided in the
19 capacity of an employee of the association.

20 (f) The Department shall approve only Peer Review
21 Administrators that the Department finds comply with
22 established standards for performing and reporting on peer
23 reviews. The Department may adopt rules establishing
24 guidelines for peer reviews, which shall do all of the
25 following:

26 (1) Require that a peer review be conducted by a

1 reviewer that is independent of the firm reviewed and
2 approved by the Peer Review Administrator under
3 established standards.

4 (2) Other than in the peer review process, prohibit the
5 use or public disclosure of information obtained by the
6 reviewer, the Peer Review Administrator, or the Department
7 during or in connection with the peer review process. The
8 requirement that information not be publicly disclosed
9 shall not apply to a hearing before the Department that the
10 firm or sole practitioner requests be public or to the
11 information described in paragraph (3) of subsection (i) of
12 this Section.

13 (g) If a firm or sole practitioner fails to satisfactorily
14 complete a peer review as required by subsection (e) of this
15 Section or does not comply with any remedial actions determined
16 necessary by the Peer Review Administrator, the Peer Review
17 Administrator shall notify the Department of the failure and
18 shall submit a record with specific references to the rule,
19 statutory provision, professional standards, or other
20 applicable authority upon which the Peer Review Administrator
21 made its determination and the specific actions taken or failed
22 to be taken by the licensee that in the opinion of the Peer
23 Review Administrator constitutes a failure to comply. The
24 Department may at its discretion or shall upon submission of a
25 written application by the firm or sole practitioner hold a
26 hearing under Section 20.1 of this Act to determine whether the

1 firm or sole practitioner has complied with subsection (e) of
2 this Section. The hearing shall be confidential and shall not
3 be open to the public unless requested by the firm or sole
4 practitioner.

5 (h) The firm or sole practitioner reviewed shall pay for
6 any peer review performed. The Peer Review Administrator may
7 charge a fee to each firm and sole practitioner sufficient to
8 cover costs of administering the peer review program.

9 (i) A firm or sole practitioner shall be exempt from the
10 requirement to undergo a peer review if:

11 (1) Within 3 years before the date of application for
12 renewal licensure, the sole practitioner or firm has
13 undergone a peer review conducted in another state or
14 foreign jurisdiction that meets the requirements of
15 paragraphs (1) and (2) of subsection (f) of this Section.
16 The sole practitioner or firm shall submit to the
17 Department a letter from the organization administering
18 the most recent peer review stating the date on which the
19 peer review was completed; or

20 (2) The sole practitioner or firm satisfies all of the
21 following conditions:

22 (A) during the preceding 2 years, the firm or sole
23 practitioner has not accepted or performed any
24 services requiring a license under this Act;

25 (B) the firm or sole practitioner agrees to notify
26 the Department within 30 days of accepting an

1 engagement for services requiring a license under this
2 Act and to undergo a peer review within 18 months after
3 the end of the period covered by the engagement; or

4 (3) For reasons of personal health, military service,
5 or other good cause, the Department determines that the
6 sole practitioner or firm is entitled to an exemption,
7 which may be granted for a period of time not to exceed 12
8 months.

9 (j) If a peer review report indicates that a firm or sole
10 practitioner complies with the appropriate professional
11 standards and practices set forth in the rules of the
12 Department and no further remedial action is required, the Peer
13 Review Administrator shall, after issuance of the final letter
14 of acceptance, destroy all working papers and documents related
15 to the peer review, other than report-related documents and
16 documents evidencing completion of remedial actions, if any, in
17 accordance with rules established by the Department ~~, related~~
18 ~~to the peer review within 90 days after issuance of the letter~~
19 ~~of acceptance by the Peer Review Administrator. If a peer~~
20 ~~review letter of acceptance indicates that corrective action is~~
21 ~~required, the Peer Review Administrator may retain documents~~
22 ~~and reports related to the peer review until completion of the~~
23 ~~next peer review or other agreed to corrective actions.~~

24 (k) (Blank). ~~In the event the practices of 2 or more firms~~
25 ~~or sole practitioners are merged or otherwise combined, the~~
26 ~~surviving firm shall retain the peer review year of the largest~~

1 ~~firm, as determined by the number of accounting and auditing~~
2 ~~hours of each of the practices. In the event that the practice~~
3 ~~of a firm is divided or a portion of its practice is sold or~~
4 ~~otherwise transferred, any firm or sole practitioner acquiring~~
5 ~~some or all of the practice that does not already have its own~~
6 ~~review year shall retain the review year of the former firm. In~~
7 ~~the event that the first peer review of a firm that would~~
8 ~~otherwise be required by this subsection (k) would be less than~~
9 ~~12 months after its previous review, a review year shall be~~
10 ~~assigned by a Peer Review Administrator so that the firm's next~~
11 ~~peer review occurs after not less than 12 months of operation,~~
12 ~~but not later than 18 months of operation.~~

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

14 Section 99. Effective date. This Act takes effect upon
15 becoming law."