

State of Arkansas  
91st General Assembly  
Regular Session, 2017

# A Bill

SENATE BILL 259

By: Senators D. Wallace, Rice, B. Sample, G. Stubblefield  
By: Representatives Warren, Brown, D. Douglas, Hillman

## For An Act To Be Entitled

AN ACT TO AMEND PROVISIONS CONCERNING THE PROFESSION  
OF PUBLIC ACCOUNTANCY; AND FOR OTHER PURPOSES.

## Subtitle

TO AMEND PROVISIONS CONCERNING THE  
PROFESSION OF PUBLIC ACCOUNTANCY.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Arkansas Code § 17-12-103(a), concerning definitions, is amended to read as follows:

(a) As used in this chapter:

(1) "AICPA" means the American Institute of Certified Public Accountants, or its successor;

(2) "Attest" means providing the following ~~financial statement~~ services:

(A) An audit or other engagement to be performed in accordance with the AICPA Statements on Auditing Standards;

(B) A review of a financial statement to be performed in accordance with the AICPA Statements on Standards for Accounting and Review Services;

(C) An examination of prospective financial information to be performed in accordance with the AICPA Statements on Standards for Attestation Engagements; ~~and~~

(D) An engagement to be performed in accordance with PCAOB standards; and



1                   (E) An examination, review, or agreed upon procedures  
2 engagement to be performed in accordance with the AICPA Statements on  
3 Auditing Standards for Attestation Engagements other than an examination  
4 described in subdivision (a)(2)(C) of this section.

5                   (3) "Beneficial owner" means an individual who is the grantor  
6 and sole trustee of a revocable trust in which the individual reserves the  
7 unrestricted right to revoke the trust;

8                   (4) "Board" means the Arkansas State Board of Public Accountancy  
9 created by § 17-12-201;

10                  (5) "Certificate" means a certificate as "certified public  
11 accountant" issued under § 17-12-301 or a corresponding certificate as  
12 "certified public accountant" issued after examination under the laws of any  
13 other state;

14                  (6) "Compilation" means providing a service ~~to be performed in~~  
15 ~~accordance with AICPA Statements on Standards for Accounting and Review~~  
16 ~~Services and presenting in the form of financial statements information that~~  
17 ~~is the representation of management or owners without undertaking to express~~  
18 ~~any assurance on the financial statements of any compilation engagement to be~~  
19 performed in accordance with the AICPA Statements on Standards for Accounting  
20 and Review Services;

21                  (7) "Conviction" means all instances in a criminal case in which  
22 a defendant has been found guilty or pleads guilty or nolo contendere  
23 regardless of whether:

24                         (A) Sentencing or imposition of sentencing has been  
25 deferred or suspended; or

26                         (B) The adjudication of guilt or the sentence is withheld  
27 by the court;

28                  (8) "Firm" means a partnership, corporation, limited liability  
29 company, sole proprietorship, or other entity required to be registered with  
30 the board under § 17-12-401 et seq.;

31                  (9) "Home office" means the location specified by the client as  
32 the address to which a service under § 17-12-311 is directed;

33                  (10) "License" means a certificate issued under § 17-12-301 or a  
34 registration under § 17-12-312 or § 17-12-401 et seq. or, in each case, a  
35 certificate or permit issued or a registration under corresponding provisions  
36 of prior law;

(11) "Licensee" means the holder of a license as defined in this section;

(12) "Member" means either:

(A) The person in whose name membership interests are registered in the records of a limited liability company; or

(B) The beneficial owner of membership interests of a revocable living trust when the membership interests are registered in the records of the limited liability company in the name of the revocable living trust;

(13) "NASBA" means the National Association of State Boards of Accountancy, or its successor;

(14) "PCAOB" means the Public Company Accounting Oversight Board, or its successor;

(15) "Practice of public accounting" means the performance of or an offer to perform attest services as defined in this section or the performance of or an offer to perform professional services for the general public;

(16)(A)(i) "Principal place of business" means the primary location from which professional services are performed.

(ii) A person or firm may have only one (1) principal place of business at any one (1) time.

(B) An individual who performs professional services at multiple locations may designate the location that most often serves as the individual's home base of operations as a principal place of business;

(17) "Preparation of financial statements" means providing a service of any preparation of financial statements engagement to be performed in accordance with the AICPA Statements on Standards for Accounting and Review Services.

~~(17)~~(18) "Professional services" means services arising out of or related to the specialized knowledge or skills performed by certified public accountants or public accountants;

~~(18)~~(19) "Shareholder" means either:

(A) The person in whose name shares are registered in the records of a corporation; or

(B) The beneficial owner of shares of a revocable living trust when the shares are registered in the records of the corporation in the

1 name of the revocable living trust; and

2 ~~(19)~~(20) "State" means any state, territory, or insular  
3 possession of the United States or the District of Columbia.

4  
5 SECTION 2. Arkansas Code § 17-12-308(a)(2)(C), concerning reciprocity,  
6 is amended to read as follows:

7 (C) Had four (4) years of experience outside of this state  
8 ~~in the practice of public accounting that meet the requirements of § 17-12-~~  
9 ~~309(b) and 17-12-309(c) or meets~~ meet equivalent requirements prescribed by  
10 the board by rule after passing the examination upon which the applicant's  
11 certificate was based and within the ten (10) years immediately preceding the  
12 application;

13  
14 SECTION 3. Arkansas Code § 17-12-603(b), concerning procedure, is  
15 amended to read as follows:

16 (b) Notice—Service and Contents. A written notice stating the nature  
17 of the charges against the accused and the time and place of the hearing  
18 before the board on the charges shall be served on the accused not less than  
19 thirty (30) days ~~prior to~~ before the date of the hearing either personally or  
20 by mailing a copy by ~~registered~~ certified mail with return receipt to the  
21 address of the accused last known to the board.