

Certified Public Accountant Licensing Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Evan J. Vickers

House Sponsor: Steve Eliason

LONG TITLE

General Description:

This bill amends provisions relating to certified public accountants.

Highlighted Provisions:

This bill:

- removes the hours requirement for a certified public accountant (CPA) to become licensed;
- adds a requirement that an applicant for licensure as a CPA have a bachelor's degree, master's degree, or the equivalent with a concentration in accounting and business;
- allows an individual with a valid CPA license from a state other than Utah to practice in this state under certain conditions;
- authorizes the Division of Professional Licensing to make a citation and assess a fine for a person engaging in unlawful conduct relating to CPAs; and
- makes technical and conforming changes.

Money Appropriated in this Bill:

None

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:

AMENDS:

58-26a-102, as last amended by Laws of Utah 2017, Chapter 229

58-26a-201, as enacted by Laws of Utah 2000, Chapter 261

58-26a-302, as last amended by Laws of Utah 2020, Chapter 339

58-26a-305, as last amended by Laws of Utah 2020, Chapter 339

58-26a-306, as last amended by Laws of Utah 2020, Chapter 339

58-26a-501, as last amended by Laws of Utah 2016, Chapter 238

Be it enacted by the Legislature of the state of Utah:

Section 1. Section 58-26a-102 is amended to read:

58-26a-102 . Definitions.

In addition to the definitions in Section 58-1-102, as used in this chapter:

- (1) "Accounting experience" means applying accounting and auditing skills and principles that are taught as a part of the professional education qualifying a person for licensure under this chapter and generally accepted by the profession, under the supervision of a licensed certified public accountant.
- (2) "AICPA" means the American Institute of Certified Public Accountants.
- (3)(a) "Attest and attestation engagement" means providing any or all of the following [~~financial statement~~]services:
 - (i) an audit or other engagement to be performed in accordance with the Statements on Auditing Standards (SAS);
 - (ii) a review of a financial statement to be performed in accordance with the Statements on Standards for Accounting and Review Services (SSARS);
 - (iii) an examination of prospective financial information to be performed in accordance with the Statements on Standards for Attestation Engagements (SSAE);
 - (iv) an examination, review, or agreed upon procedures engagement to be performed in accordance with the Statements on Standards for Attestation Engagements (SSAE), other than an examination described in Subsection (3)(a)(iii); or
 - (v) an engagement to be performed in accordance with the standards of the PCAOB.
- (b) The division shall adopt the standards specified in this definition~~[shall be adopted]~~ :
 - (i) that are developed for general application by recognized national accountancy organizations such as the AICPA and the PCAOB; and
 - (ii) by reference [by the division] under [its] the division's rulemaking authority in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act~~[, and shall be those developed for general application by recognized national accountancy organizations such as the AICPA and the PCAOB]~~.
- (4) "Board" means the Utah Board of Accountancy created in Section 58-26a-201.
- (5) "Certified Public Accountant" or "CPA" means an individual currently licensed by this state or any other state, district, or territory of the United States of America to practice

public accountancy or who has been granted a license as a certified public accountant under prior law or this chapter.

(6) "Certified Public Accountant firm" or "CPA firm" means a qualified business entity holding a valid registration as a Certified Public Accountant firm under this chapter.

(7)(a) "Client" means the person who retains a licensee for the performance of one or more of the services included in the definition of the practice of public accountancy.

(b) "Client" does not include a CPA's employer when the licensee works in a salaried or hourly rate position.

(8) "Compilation" means providing a service to be performed in accordance with Statements on Standards for Accounting and Review Services (SSARS) that is presenting, in the form of financial statements, information that is the representation of management or owners, without undertaking to express any assurance on the statements.

(9) "Experience" means:

(a) accounting experience; or

(b) professional experience.

(10) "Licensee" means the holder of a current valid license issued under this chapter.

(11) "NASBA" means the National Association of State Boards of Accountancy.

(12) "PCAOB" means the Public Company Accounting Oversight Board.

(13) "Practice of public accounting" means, while holding oneself out as a certified public accountant, offering to perform or performing one or more kinds of services involving the use of auditing or accounting skills, including issuing reports or opinions on financial statements, performing attestation engagements, performing one or more kinds of advisory or consulting services, preparing tax returns, or furnishing advice on tax matters for a client.

(14) "Peer review" means a board approved study, appraisal, or review of one or more aspects of the attest and compilation services rendered by a licensee in the practice of public accounting, performed by a licensee holding an active license in this or another state who is not affiliated with the licensee being reviewed.

(15) "Principal place of business" means the office location designated by the licensee for purposes of ~~[substantial equivalency and]~~ licensure by endorsement.

(16) "Professional experience" means experience lawfully obtained while licensed as a certified public accountant in another state, recognized by rule, in the practice of public accountancy performed for a client, which includes expression of assurance or opinion.

(17) "Qualified business entity" means a sole proprietorship, corporation, limited liability

company, or partnership engaged in the practice of public accountancy.

(18) "Qualified continuing professional education" means a formal program of education that contributes directly to the professional competence of a certified public accountant.

(19) "Qualifying examinations" means:

- (a) the AICPA Uniform CPA Examination;
- (b) the AICPA Examination of Professional Ethics for CPAs;
- (c) the Utah Laws and Rules Examination; and
- (d) any other examination approved by the board and adopted by the division by rule in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(20)(a) "Report," when used with reference to financial statements, means:

(i) an opinion, report, or other form of language that:

(A) states or implies assurance as to the reliability of the attested information or compiled financial statements; or

(B) implies that the ~~[person]~~ individual or firm issuing the report has special knowledge or competence in accounting or auditing and specifically includes compilations and reviews; such an implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is a public accountant or auditor, or from the language of the report itself; or

(ii) any disclaimer of opinion:

(A) ~~[when it]~~ that is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to or language suggesting special competence on the part of the ~~[person]~~ individual or firm issuing such language; and

(B) the report includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

(b) "Report" does not include a financial statement prepared by an unlicensed person if:

(i) that financial statement has a cover page ~~[which]~~ that includes essentially the following language: "I (we) have prepared the accompanying financial statements of (name of entity) as of (time period) for the (period) then ended. This presentation is limited to preparing, in the form of financial statements, information that is the representation of management (owners). I (we) have not audited or reviewed the accompanying financial statements and accordingly do not express an opinion or any other form of assurance on them."; and

- 130 (ii) the cover page and any related footnotes do not use the terms "compilation,"
131 "review," "audit," "generally accepted auditing standards," "generally accepted
132 accounting principles," or other similar terms.
- 133 (21) "Review of financial statements" means providing a service in accordance with the
134 Statements on Standards for Accounting and Review Services [~~(SSARS)~~] in which the
135 accountant obtains limited assurance as a basis for reporting whether the accountant is
136 aware of any material modifications that should be made to the financial statements for [
137 ~~them~~] the financial statements to be in accordance with the applicable financial reporting
138 framework, primarily through the performance of inquiry and analytical procedures.
- 139 [~~(22)(a) "Substantial equivalency" means a determination by the division in~~
140 ~~collaboration with the board or the board's designee that:~~]
141 [~~(i) the education, examination, and experience requirements set forth in the statutes~~
142 ~~and administrative rules of another state are comparable to or exceed the~~
143 ~~education, examination, and experience requirements set forth in the Uniform~~
144 ~~Accountancy Act; or]~~
145 [~~(ii) an individual CPA's education, examination, and experience qualifications are~~
146 ~~comparable to or exceed the education, examination, and experience requirements~~
147 ~~set forth in the Uniform Accountancy Act.]~~
- 148 [~~(b) In ascertaining whether an individual's qualifications are substantially equivalent as~~
149 ~~used in this chapter, the division in collaboration with the board shall take into~~
150 ~~account the qualifications without regard to the sequence in which the education,~~
151 ~~examination, and experience requirements were attained.]~~
- 152 [~~(23)~~] (22) "Uniform Accountancy Act" means the model public accountancy legislation
153 developed and promulgated by national accounting and regulatory associations that
154 contains standardized definitions and regulations for the practice of public accounting as
155 recognized by the division in collaboration with the board.
- 156 [~~(24)~~] (23) "Unlawful conduct" [~~is as~~] means the same as that term is defined in Sections
157 58-1-501 and 58-26a-501.
- 158 [~~(25)~~] (24) "Unprofessional conduct" [~~is as~~] means the same as that term is defined in
159 Sections 58-1-501 and 58-26a-502 and as may be further defined by rule.
- 160 [~~(26)~~] (25) "Year of experience" means 2,000 hours of experience:
161 (a) generally accepted by the profession; and
162 (b) under the supervision of a licensed certified public accountant.
- 163 Section 2. Section **58-26a-201** is amended to read:

58-26a-201 . Board.

- (1) There is created the Utah Board of Accountancy consisting of four licensed certified public accountants and one member of the general public.
- (2) The board shall be appointed and shall serve in accordance with Section 58-1-201.
- (3)(a) ~~[The duties and responsibilities of the board shall be in accordance with]~~ The board shall perform the duties and responsibilities described in Sections 58-1-202 and 58-1-203.[–]
- (b) ~~[In addition, the]~~ The board shall designate one of [its] the board's members on a permanent or rotating basis to:
- ~~[(a)]~~ (i) assist the division in reviewing complaints concerning the unlawful or unprofessional conduct of a licensee; and
- ~~[(b)]~~ (ii) advise the division in [its] the division's investigation of these complaints.
- (4) A board member who has, under Subsection (3), reviewed a complaint or advised in [its] the investigation of the complaint may be disqualified from participating with the board when the board serves as a presiding officer of an administrative proceeding concerning the complaint.

Section 3. Section **58-26a-302** is amended to read:

58-26a-302 . Qualifications for licensure and registration -- Licensure by endorsement.

- (1) Each applicant for licensure under this chapter as a certified public accountant shall:
- (a) submit an application in a form ~~[prescribed by the division]~~ the division approves by rule;
- (b) pay a fee determined by the department under Section 63J-1-504;
- (c) submit a certified transcript of credits from an accredited institution acceptable to the board showing:
- ~~[(i) successful completion of a total of 150 semester hours or 225 quarter hours of collegiate level education with a concentration in accounting, auditing, and business;]~~
- ~~[(ii)]~~ (i) successful completion of a [baccalaureate] bachelor's degree, master's degree, or [its] the equivalent with a concentration of accounting and business at a college or university approved by the board; and
- ~~[(iii)]~~ (ii) compliance with any other education requirements established by rule by the division in collaboration with the board in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act;

(d) submit evidence of [~~one year of~~]accounting experience in a form [~~prescribed by the division~~] the division approves by rule of at least:

(i) one year of accounting experience for an individual with a master's degree or the equivalent with a concentration of accounting and business; or

(ii) two years of accounting experience for an individual with a bachelor's degree or the equivalent with a concentration of accounting and business;

(e) submit evidence of having successfully completed the qualifying examinations in accordance with Section 58-26a-306; and

(f) submit to an interview by the board, if requested, for the purpose of examining the applicant's competence and qualifications for licensure.

(2)(a) The division may issue a license under this chapter to [~~a person~~] an individual who holds a license as a certified public accountant issued by [~~any other state of the United States of America~~] another state if the applicant for licensure by endorsement:

(i) submits an application in a form [~~prescribed by the division~~] the division approves by rule;

(ii) pays a fee determined by the department under Section 63J-1-504;

(iii) submits to an interview by the board, if requested, for the purpose of examining the applicant's competence and qualifications for licensure; and

(iv)(A)(I) shows evidence of having passed the qualifying examinations; and

(II)(Aa) meets the requirements for licensure [~~which~~] that were applicable in this state at the time of the issuance of the applicant's license by the state from which the original licensure by satisfactorily passing the AICPA Uniform CPA Examination was issued; or

(Bb) had four years of professional experience after passing the AICPA Uniform CPA Examination upon which the original license was based, within the 10 years immediately preceding the application for licensure by endorsement; or

(B) shows evidence that the applicant's education, examination record, and experience are substantially equivalent to the requirements of Subsection (1), as provided by rule.

(b) This Subsection (2) applies only to [~~a person~~] an individual seeking to obtain a license issued by this state and does not apply to [~~a person~~] an individual practicing as a certified public accountant in the state under Subsection 58-26a-305(1).

(3)(a) Each applicant for registration as a Certified Public Accountant firm shall:

(i) submit an application in a form ~~[prescribed by the division]~~ the division approves by rule;

(ii) pay a fee determined by the department under Section 63J-1-504;

(iii) have, notwithstanding any other provision of law, a simple majority of the ownership of the Certified Public Accountant firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members, or managers, held by individuals who are certified public accountants, licensed under this chapter or another state of the United States of America, and the partners, officers, shareholders, members, or managers, whose principal place of business is in this state, and who perform professional services in this state hold a valid license issued under Subsection 58-26a-301(2) or the corresponding provisions of prior law; and

(iv) meet any other requirements established by rule by the division in collaboration with the board in accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act.

(b) Each separate location of a qualified business entity within the state seeking registration as a Certified Public Accountant firm shall register separately.

(c) A Certified Public Accountant firm may include owners who are not licensed under this chapter as outlined in Subsection (3)(a)(iii), provided that:

(i) the firm designates a licensee of this state who is responsible for the proper registration of the Certified Public Accountant firm and identifies that individual to the division; and

(ii) all nonlicensed owners are active individual participants in the CPA firm.

Section 4. Section **58-26a-305** is amended to read:

58-26a-305 . Exemptions from licensure.

(1) In addition to the exemptions from licensure in Section 58-1-307, the following may engage in acts included within the definition of the practice of public accountancy, subject to the stated circumstances and limitations, without being licensed under this chapter:

~~[(a) a person licensed by any other state, district, or territory of the United States as a certified public accountant or its equivalent under any other title while practicing in this state if:]~~

~~[(i) the person's principal place of business is not in this state; and]~~

~~[(A) the person's license as a certified public accountant is from any state which~~

- the National Association of State Boards of Accountancy (NASBA) National Qualification Appraisal Service has verified to be substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act; or]
- [~~(B) the person's license as a certified public accountant is from a state which the NASBA National Qualification Appraisal Service has not verified to be substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act and the person obtains from the NASBA National Qualification Appraisal Service verification that the person's CPA qualifications are substantially equivalent to the CPA licensure requirements of the Uniform Accountancy Act and Subsection 58-26a-302(1)(c)(i); and]~~
- (a) an individual that:
- (i) holds a valid license or permit in good standing as a certified public accountant or equivalent issued by another state, if at the time the individual was licensed, the individual showed evidence of having successfully completed the equivalent of qualifying examinations required for that state; and
- (ii) [~~the person~~]consents, as a condition of the grant of [this] the privilege described in Subsection (1)(a)(i):
- (A) to personal and subject matter jurisdiction and disciplinary authority of the division;
- (B) to comply with this chapter and the rules made under this chapter;
- (C) that in the event the license from the state of the [~~person's~~] individual's principal place of business becomes invalid, the [~~person~~] individual shall cease offering or rendering professional services in this state both individually and on behalf of the firm; and
- (D) to the appointment of the state board which issued the [~~person's~~] individual's license as the [~~person's~~] individual's agent upon whom process may be served in an action or proceeding brought by the division against the [~~licensee~~] individual;
- [(b) through December 31, 2012, a person licensed by any other state, district, or territory of the United States as a certified public accountant or its equivalent under another title while practicing in this state if:]
- [(i) the person does not qualify for a practice privilege under Subsection (1)(a);]
- [(ii) the practice is incidental to the person's regular practice outside of this state; and]
- [(iii) the person's temporary practice within the state is in conformity with this chapter and the rules established under this chapter;]

300 ~~[(e)]~~ (b) an officer, member, partner, or employee of any entity or organization who signs
 301 any statement or report in reference to the financial affairs of the entity or
 302 organization with a designation of that ~~[person's]~~ individual's position within the
 303 entity or organization;

304 ~~[(d)]~~ (c) a public official or employee while performing ~~[his]~~ the public official's or
 305 employee's official duties;

306 ~~[(e)]~~ (d) ~~[a person]~~ an individual using accounting or auditing skills, including the
 307 preparation of tax returns, management advisory services, and the preparation of
 308 financial statements without the issuance of reports; or

309 ~~[(f)]~~ (e) an employee of a CPA firm registered under this chapter or an assistant to a
 310 person licensed under this chapter, working under the supervision of a licensee, if:
 311 (i) neither the employee or assistant nor the licensed employer or registered CPA firm
 312 represents that the unlicensed ~~[person]~~ individual is a certified public accountant;
 313 and
 314 (ii) no accounting or financial statements are issued ~~[over]~~ in the unlicensed ~~[person's]~~
 315 individual's name.

316 (2)(a) Notwithstanding any other provision of law, ~~[a person]~~ an individual who qualifies
 317 under Subsection (1)(a) has all the privileges of a licensee of this state and may
 318 engage in acts included within the definition of the practice of public accountancy,
 319 whether in person or by mail, telephone, or electronic means, based on a practice
 320 privilege in this state, and no notice, fee, or other submission shall be provided by
 321 that person.

322 (b) The division may revoke, suspend, or restrict an exemption granted under Subsection
 323 (1)(a)~~[-or (b)]~~, or place on probation or issue a public or private reprimand to a person
 324 exempted under those subsections for the reasons set forth in Subsection 58-1-401(2).

325 Section 5. Section **58-26a-306** is amended to read:

326 **58-26a-306 . Examination requirements.**

- 327 (1) Before taking the qualifying examinations, an applicant shall:
- 328 (a) submit an application in a form approved by the division;
 - 329 (b) pay a fee determined by the department under Section 63J-1-504;
 - 330 (c) ~~[demonstrate completion of at least 120 semester hours or 180 quarter hours of the~~
 331 demonstrate completion of at least a bachelor's degree or the
 332 equivalent as described in Subsection 58-26a-302(1)(c); and
 - 333 (d) be approved by the board, or an organization designated by the board, to take the

334 qualifying examinations.

- 335 (2) ~~[A person must]~~ An individual shall sit for and meet the conditioning requirements of
336 the AICPA Uniform CPA Examination as established by the AICPA.

337 Section 6. Section **58-26a-501** is amended to read:

338 **58-26a-501 . Unlawful conduct.**

- 339 (1) "Unlawful conduct" includes:

340 ~~[(1)]~~ (a) using "certified public accountant," "public accountant," "CPA," or any other
341 title, designation, words, letters, abbreviation, sign, card, or device tending to indicate
342 that the ~~[person]~~ individual is a certified public accountant, unless that ~~[person]~~
343 individual:

344 ~~[(a)]~~ (i) has a current license as a certified public accountant issued under this chapter;
345 or

346 ~~[(b)]~~ (ii) ~~[qualifies for a practice privilege as provided in]~~ is exempt from licensure
347 under Subsection 58-26a-305(1)(a);

348 ~~[(2)]~~ (b) a firm assuming or using "certified public accountant," "CPA," or any other title,
349 designation, words, letters, abbreviation, sign, card, or device tending to indicate that
350 the firm is composed of certified public accountants unless each office of the firm in
351 this state:

352 ~~[(a)]~~ (i) is registered with the division; and

353 ~~[(b)]~~ (ii) meets the requirements of Subsections 58-26a-302(3)(a)(iii) and (iv);

354 ~~[(3)]~~ (c) signing or affixing to any accounting or financial statement the person's name or
355 any trade or assumed name used in that person's profession or business, with any
356 wording indicating that the person is an auditor, or with any wording indicating that
357 the person has expert knowledge in accounting or auditing, unless that person is
358 licensed under this chapter and all of the person's offices in this state for the practice
359 of public accountancy are maintained and registered as provided in this chapter; and

360 ~~[(4)]~~ (d) except as provided in Section 58-26a-305, engaging in the following conduct if
361 not licensed under this chapter to practice public accountancy:

362 ~~[(a)]~~ (i) issuing a report on financial statements of any other person, firm,
363 organization, or governmental unit; or

364 ~~[(b)]~~ (ii) issuing a report using any form of language substantially similar to
365 conventional language used by licensees respecting:

366 ~~[(i)]~~ (A) a review of financial statements; or

367 ~~[(ii)]~~ (B) a compilation of financial statements.

- (2)(a) Except as provided in Subsection (2)(c), if, upon inspection or investigation, the division concludes that a person has engaged in unlawful conduct and that disciplinary action is appropriate, the division shall promptly issue a citation to the person in accordance with this chapter and any pertinent division rules.
- (b) A citation issued under Subsection (2)(a) shall:
- (i) be in writing;
 - (ii) describe with particularity the nature of the violation, including a reference to the statute or rule alleged to have been violated;
 - (iii) state that the recipient must notify the division in writing within 20 calendar days from the day on which the recipient receives the citation if the recipient intends to contest the citation at a hearing conducted under Title 63G, Chapter 4, Administrative Procedures Act; and
 - (iv) explain the consequences of failure to timely contest the citation or make payment of any fine assessed by citation within the time specified by the citation.
- (c) The division may issue a notice instead of a citation.
- (d) A citation issued as described in Subsection (2)(a) may be served:
- (i)(A) upon a person upon whom a summons may be served in accordance with the Utah Rules of Civil Procedure; and
 - (B) may be made personally or upon the person's agent by a division investigator or by any person designated by the director; or
 - (ii) by mail.
- (e) If, within 20 calendar days from the date of the service of the citation described in Subsection (2)(a), the recipient of the citation fails to request a hearing to contest the citation, the citation becomes the final order of the division and is not subject to further agency review.
- (f) The division may extend the time period described in Subsection (2)(e) for cause.
- (g) The division may refuse to issue or renew, suspend, revoke, or place on probation the license of a licensee who fails to comply with a citation after the citation becomes final.
- (h) The failure of an applicant for licensure to comply with a citation after the citation becomes final is grounds for denial of a license.
- (i) The division may not issue a citation more than one year after the day on which the violation that is the subject of the citation is reported to the division.
- (3)(a) The division shall assess a fine under Subsection (2) according to the following:

(i) for a first offense, a fine of up to \$1,000;

(ii) for a second offense, a fine of up to \$2,000; and

(iii) for any subsequent offense, a fine of up to \$2,000 for each day of continued offense.

(b) An action the division initiates for a first or second offense that has not resulted in a final order of the division may not preclude the initiation of any subsequent action for a second or subsequent offense during the pendency of the preceding action.

(4)(a) The division may collect a fine that is not paid by:

(i) referring the matter to a collection agency; or

(ii) bringing an action in a court with jurisdiction.

(b) A county attorney or the attorney general shall provide legal assistance and advice to the director in an action to collect a fine.

(c) A court shall award reasonable attorney fees and costs to the prevailing party in an action brought by the division to collect a fine.

Section 7. Effective Date.

This bill takes effect on July 1, 2026.