

SENATE BILL NO. 409

INTRODUCED BY GAGE

IN THE SENATE

FEBRUARY 13, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON BUSINESS & INDUSTRY.
	FIRST READING.
FEBRUARY 15, 1989	COMMITTEE RECOMMEND BILL DO PASS. REPORT ADOPTED.
FEBRUARY 16, 1989	PRINTING REPORT.
FEBRUARY 17, 1989	SECOND READING, DO PASS.
FEBRUARY 18, 1989	ENGROSSING REPORT.
FEBRUARY 20, 1989	THIRD READING, PASSED. AYES, 34; NOES, 16.
	TRANSMITTED TO HOUSE.

IN THE HOUSE

FEBRUARY 19, 1989	INTRODUCED AND REFERRED TO COMMITTEE ON STATE ADMINISTRATION.
FEBRUARY 21, 1989	FIRST READING.
MARCH 14, 1989	COMMITTEE RECOMMEND BILL BE CONCURRED IN. REPORT ADOPTED.
MARCH 16, 1989	SECOND READING, CONCURRED IN.
MARCH 17, 1989	THIRD READING, CONCURRED IN. AYES, 85; NOES, 11.
	RETURNED TO SENATE.

IN THE SENATE

MARCH 18, 1989	RECEIVED FROM HOUSE.
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SENT TO ENROLLING.

REPORTED CORRECTLY ENROLLED.

1 *Senate* BILL NO. *409*
2 INTRODUCED BY *W. J.*
3
4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING STAGGERED
5 5-YEAR TERMS FOR MEMBERS OF THE BOARD OF PUBLIC ACCOUNTANTS;
6 DEFINING "PRACTICE OF PUBLIC ACCOUNTING"; INCREASING THE
7 NUMBER OF CREDIT HOURS REQUIRED FOR LICENSURE AS A PUBLIC
8 ACCOUNTANT; AMENDING SECTIONS 2-15-1866, 37-50-101, AND
9 37-50-305, MCA; AND PROVIDING AN EFFECTIVE DATE."

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11 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

12 **Section 1.** Section 2-15-1866, MCA, is amended to read:

13 **"2-15-1866. Board of public accountants.** (1) There is a
14 board of public accountants.

15 (2) The board consists of five members appointed by the
16 governor. The members are:

17 (a) three certified public accountants certified under
18 Title 37, chapter 50, who are certified and actively engaged
19 in the practice of public accounting and who have held a
20 valid certificate for at least 5 years before their
21 appointment. The Montana society of certified public
22 accountants shall submit to the governor annually a list of
23 names of two candidates from which the appointments of these
24 members may be made. However, the governor is not
25 restricted to the names on this list. These members may not

1 be residents of the same county.

2 (b) one licensed public accountant licensed under Title
3 37, chapter 50, who is actively engaged in the practice of
4 public accounting and who has held a valid license for at
5 least 5 years before his appointment. When an appointment
6 in this category is necessary, the Montana society of public
7 accountants shall submit to the governor a list of names of
8 two candidates from which the appointment may be made.
9 However, the governor is not restricted to the names on this
10 list. If there is no licensed public accountant known by the
11 governor to be qualified and willing to serve in this
12 position, the governor may appoint a certified public
13 accountant meeting the qualifications provided in (2)(a).

14 (c) one member of the general public who is not engaged
15 in the practice of public accounting.

16 (3) Each appointment is subject to confirmation by the
17 senate and shall be submitted for consideration at the next
18 regular session following appointment.

19 (4) ~~Each member~~ The members shall serve ~~for a term of 3~~
20 ~~years staggered 5-year terms.~~ A member who has served two
21 ~~successive complete terms is not eligible for reappointment~~
22 ~~until after the lapse of 1 year may not serve consecutive~~
23 ~~5-year terms on the board. A member is eligible for~~
24 ~~reappointment to the board after 1 year or more has elapsed.~~
25 The governor may, after a hearing, remove a member for

1 neglect of duty or other just cause.

2 (5) The board is allocated to the department for
3 administrative purposes only as prescribed in 2-15-121."

4 **Section 2.** Section 37-50-101, MCA, is amended to read:

5 "37-50-101. Definitions. Unless the context requires
6 otherwise, in this chapter the following definitions apply:

7 (1) "Board" means the board of public accountants
8 provided for in 2-15-1866.

9 (2) "Department" means the department of commerce
10 provided for in Title 2, chapter 15, part 18.

11 (3) "Practice of public accounting" means performing or
12 offering to perform by a person certified under 37-50-302 or
13 licensed under 37-50-303, for a client or potential client,
14 one or more types of services involving the use of
15 accounting or auditing skills, including:

16 (a) the issuance of reports or financial statements on
17 which the public may rely;

18 (b) one or more types of management advisory or
19 consulting services;

20 (c) the preparation of tax returns; or

21 (d) furnishing advice on tax matters."

22 **Section 3.** Section 37-50-305, MCA, is amended to read:

23 "37-50-305. Education requirements. (1) A Prior to July
24 1, 1997, a candidate for certification as a certified public
25 accountant or licensing as a licensed public accountant must

1 have graduated from a college or university accredited to
2 offer a baccalaureate degree:

3 (1)(a) with a concentration in accounting; or

4 (2)(b) with a concentration other than accounting if
5 supplemented by experience or by related courses in other
6 areas of business administration and the board determines
7 that an equivalent education has been achieved.

8 (2) Beginning July 1, 1997, a candidate for
9 certification as a certified public accountant or licensing
10 as a licensed public accountant must have graduated from a
11 college or university accredited to offer a baccalaureate
12 degree:

13 (a) with an accounting concentration or its equivalent
14 as determined by the board; and

15 (b) with at least 150 semester hours of credit,
16 including those earned toward the baccalaureate degree or
17 its equivalent."

18 **NEW SECTION. Section 4. Transition** -- initial
19 appointments. (1) The governor shall make appointments as
20 necessary under this section.

21 (2) On July 1, 1989, the governor shall appoint a board
22 member to a 5-year term.

23 (3) On July 1, 1990, the governor shall fill the
24 vacancies by appointing one board member to a 5-year term
25 and one board member to a 1-year term at the end of which

1 the governor shall appoint the same board member to a 5-year
2 term.

3 (4) On July 1, 1991, the governor shall appoint one
4 board member to a 1-year term and one board member to a
5 2-year term. At the end of each of those terms the governor
6 shall fill the vacancy by making an appointment for a term
7 of 5 years.

8 NEW SECTION. **Section 5. Extension of authority.** Any
9 existing authority to make rules on the subject of the
10 provisions of [this act] is extended to the provisions of
11 [this act].

12 NEW SECTION. **Section 6. Effective date.** [This act] is
13 effective July 1, 1989.

-End-

APPROVED BY COMM. ON
BUSINESS & INDUSTRY

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16 governor. The members are:

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18 Title 37, chapter 50, who are certified and actively engaged
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17 senate and shall be submitted for consideration at the next
18 regular session following appointment.

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24 reappointment to the board after 1 year or more has elapsed.
25 The governor may, after a hearing, remove a member for

1 neglect of duty or other just cause.

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3 administrative purposes only as prescribed in 2-15-121."

4 **Section 2.** Section 37-50-101, MCA, is amended to read:

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6 otherwise, in this chapter the following definitions apply:

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8 provided for in 2-15-1866.

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10 provided for in Title 2, chapter 15, part 18.

11 (3) "Practice of public accounting" means performing or
12 offering to perform by a person certified under 37-50-302 or
13 licensed under 37-50-303, for a client or potential client,
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15 accounting or auditing skills, including:

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17 which the public may rely;

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23 "37-50-305. Education requirements. (1) A Prior to July
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1 have graduated from a college or university accredited to
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5 supplemented by experience or by related courses in other
6 areas of business administration and the board determines
7 that an equivalent education has been achieved.

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22 member to a 5-year term.

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4 board member to a 1-year term and one board member to a
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8 NEW SECTION. **Section 5.** Extension of authority. Any
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10 provisions of [this act] is extended to the provisions of
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-End-

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