

R.S. 45:2-1 et seq.

LEGISLATIVE FACT SHEET

ON

N.J.R.S. 45:2-1 et seq (Public accountant reg. - Rev.)
(1965 Amendment)

LAWS OF 1965

CHAPTER 99

SENATE 131

~~ASSEMBLY~~

INTRODUCED Feb. 1, 1965

BY Grossi, Ozyard, Stout

STATEMENT

YES

NO

AMENDED DURING PASSAGE

YES

NO

HEARING

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SENATE, No. 131

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 1, 1965

By Senators GROSSI, OZZARD and STOUT

Referred to Committee on Business Affairs

AN ACT to regulate the practice of the profession of certified public accounting in this State and repealing chapter 2 of Title 45 of the Revised Statutes.

1 BE IT ENACTED *by the Senate and General Assembly of the State of New*
2 *Jersey:*

1 1. As used in this act (a) "board" means The New Jersey State Board
2 of Certified Public Accountants; (b) "certified public accountant" means the
3 holder of a certificate issued by the board pursuant to the provisions of
4 this act.

1 2. The New Jersey State Board of Public Accountants created and
2 established by an act entitled "An act to regulate the practice of the pro-
3 fession of public accountants," approved April 5, 1904 (P. L. 1904, c. 230),
4 as amended and supplemented, and continued pursuant to section 45:2-1 of
5 the Revised Statutes, is further continued, and shall hereafter be known as
6 The New Jersey State Board of Certified Public Accountants.

1 3. The board shall consist of 5 members, each of whom shall be a cer-
2 tified public accountant and a resident of this State, and shall have been
3 engaged in practice as a certified public accountant in this State for at least
4 10 years immediately preceding the date of his appointment to the board. The
5 3 persons constituting The New Jersey State Board of Public Accountants
6 on the effective date of this act shall continue in office as members of The
7 New Jersey State Board of Certified Public Accountants until the expira-

tion of the terms for which they were appointed. Two additional members shall be appointed by the Governor, one for a term expiring on April 29, 1967, and one for a term expiring on April 29, 1968. Upon the expiration of the term of office of any member, his successor shall be appointed by the Governor for a term of 3 years. No member of the board shall serve more than 2 successive terms in addition to any unexpired term for which he has been appointed. However, any member who has served 2 successive terms may be reappointed after an intervening period of 1 year. Each member shall hold office until his successor is appointed and has qualified. Any vacancy in the membership of the board shall be filled for the unexpired term in the manner provided for an original appointment. Except as hereinafter provided, the members of the board shall serve without compensation.

4. Before entering upon the discharge of their duties, the members of the board shall take and subscribe an oath for the faithful performance of their duties before the Attorney General or any officer authorized to administer oaths in this State and file the same with the Secretary of State.

Subject to the approval of the Attorney General and to the provisions of chapter 439 of the laws of 1948, the members of the board shall annually elect a president and a vice-president from their number and a secretary who need not be a member of the board. Immediately upon election of each officer, the board shall file in the office of the Secretary of State the name and post-office address of each such officer. The secretary shall keep a record of all proceedings of the board and shall have custody of the common seal of the board. He shall also keep an itemized account of all receipts of the board. Three members of the board shall constitute a quorum.

5. The members of the board shall be entitled to reimbursement for travel expenses, and other necessary expenses incurred in the performance of their duties, subject to standard State travel regulations. The secretary and each member of the board shall receive, in addition to such traveling and other necessary expenses, such annual compensation as shall be determined by the Attorney General.

7 Expenditures of the board in any given fiscal year shall not exceed
8 board revenues and all expenditures shall be in accordance with the annual
9 appropriations act.

1 6. The board shall have the power:

2 a. To provide for and regulate the issuance of certificates of certified
3 public accountant to any persons (1) who meet the general qualifications and
4 specific education requirements in the field of accountancy and related pro-
5 fessional courses and experience requirements provided herein and who pass
6 the examination given by the board; or (2) who meet the requirements for the
7 issuance of a certificate by reciprocity;

8 b. To prescribe the subject matter, manner, time and place of examina-
9 tion for the certificate of certified public accountant;

10 c. To suspend or revoke the certificate of any certified public account-
11 ant or to censure the holder of such certificate as provided in this act;

12 d. To hold hearings, issue subpoenas and administer oaths as herein-
13 after provided;

14 e. To adopt rules, regulations and by-laws to govern its proceedings and
15 the examination and registration of applicants desiring to practice the pro-
16 fession of certified public accounting;

17 f. To adopt and enforce rules and regulations of professional conduct in
18 the practice of certified public accounting, subject to the approval of the
19 Attorney General.

20 The board shall, immediately upon the adoption, repeal or modification
21 of any rule, regulation or by-law file a copy of the same with the Secretary
22 of State.

1 7. Except as hereinafter otherwise provided, no person shall be issued a
2 certificate by the board to practice as a certified public accountant unless he
3 shall have applied therefor as hereinafter provided and shall have passed
4 the examination given by the board. Examinations shall be given by the
5 board at least twice a year. The board may make such use of the uniform
6 certified public accountants' examinations and of the advisory grading serv-

7 ice of the American Institute of Certified Public Accountants as it deems ap-
8 propriate in performing its duties in respect to examinations.

1 8. Every applicant for a certificate shall, at least 30 days prior to the
2 examination at which he desires to be examined, present to the secretary of
3 the board a written application for admission to the examination on a form
4 provided by the board, together with the payment of the examination fee as
5 set forth in subparagraph (g) hereunder and satisfactory proof of the fol-
6 lowing:

7 a. that the applicant is a citizen of the United States;

8 b. that the applicant is at least 21 years of age;

9 c. that the applicant is of good moral character;

10 d. that for 1 year prior to the examination date the applicant has been
11 a bona fide resident of the State of New Jersey or has maintained an office
12 in the State for the regular practice of public accounting or has been em-
13 ployed by a certified public accountant or firm of certified public account-
14 ants, having an office in the State of New Jersey for the regular practice
15 of public accounting;

16 e. that the applicant has graduated with a baccalaureate degree from a
17 college or university approved by the Department of Education of the State
18 of New Jersey and has successfully included semester hours in courses in
19 accountancy and related professional courses as may be required by The New
20 Jersey State Board of Certified Public Accountants;

21 f. that the applicant has had in the aggregate 3 years' experience in
22 public accounting work in the office of a certified public accountant or a firm
23 at least one member of which is a certified public accountant, or that the ap-
24 plicant has engaged in the general practice of public accounting in this State
25 for at least 10 years, or that the applicant has been in the employ of the
26 State of New Jersey or the United States for at least 10 years. The expe-
27 rience qualifications required herein must be obtained in employment and
28 practice which required the intensive diversified application of accounting
29 and auditing principles and procedures. Evidence of said experience must be

30 submitted to the board, in detail, so that the board may evaluate said expe-
 31 rience and determine that the applicant possesses professional qualifications
 32 for the practice of public accounting satisfactory to the board.

33 The board may accept service in the Armed Forces of the United States
 34 for experience credit on the basis of 1 month's credit for each 6 months'
 35 service, with a maximum credit of 8 months. This experience credit may be
 36 applied against any of the experience requirements in this paragraph;

37 g. the fees for examinations shall be as follows:

38	Original examination fee	\$35 00
39	Re-examination fees:	
40	Maximum fee for any combination of subjects	\$35 00
41	Individual subjects:	
42	Accounting Practice	\$30 00
43	Theory of Accounts	\$10 00
44	Commercial Law	\$10 00
45	Auditing	\$10 00

1 9. Except as otherwise provided in section 12, the board shall issue to
 2 any person who has complied with the provisions of this section and who
 3 has passed the examination provided for by this act, a certificate authoriz-
 4 ing him to practice as a certified public accountant, and such person shall be
 5 styled and known as a "certified public accountant." The fee for the issu-
 6 ance of such certificate shall be \$3.00.

1 10. The board may, in its discretion, waive the examination of, and rec-
 2 ommend the issuance of a certificate to any person who, at the time of his
 3 application, holds a valid and unrevoked certificate as a certified public ac-
 4 countant issued by or under the authority of any State which grants similar
 5 privileges to certified public accountants of this State, and has education and
 6 experience requirements which are substantially equivalent to the require-
 7 ments of this act for the issuance of a certificate as a certified public account-
 8 ant. Every application for a reciprocity certificate shall be accompanied by a
 9 fee of \$50.00.

1 11. Every individual to whom a certificate shall have been issued en-
2 gaged in the practice of certified public accounting within the State shall
3 biennially during September pay to the board a registration fee of \$6.00.
4 Notice of the failure to pay such biennial registration fee shall be given to
5 the person so failing, which notice shall state that, upon the continued failure
6 to pay such fee, the certificate issued to such person will be declared for-
7 feited by the board at the time and place stated therein unless such fee is
8 sooner paid. The board may make rules and regulations regarding the re-
9 issue of a certificate to any person whose certificate has been forfeited under
10 this section, and fixing the fee to be paid for the reissue of said certificate.

11 Unless he has given notice thereof in some previous application to the
12 board, an individual paying his biennial registration fee shall state in his
13 application whether any certificate as certified public accountant or any charter
14 as a chartered accountant or any license to practice or registration or enroll-
15 ment as a public accountant ever issued to or made for him by any State or
16 political subdivision of the United States or by any foreign country or polit-
17 ical subdivision thereof or by an accounting society of a foreign country has
18 been revoked or suspended, and, if so, such facts relating to such revocation
19 or suspension as the board may require.

20 No certified public accountant of this State, who has not registered pur-
21 suant to the requirements of this section for a particular biennial registration
22 period, shall, during such period, hold himself out to be engaged in practice
23 as a certified public accountant within this State, or use in connection with his
24 name any title or designation tending to imply that he is engaged in practice
25 as a certified public accountant within this State.

1 12. The board may refuse to admit an applicant to the examination or may
2 refuse to issue a certificate to an applicant who has passed the examination or
3 may suspend or revoke any certificate issued under the provisions of this act,
4 upon proof to the satisfaction of the board that the applicant or certificate
5 holder, as the case may be,

6 a. has obtained a certificate or admission to the examination by misre-
7 presentation or fraud, or

8 b. has violated a rule or regulation of professional conduct promulgated
9 by the board, or

10 c. has engaged in any conduct of a character likely to deceive or defraud
11 the public, or

12 d. has been convicted of a crime involving moral turpitude, or

13 e. has committed an offense under this act, or

14 f. has committed acts in the course of his practice as an accountant
15 amounting to gross negligence or recklessness, or

16 g. has failed to pay his biennial registration fee as required by section
17 11, or

18 h. has engaged in conduct discreditable to the accounting profession.

1 13. Before any certificate shall be suspended or revoked, the board shall
2 afford the certificate holder a hearing at which he shall be entitled to be pres-
3 ent and represented by counsel. The board shall give the certificate holder
4 10 days' prior written notice of the hearing and such notice shall contain a
5 statement of the charges against the certificate holder.

1 14. A person who has been denied admission to an examination or hav-
2 ing passed the examination, has been denied a certificate shall have a right
3 to a hearing before the board, provided that he makes a written demand
4 upon the board for such hearing within 15 days after receipt of notice from
5 the board that his application has been denied or that he will not be issued a
6 certificate.

1 15. In connection with any hearing, the board shall have the power to
2 issue subpoenas to compel the production of any records, books or documents
3 or the attendance of witnesses to testify before it, and any member of the board
4 shall have the power to administer oaths in taking testimony in any matter
5 pertaining to the board's duties. Subpoenas shall be issued under the seal of
6 the board and shall be served in the same manner as subpoenas issued out of a
7 County Court of this State. Any person who refuses or neglects to obey the
8 command of such subpoena, or who, after appearing, refuses to be sworn and
9 testify shall be liable to a penalty of \$50.00.

10 The board shall furnish subpoenas upon request to persons entitled to a
11 hearing as provided in this act.

1 16. Any person whose certificate has been suspended or revoked shall
2 forward his certificate to the board within 10 days after receiving notification
3 of such suspension or revocation and upon failure to do so shall be liable to a
4 penalty of \$50.00.

1 17. In the board's discretion, it may issue a new certificate of certified
2 public accountant to any person whose certificate has been revoked, or may
3 modify or remove the suspension of any certificate.

1 18. It shall be unlawful for any person to advertise as or issue any sign,
2 card or drawing designating himself as a certified public accountant, or to
3 assume the title of certified public accountant, or to use the abbreviation
4 "C.P.A.," or any other words, letters and figures to indicate that the person
5 using the same is such a certified public accountant, unless such person is the
6 holder of a certificate issued pursuant to this act.

1 19. It shall be unlawful for any partnership to advertise as or issue any
2 sign, card or drawing designating itself as a certified public accounting firm,
3 or to assume the title of certified public accountant, or to use the abbreviation
4 "C.P.A.," or any other words, letters and figures indicating that such part-
5 nership is composed of certified public accountants, unless all partners are
6 holders of certificates issued pursuant to this act.

1 20. Except as otherwise provided in this act, any person or partnership
2 violating the provisions of this act shall be liable to a penalty of not less than
3 \$50.00 nor more than \$500.00 for each offense. Such penalties shall be sued
4 for and recovered by and in the name of the board pursuant to the Penalty
5 Enforcement Law (N. J. S. 2A:58-1 et seq.).

1 21. The Superior Court may, in an action at the suit of the Attorney Gen-
2 eral or of The New Jersey State Board of Certified Public Accountants, pre-
3 vent and restrain the practice of accountancy in this State by any person
4 who has not first obtained the certificate as provided in this act or prevent
5 and restrain the violation by any person of the provisions of this act.

1 22. Any person legally authorized to practice as a certified public account-
2 ant in this State at the time this act takes effect shall thereafter possess the
3 same rights and privileges as persons to whom certificates of certified public
4 accountant shall be issued pursuant to this act, subject, however, to the power
5 of the board, as provided in this act, to suspend or revoke the certificate of
6 any such person for any causes set forth in this act, and subject to the power
7 of the board to provide for and require the payment of biennial registration
8 fees.

1 23. This act shall not affect the orders, rules and regulations heretofore
2 made or promulgated by The New Jersey State Board of Public Accountants,
3 but such orders, rules and regulations shall continue with full force and effect
4 until amended, modified or repealed by the board established pursuant to
5 this act.

1 24. Chapter 2 of Title 45 of the Revised Statutes is hereby repealed.

1 25. This act shall take effect immediately.

STATEMENT

The purpose of this bill is to revise the laws applicable to The New Jersey State Board of Public Accountants.