

Act No. 177
Public Acts of 2014
Approved by the Governor
June 17, 2014
Filed with the Secretary of State
June 17, 2014
EFFECTIVE DATE: June 17, 2014

**STATE OF MICHIGAN
97TH LEGISLATURE
REGULAR SESSION OF 2014**

Introduced by Rep. Kelly

ENROLLED HOUSE BILL No. 5220

AN ACT to amend 1980 PA 299, entitled "An act to revise, consolidate, and classify the laws of this state regarding the regulation of certain occupations and to regulate certain persons and activities relative to those occupations; to create a board for each of those occupations; to establish the powers and duties of certain departments and agencies and the boards of each occupation; to provide for the promulgation of rules; to provide for certain fees; to provide for penalties and civil fines; to establish rights, relationships, and remedies of certain persons under certain circumstances; to provide immunity from certain civil liability for certain entities and certain related occupations under certain circumstances; to repeal certain parts of this act on a specific date; and to repeal certain acts and parts of acts," by amending section 728 (MCL 339.728), as amended by 2010 PA 215.

The People of the State of Michigan enact:

Sec. 728. (1) A firm shall apply for and obtain a Michigan license under this article in order to engage in the practice of public accounting in this state if either of the following apply:

(a) The firm establishes or maintains an office in this state.

(b) An individual who represents the firm performs any engagement described in section 720(1)(a)(i), (iii), or (iv) for any client that has its home office in this state.

(2) Reports produced pursuant to engagements in subsection (1)(b) may be supervised or signed, or the report's signature may be authorized for the firm, by an individual practicing public accounting in Michigan under section 727a.

(3) A firm that is applying for licensure under this article shall meet both of the following requirements:

(a) At least a simple majority of the equity and voting rights of the firm are held directly or beneficially by individuals who are licensed in good standing as certified public accountants of this state or another state or the equivalent in another licensing jurisdiction acceptable to the board. Owners who are not certified public accountants must be active individual participants in the firm or its affiliated entities. An individual with practice privileges under section 727a who performs services for which a firm license is required under this section is not required to obtain a certificate under section 726 or a registration or license under section 727.

(b) All attest and compilation services provided by the firm in this state are performed under the supervision of an individual who is licensed and in good standing as a certified public accountant in this state or another state or the equivalent in another licensing jurisdiction acceptable to the board.

(4) A firm shall notify the department of any change in address within 30 days of the change.

(5) A firm that is not required to obtain a Michigan license under subsection (1) may perform a review engagement in accordance with the statements on standards for accounting and review services or a compilation for a client that has its home office in this state, may use the title "CPA" or "CPA firm", and may practice public accountancy as authorized in this section without a license issued under subsection (1) only if it meets both of the following conditions:

(a) It has met the requirements in subsection (3)(a) and (b) and section 729(2).

(b) It performs those services through an individual who has practice privileges under section 727a.

(6) A firm that is not required to obtain a Michigan license under subsection (1) and that is not seeking to practice under subsection (5) may perform other professional services within the practice of public accountancy while using the title "CPA" or "CPA firm" in this state without a license issued under subsection (1) only if it meets both of the following conditions:

(a) It performs those services through an individual with practice privileges under section 727a.

(b) It can lawfully do so in the licensing jurisdiction where those individuals with practice privilege have their principal place of business.

This act is ordered to take immediate effect.



Clerk of the House of Representatives



Secretary of the Senate

Approved

Governor