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BILL ANALYSIS



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House Bill 5220 (as passed by the House)
Sponsor: Representative Tim Kelly
House Committee: Regulatory Reform
Senate Committee: Regulatory Reform

Date Completed: 5-14-14

CONTENT

The bill would amend Article 7 (Public Accounting) of the Occupational Code to do the following:

- **Delete a requirement that certain officers of an accounting firm applying for licensure under Article 7 be licensed as a certified public accountant (CPA).**
- **Require that certain services provided by an accounting firm be performed under the supervision of a CPA.**
- **Delete a requirement that a firm applying for licensure under Article 7 have filed a certificate of authority under the Business Corporations Act.**

The Code requires a firm to apply for and obtain a Michigan license under Article 7 in order to engage in the practice of public accounting in the State, if the firm establishes or maintains an office in Michigan or an individual who represents the firm performs certain functions for any client that has its home office in Michigan.

The principal officer of a firm that is applying for licensure, and each officer or director having authority for the practice of public accounting by the firm, must be licensed in good standing as a CPA in Michigan or another state or have the equivalent of a CPA in another licensing jurisdiction. The bill, instead, would require that all attest and compilation services provided by the firm in Michigan be performed under the supervision of an individual who was licensed and in good standing as a CPA in Michigan or another state or had the equivalent of a CPA in another licensing jurisdiction.

The bill also would delete a requirement that a firm applying for licensure under Article 7 have filed the required certificate of authority with the Department of Licensing and Regulatory Affairs pursuant to the Business Corporations Act, if applicable.

MCL 339.728

Legislative Analyst: Patrick Affholter

FISCAL IMPACT

The bill would have no fiscal impact on State or local government.

Fiscal Analyst: Josh Sefton

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