

45:2B-1 et seq.

LEGISLATIVE HISTORY CHECKLIST

NJSA 45:2B-1 et seq. ("Public Accounting Act of 1977.")

LAWS OF 1977 CHAPTER 144

Bill No. A1457

Sponsor(s) Jackman

Date Introduced February 3, 1976

Committee: Assembly Labor, Industry and Professions

Senate Labor, Industry and Professions

Amended during passage Yes ~~XX~~ Amendments during passage denoted by asterisks

Date of Passage: Assembly June 10, 1976

Senate Feb. 14, 1977

Date of approval July 5, 1977

Following statements are attached if available:

Sponsor statement Yes ~~XX~~

Committee Statement: Assembly Yes ~~XX~~ 5/20/76 & 11/8/76

Senate Yes ~~XX~~

Fiscal Note ~~XXX~~ No

Veto Message ~~XXX~~ No

Message on signing Yes ~~XX~~

Following were printed:

Reports ~~XXX~~ No

Hearings ~~XXX~~ No

Background: Similar Proposed Legislation

974.90 N.J. Legislature. Senate. Committee on
L699 State Government and Federal and S.662
1972 Interstate Relations. never became law
Public hearing on S.662
(Regulation of Accountancy Profession)
June 14, 1972.

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CHAPTER 144 LAWS OF N. J. 1977
APPROVED 2-5-77

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ASSEMBLY, No. 1457

STATE OF NEW JERSEY

INTRODUCED FEBRUARY 3, 1976

By Assemblymen JACKMAN and T. GALLO

Referred to Committee on Labor, Industry and Professions

AN ACT to regulate the practice of public accounting in this State and repealing "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," approved June 15, 1965 (P. L. 1965, c. 99).

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

1 1. Short title. This act shall be known and may be cited as the
2 "Public Accounting Act of ****[1976]** **1977**."**

1 2. Declaration of policy. The Legislature hereby finds and de-
2 clares that it is the policy of this State and the purpose of this act
3 to promote the dependability of information which is used for
4 guidance in financial transactions or for accounting for or assess-
5 ing the status or performance of commercial and noncommercial
6 enterprises, whether public or private. The public interest requires
7-9 that persons attesting, as experts in accounting, to the reliability
10 or the fairness of presentation, of such information be qualified in
11 fact to do so; that a public authority competent to prescribe and
12 assess the qualifications of public accountants be established; and
13 that the attestation of financial information by persons professing
14 expertise in accounting be reserved to persons who demonstrate
15 their ability and fitness to observe and apply the standards of the
16 accounting profession.

1 3. Definitions. As used in this act:

2 "Board" means the New Jersey State Board of Certified Public
3 Accountants; and

4 "State" includes any state, territory or insular possession of
5 the United States or the District of Columbia.

EXPLANATION—Matter enclosed in bold-faced brackets [thus] in the above bill is not enacted and is intended to be omitted in the law.

1 4. New Jersey State Board of Certified Public Accountants. The
2 New Jersey State Board of Public Accountants created and estab-
3 lished by P. L. 1904, c. 230 as amended and supplemented, continued
4 by R. S. 45:2-1 and further continued and constituted as the New
5 Jersey State Board of Certified Public Accountants by P. L. 1965,
6 c. 99 is further continued and the members and officers of said
7 board as presently constituted shall continue to hold office until
8 the expiration of their terms.

1 5. Membership of board; appointments; terms; vacancies. The
2 board shall consist of ***[eight]*** **nine** members, five of whom shall
3 have been engaged in practice as certified public accountants and
4 ***[one]*** **two** of whom shall have been engaged in practice as a
5 public accountant in this State for at least 5 years, one of whom
6 shall be a public member and one of whom shall be a State executive
7 department member. Each certified public accountant member and
8 ***[the]*** public accountant member shall be appointed by the
9 Governor for a term of 3 years and shall hold office until his suc-
10 cessor is appointed and qualified. Any vacancy on the board,
11 however created, shall be filled by the Governor for the unexpired
11A term only.

12 The public member and the State executive department member
13 shall be appointed by the Governor in accordance with and subject
14 to the provisions of P. L. 1971, c. 60 (C. 45:1-2.1 et seq.).

15 No certified public accountant or public accountant member may
16 serve more than two successive terms in addition to any unexpired
17 term to which he has been appointed, provided, that any member
18 who has served two such successive terms may be reappointed after
19 an intervening period of 1 year.

20 The Governor may remove a certified public accountant member,
21 ***[the]*** public accountant member or the public member from office,
22 for cause, upon notice and opportunity to be heard.

1 6. Oath; organization; officers, quorums; compensation;
2 expenditures.

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

8 b. Subject to the approval of the Attorney General, the members
9 of the board shall annually elect a president and a vice-president
10 from their number. Upon the approval of the election of each
11 officer, the board shall file in the office of the Secretary of State the
12 name and post-office address of such officer.

13 c. Notwithstanding the provisions of any other law, the Attorney
14 General shall appoint, as chief administrative officer of the board,
15 an executive secretary who shall not be a member of the board and
16 who shall serve at the pleasure of the Attorney General. The duties
17 of the executive secretary shall be determined by the Attorney
18 General. No such executive secretary shall engage in the practice
19 of public accounting.

20 d. A majority of the members of the board shall constitute a
21 quorum and no action of the board shall be taken except upon the
22 affirmative vote of a majority of the members of the entire board.

23 e. Members of the board *~~shall~~ shall serve without compensation
24 but* shall be reimbursed for actual expenses reasonably incurred
25 in the performance of their official duties *and shall receive such*
26 *compensation as determined by the Attorney General**. The
27 executive secretary shall receive such compensation as shall be
27A determined by the Attorney General.

28 f. Expenditures of the board in any fiscal year shall not exceed
29 board revenues and all expenditures shall be in accordance with the
30 provisions of the annual appropriations act.

31 g. Subject to the approval of the Attorney General, the board
32 may adopt such rules and regulations as may be necessary to imple-
33 ment the provisions of this act, including, without limitation, rules
34 and regulations governing professional conduct.

1 7. Examination for certificate; necessity; time. Except as here-
2 inafter otherwise provided, no person shall be issued a certificate
3 by the board to practice as a certified public accountant unless he
4 shall have passed a written examination in accounting and auditing
5 and such related subjects as the board shall determine, and shall
6 have applied for such examination at least 60 days prior thereto.
7 Examinations shall be given by the board at least twice a year.
8 The board may make use of the uniform certified public accountants'
9 examinations and of the advisory grading service of the American
10 Institute of Certified Public Accountants as it deems appropriate
11 in performing its duties in respect to examinations.

1 8. Application; requirements. Every applicant for a certificate
2 shall present to the board a written application for such certificate
3 on a form to be provided by the board, together with the required
4 fee, and satisfactory proof of the following:

5 a. That the applicant is at least 18 years of age;

6 b. That the applicant is of good moral character; and

7 c. That the applicant is a resident of this State or maintains
8 an office in this State for the regular practice of public accounting
9 or is employed in ~~the~~ *this* State by a certified public ac-

10 countant or firm of certified public accountants having an office
11 in this State for the practice of public accounting;

12 d. That the applicant has a baccalaureate degree or its equivalent
13 as determined by the New Jersey Department of Higher Education
14 including such courses in accounting and related professional
15 courses as the board may require, provided, that the board shall
16 admit to the examination an individual who demonstrates to the
17 board's satisfaction that he has acquired through experience and
18 substantial formal higher education the equivalent of such
19 baccalaureate degree;

20 e. That the applicant has had in the aggregate the following
21 experience:

22 (1) At least 2 years in public accounting work in the office of
23 a certified public accountant or a firm of certified public accountants;
24 or

25 (2) At least 4 years in the general practice of public account-
26 ing; or

27 (3) At least 4 years accounting work in the employ of some
28 state **or any political subdivision thereof** or of the United
28A States; or

29 (4) At least 4 years in comparable accounting activity.

30 The board may accept teaching experience or graduate or other
31 study in courses related to accounting in lieu of the required
32 experience.

33 Evidence of such experience or study shall be submitted to the
34 board in detail for its review and evaluation. Such evidence
35 must demonstrate preparation for practice requiring the intensive,
36 diversified application of accounting and auditing principles and
37 procedures.

38 The board may accept service in the Armed Forces of the United
39 States for experience credit on the basis of 1 month's credit for
40 each 6 months' service, with a maximum credit of 8 months.

1 9. Fees. The board may by rule or regulation establish fees
2 for examination, certification, registration or other services it
3 performs in accordance with and subject to the provisions of P. L.
4 1974, c. 46 (C. 45:1-3.1 et seq.).

1 10. Reexamination. The board may by regulation prescribe the
2 terms and conditions under which a candidate who has passed
3 any part or parts of the examination may be reexamined in only
4 the remaining parts. A candidate shall be entitled to an unlimited
5 number of reexaminations.

1 11. Candidates licensed by other states. The board may waive
 2 the examination of and issue a certificate to any person who is of
 3 good moral character and who, at the time of his application,
 4 holds a valid and unrevoked certificate as a certified public ac-
 5 countant issued by or under the authority of any state which has
 6 education and experience requirements which are substantially
 7 equivalent to the requirements of this act for the issuance of a
 8 certificate as a certified public accountant. Any candidate for en-
 9 dorsement pursuant to this section, upon filing his completed
 10 application with the board, shall be deemed qualified to practice
 11 in this State for a period of 90 days or until the board has acted
 12 on his application, whichever is sooner.

1 12. Certificate as certified public accountant. Any person who
 2 has received from the board a certificate as a certified public
 3 accountant which is in full force and effect, shall be styled and
 4 known as a "certified public accountant" and may also use the
 5 abbreviation "CPA." The board shall maintain a roster of certified
 6 public accountants. Any certified public accountant may also be
 7 known as a public accountant.

1 13. Public accountants; registration. Any person:

- 2 a. Who is a resident of this State or has a place of business
 3 herein;
- 4 b. Who is at least 18 years of age;
- 5 c. Who is of good moral character; and
- 6 d. Who held himself out **continuously** to the public as a public
 7 accountant and who was engaged as a principal, as distinguished
 8 from an employee, within this State in the **full-time** practice of
 9 public accounting for not less than **[1 year]* *12 months** prior
 10 to the effective date of this act **or who held himself out con-*
 11 *tinuously to the public as a public accountant and who was engaged*
 12 *as an employee within this State in the full-time practice of public*
 12A *accounting for not less than 30 months prior to the effective date*
 12B *of this act,** may apply for registration with the board as a public
 12C accountant on or before the one hundred and **[twentieth]**
 12D **eightieth** day following the effective date of this act.

13 The board shall register as a "public accountant" any person
 14 serving in the Armed Forces of the United States on the effective
 15 date of this act who for **[1 year]* *12 months** immediately prior
 16 to entering such service held himself out to the public as a public
 17 accountant and was engaged as a principal, as distinguished from
 18 an employee, within this State in the practice of public account-
 19 ing*, or who, as an employee, for 30 months immediately prior to

20 *entering such service continuously held himself out to the public*
21 *as a public accountant within this State in the full-time practice of*
22 *public accounting**. In the case of any such person, the time for
23 application for registration shall be extended for a period of ***[6**
24 months]* **180 days** from the time such person is separated from
25 active duty.

26 The board shall in each case determine whether the applicant is
27 eligible for registration.

28 Any person who is so registered shall be styled and known as a
29 "public accountant."

1 14. Professional service corporations; partnerships; registration.

2 a. One or more persons may organize a corporation for the
3 practice of public accounting under "The Professional Service
4 Corporation Act" (P. L. 1909, c. 232, C. 14A:17-1 et seq.) and
5 shall register such corporation with the board.

6 b. A partnership engaged in this State in the practice of public
7 accounting shall register with the board as a partnership of certified
8 public accountants provided it meets the following requirements:

9 (1) At least one general partner thereof must be a certified public
10 accountant of this State in good standing;

11 (2) Each partner thereof must be a certified public accountant
12 of some state in good standing; and

13 (3) Each resident manager in charge of an office of a firm in
14 this State and each partner thereof personally engaged within
15 this State in the practice of public accounting as a member thereof
16 must be a certified public accountant of this State in good standing.

17 Application for registration must be made upon the affidavit of
18 a general partner or shareholder who is a certified public account-
19 ant of this State in good standing. The board shall in each case
20 determine whether the applicant is eligible for registration. A
21 partnership or corporation which is so registered may use the
22 words "certified public accountants" or the abbreviation "CPAs"
23 in connection with its partnership or corporate name. Notification
24 shall be given the board within 90 days after the admission or
25 withdrawal of a partner or shareholder from any partnership or
26 corporation so registered.

1 15. Partnerships and corporations composed of public account-
2 ants; registration. A partnership engaged in this State in the
3 practice of public accounting may register with the board as a
4 partnership of public accountants provided it meets the following
4A requirements:

5 a. Each partner thereof engaged in the practice of public account-
6 ing as a member thereof must be a certified public accountant or a
7 public accountant of this State in good standing; and

8 b. Each resident manager in charge of an office of a firm in this
9 State must be a certified public accountant or a public accountant
10 of this State in good standing.

11 Application for registration must be made upon the affidavit of
12 a general partner or shareholder who holds a permit to practice
13 in this State as a certified public accountant or as a public ac-
14 countant. The board shall in each case determine whether the
15 applicant is eligible for registration. A partnership or corporation
16 which is so registered may use the words "public accountants"
17 in connection with its partnership or corporate name. Notification
18 shall be given the board within 90 days after the admission to or
19 withdrawal of a partner or shareholder from any partnership or
20 corporation so registered.

1 16. Offices; registration. Each office established or maintained in
2 this State for the practice of public accounting in this State
2A by a certified public accountant, a partnership or professional
3 corporation of certified public accountants, or by a public
4 accountant, or a partnership or professional corporation of public
5 accountants shall be registered biennially with the board. Each
6 such office shall be under the direct supervision of a resident man-
7 ager who may be either a principal, shareholder or a staff employee
8 registered under this act.

1 17. Biennial registration. Every person, partnership or profes-
2 sional corporation certified or registered to practice certified public
3 accounting or public accounting within this State shall biennially
4 register with and pay to the board a biennial registration fee.

5 Notice of the failure to pay such biennial registration fee shall
6 be given to the person so failing, which notice shall state that, upon
7 the continued failure to pay such fee, the certificate or registration
8 issued to such person will be declared forfeited by the board at the
9 time and place stated therein unless such fee is sooner paid. The
10 board may make rules and regulations regarding the reissuance of
11 a certificate or registration to any person whose certificate or
12 registration has been forfeited under this section and fixing the fee
13 to be paid for same.

14 Unless he has given notice thereof in some previous application
15 to the board, an individual paying his biennial registration fee,
16 in addition to any other information which the board may require,
17 shall state in his application whether any certificate as a certified

18 public accountant or any charter as a chartered accountant or any
19 license to practice or registration or enrollment as a public
20 accountant ever issued to or made for him by any state or political
21 subdivision of the United States or by any foreign country or
22 political subdivision of the United States or by an accounting
23 society of a foreign country has been revoked or suspended, and,
24 if so, such facts relating to such revocation or suspension as the
25 board may require.

26 No certified public accountant or public accountant of this State,
27 who has not registered pursuant to the requirements of this section
28 for a particular biennial registration period, shall, during such
29 period, hold himself out to be engaged in practice as a certified
30 public accountant or public accountant within this State, or use in
31 connection with his name any title or designation tending to imply
32 that he is engaged in practice as a certified public accountant or
33 public accountant within this State.

1 18. Refusal to admit to examination or to issue, suspend or
2 revoke a certificate or registration; imposition of civil penalties;
3 other remedies; grounds. The board may refuse to admit to the
4 examination or may refuse to issue or may suspend or revoke any
5 certificate or registration or censure the holder thereof or may
6 assess civil penalties or may order restitution paid to any person
7 aggrieved by an unlawful act or practice in an amount not greater
8 than the dollar amount received, or any combination of same, upon
9 proof that the applicant or certificate or registration holder,
10 whether an individual, a corporation or a partnership, including a
11 registered municipal accountant or public school accountant, as the
12 case may be:

13 a. Has obtained a certificate or registration as a certified public
14 accountant, public accountant, registered municipal accountant or
15 public school accountant as the case may be, through misrepresen-
16 tation, fraud or deceit; or

17 b. Has violated any of the provisions of this act or any rule,
18 regulation or order promulgated or issued pursuant to this act; or

19 c. Has engaged in dishonesty, fraud, deception or gross negli-
20 gence, or has committed professional misconduct in the practice of
21 public accounting; or

22 d. Has been convicted of a crime involving moral turpitude or
23 any other crime relating adversely to the practices regulated herein;
24 or

25 e. Has failed to pay his biennial registration fee; or

26 f. Has had his authority to practice as a certified public account-
27 ant or public accountant revoked or suspended by any other state
28 for any cause other than failure to pay an annual or biennial
29 registration fee in such other state; or

30 g. Has had his right to practice before any state or Federal
31 agency suspended or revoked.

1 19. Revocation or suspension of partnership or corporation regis-
2 tration. After notice and hearing, the board may revoke the regis-
3 tration and permit to practice of a partnership or corporation if
4 at any time it does not have all the qualifications prescribed by
5 the section of this act under which it qualified for registration,
6 including:

7 a. The revocation or suspension of the certificate or registration
8 to practice of any partner or shareholder; or

9 b. The revocation or suspension of the authority of the partner-
10 ship or corporation, or any partner or shareholder thereof, to
11 practice public accounting in any other state for any cause other
12 than failure to pay an annual or biennial registration fee in such
13 other state.

1 20. Hearings. Hearings before the board shall be conducted in
2 conformity with the provisions of the "Administrative Procedure
3 Act" (P. L. 1968, c. 410, C. 52:14B-1 et seq.) and such rules and
4 regulations as may be promulgated by the board or by the Director
5 of the Division of Consumer Affairs.

1 21. Subpena; administration of oaths. In connection with any
2 hearing or investigation, the board or the Attorney General shall
3 have the power to issue subpoenas to compel the production of any
4 records, books or documents or the attendance of witnesses to
5 testify before it, and any member of the board shall have the power
6 to administer oaths in taking testimony in any matter pertaining
7 to the board's duties.

8 In addition thereto, the board may require any person to file a
9 statement or report in writing under oath or otherwise as to the
10 facts and circumstances concerning any matter which is the subject
11 of a board investigation or hearing.

12 If any person shall fail or refuse to file any statement or report
13 or obey any subpoena issued by the board or the Attorney General,
14 the board or the Attorney General may apply to the Superior Court
15 and obtain an order adjudging such person in contempt of court.

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

1 22. Reinstatement. Upon application in writing, and for good
2 cause shown, the board may reinstate a certificate to a certified
3 public accountant or the registration of a public accountant whose
4 certificate or registration has been revoked or suspended.

1 23. Acts declared unlawful. a. No person shall assume or use
2 the title or designation "certified public accountant" or the ab-
3 breviation "CPA" or any other title, designation, words, letters,
4 abbreviation, sign, card or device tending to indicate that such
5 person is a certified public accountant, unless such person holds
6 a current certificate as a certified public accountant under this
7 act provided, however that a foreign accountant who holds a
8 current registration under this act may use the title under which
9 he is generally known in his country, followed by the name of the
10 country from which he received his certificate, license or degree.

11 b. No partnership or corporation shall assume or use the title
12 or designation "certified public accountant" or the abbreviation
13 "CPA" or any other title, designation, words, letters, abbrevia-
14 tion, sign, card or device tending to indicate that such partnership
15 or corporation is composed of certified public accountants unless
16 such partnership or corporation is currently registered as a part-
17 nership or corporation of certified public accountants under this act.

18 c. No person shall assume or use the title or designation "public
19 accountant" or any other title, designation, words, letters, abbrevi-
20 ation, sign, card or device tending to indicate that such person
21 is a public accountant, unless such person is registered as a public
22 accountant or holds a current certificate as a certified public ac-
23 countant under this act.

24 d. No partnership or corporation shall assume or use the title
25 or designation "public accountant" or any other title, designation,
26 words, letters, abbreviation, sign, card or device tending to indicate
27 that such partnership or corporation is composed of public ac-
28 countants, unless such partnership or corporation is currently
29 registered as a partnership or corporation of public accountants
30 or as a partnership or corporation of certified public accountants
31 under this act.

32 e. No person, partnership or corporation shall assume or use
33 the title or designation "certified accountant", "chartered ac-
34 countant", "enrolled accountant", "licensed accountant", "regis-
35 tered accountant" or any other title or designation likely to be
36 confused with "certified public accountant" or "public account-
37 ant", or any of the abbreviations "CA", "PA", "EA", "RA",
38 "LPA", "LA" or similar abbreviations likely to be confused with

39 "CPA"; provided, however, that anyone who holds a current
40 certificate or registration under this act may hold himself out to
41 the public as an "accountant" or "auditor".

42 f. No person shall sign or affix his name or any trade or assumed
43 name used by him in his profession or business with any wording
44 indicating that he is an accountant or auditor, or with any wording
45 indicating that he has expert knowledge in accounting or auditing,
46 to any opinion or certificate attesting in any way to the reliability
47 of any representation or estimate in regard to any person or
48 organization embracing (1) financial information or (2) facts
49 respecting compliance with conditions established by law or con-
50 tract, including but not limited to statutes, ordinances, regulations,
51 grants, loans and appropriations, unless he holds a current cer-
52 tificate or registration under this act; provided, however, that the
53 provisions of this subsection shall not prohibit any officer, employee,
54 partner or principal of any organization from affixing his signature
55 to any statement or report in reference to the affairs of said
56 organization with any wording designating the position, title or
57 office which he holds in said organization, nor shall the provisions
58 of this subsection prohibit any act of a public official or public
59 employee in the performance of his duties as such.

60 g. No person shall sign or affix a partnership or corporate name
61 with any wording indicating that it is a partnership or corporation
62 composed of accountants or auditors or persons having expert
63 knowledge in accounting or auditing, to any opinion or certificate
64 attesting in any way to the reliability of any representation or
65 estimate in regard to any person or organization embracing (1)
66 financial information or (2) facts respecting compliance with con-
67 ditions established by law or contract, including but not limited
68 to statutes, ordinances, regulations, grants, loans and appropria-
69 tions, unless the partnership or corporation holds a current
70 certificate or registration issued under this act.

71 h. No person or partnership or corporation not currently certi-
72 fied or registered under this act shall hold himself or itself out
73 to the public as an "accountant" or "auditor" by use of either
74 or both of such words on any sign, card, letterhead or in any
75 advertisement or directory, without **clearly** indicating thereon
76 or therein that such person, partnership or corporation does not
77 currently hold such certificate or registration; provided, that this
78 subsection shall not prohibit any officer, employee, partner or
79 principal of any organization from describing himself by the
80 position, title or office he holds in such organization; nor shall this

81 subsection prohibit any act of public official or public employee in
82 the performance of his duties as such.

83 i. No person shall assume or use the title or designation "certi-
84 fied public accountant" or "public accountant" in conjunction
85 with names indicating or implying that there is a partnership or
86 corporation, or in conjunction with the designation "and Company"
87 or "and Co." or a similar designation if, in any such case, there
88 is in fact no bona fide partnership or corporation registered under
89 this act. A practitioner shall not practice in the name of another
90 unless he is in partnership with him or in his employ, nor shall
91 he allow any person to practice in his name who is not in partner-
92 ship with him or in his employ. This provision shall not prevent
93 a partnership or its successors from continuing to practice under
94 a firm name which consists of or includes the name or names of
95 one or more former partners, nor shall it prevent the continuation
96 of a partnership name for a reasonable period of time by the
97 remaining partner practicing as sole proprietor after the with-
98 drawal or death of one or more partners.

1 24. Exceptions, acts not prohibited. a. Nothing contained in this
2 act shall prohibit any person not a certified public accountant or
3 public accountant from serving as an employee of, or an assistant
4 to, a certified public accountant or public accountant or partner-
5 ship or corporation composed of certified public accountants or
6 public accountants holding a current certification or registration
7 under this act; provided that such employee or assistant shall not
8 issue any accounting or financial statement over his name.

9 b. Except as otherwise provided in this act, nothing contained
10 in this act shall affect the practice as a "registered municipal ac-
11 countant" or "public school accountant".

1 25. Injunction against unlawful acts. Whenever it shall appear
2 that any person has engaged, is engaged or is about to engage in
3 any acts or practices which constitute, or will constitute, a viola-
4 tion of this act, or any rule or regulation promulgated pursuant
5 to this act, the board may order such person to cease and desist
6 from such acts or practices, or the Attorney General may make
7 application to the Superior Court for an order enjoining such
8 acts or practices.

1 26. Penalty for violations. Any person, corporation or partner-
2 ship violating a provision of the within act or any rule or regulation
3 promulgated thereunder, shall, in addition to any other sanction
4 or remedy provided herein, be liable to a civil penalty of not more
5 than \$2,500.00 for each offense. Such penalty may be imposed by

6 the board or sued for and recovered by and in the name of the
7 board in any municipal or county district court pursuant to the
8 "Penalty Enforcement Law" (N. J. S. 2A :58-1 et seq.).

9 Upon the failure of any person, corporation or partnership to
10 comply within 10 days after service of any board order directing
11 payment of penalties or restitution moneys, the secretary of the
12 board shall issue a certificate to the Clerk of the Superior Court
13 that such person, partnership or corporation is obligated in ac-
14 cordance with the board's order for the payment of such penalties
15 and restitution moneys as the case may be. A copy of such certifi-
16 cate shall be served upon the person against whom the order was
17 entered. Thereupon the clerk shall immediately enter upon his
18 record of docketed judgments the name of the person so indebted
19 and of the board, a designation of the statute under which the
20 penalty is imposed, the amount of the penalty imposed, and the
21 amount of moneys ordered restored, a listing of property ordered
22 restored, and the date of the certification. Such entry shall have
23 the same force and effect as the entry of a docketed judgment in
24 the Superior Court. Such entry, however, shall be without preju-
25 dice to the right of appeal to the Appellate Division of the Superior
26 Court from the order of the board.

27 Any action brought to enforce a board order as embodied within
28 a certificate of debt may be brought in either the Superior Court
29 or the county district court in summary manner and shall be gov-
30 erned by those rules of court dealing with the collection of civil
31 penalties. Process in such cases may be either in the nature of a
32 summons or warrant and shall issue in the name of the State upon
33 the complaint of the board or the Attorney General.

1 27. Single act as evidence of unlawful practice. The display or
2 uttering by a person of a card, sign, advertisement or other printed,
3 engraved or written instrument or device bearing a person's name
4 in conjunction with the words "certified public accountant" or any
5 abbreviation thereof, or "public accountant" or any abbreviation
6 thereof, shall be prima facie evidence in any action brought under
7 this act that the person whose name is so displayed caused or pro-
8 cured the display or uttering of such card, sign, advertisement or
9 other printed, engraved or written instrument or device and that
10 such person is holding himself out to be a certified public accountant
11 or a public accountant certified or registered under this act. In
12 any such action evidence of the commission of a single act prohibited
13 by this act shall be sufficient to justify an injunction or a penalty
14 without evidence of a general course of conduct.

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

1 *29. *Equivalency. Whenever any statute, rule, or regulation*
2 *heretofore or hereafter enacted specifically requires professional*
3 *services to be performed by a certified public accountant, such*
4 *requirement shall be construed to mean certified public accountant*
5 *or public accountant.**

1 *~~[29.]~~* *30.* Effect on prior orders, rules and regulations.
2 This act shall not affect the orders, rules and regulations heretofore
3 made or promulgated by The New Jersey State Board of Certified
4 Public Accountants, but such orders, rules and regulations *con-
5 sistent with the purposes and provisions of this act* shall continue
6 with full force and effect until amended, modified or repealed by
7 the board established pursuant to this act.

1 *~~[30.]~~* *31.* Severability. The provisions of this act are sever-
2 able and if any provision of this act, or any part thereof, or the
3 application thereof to any person or circumstances is held uncon-
4 stitutional, the remaining provisions, and parts thereof, and
5 application of such provisions, or part thereof, to other persons
6 or circumstances shall not be affected thereby.

1 *~~[31.]~~* *32.* Repealer. P. L. 1965, c. 99 (C. 45:2A-1 et seq.) is
2 hereby repealed.

1 *~~[32.]~~* *33.* Effective date. This act shall take effect *~~[im-~~
2 ~~mediately]~~* *on the thirtieth day after enactment*, except that
3 any person, partnership or professional corporation required to
4 register with the board pursuant to sections 14, 15 or 16 shall apply
5 for such registration on or before *~~[120]~~* *180* days following
6 the effective date of this act.

REFERENCE USE ONLY

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1457

STATE OF NEW JERSEY

DATED: MAY 20, 1976

The statement appended to and printed with the bill adequately explains its provisions. The committee reported this measure without amendments suggested by the Society of Public Accountants that would have broadened the present provision that only "principal" accountants may be registered as "public accountants" with the State Board of Certified Public Accountants. The bill was originally drafted by the Division of Consumer Affairs in consultation with the aforementioned organization representing Public Accountants and the New Jersey Society of Public Accountants.

SENATE LABOR, INDUSTRY AND
PROFESSIONS COMMITTEE

STATEMENT TO
ASSEMBLY, No. 1457

[OFFICIAL COPY REPRINT]

STATE OF NEW JERSEY

DATED: JANUARY 27, 1977

This bill represents a comprehensive revision of existing legislation regulating the practice of public accounting in the State of New Jersey.

Among the more important departures from current legislation are the following:

Heretofore the jurisdiction of the State Board of Certified Public Accountants covered only certified public accountants (CPA's). The bill requires the registration of practicing public accountants (PA's), thus bringing within the regulatory scheme all persons offering accounting services to the public.

Restrictions on entry into the profession have been relaxed without sacrificing professional standards. One year residency requirement for admission to the examination has been eliminated. Experience requirements for CPA certification have been reduced:

- In the office of a CPA from 3 years to 2 years.
- In general practice as a public accountant from 10 years to 4 years.
- In the employ of the Federal or State Government from 10 years to 4 years.

Credit is given for experience in private industry. Combinations of education and experience are recognized. Teaching experience and other study may be substituted for the experience required. The equivalent of a baccalaureate degree as determined by the Department of Higher Education may be substituted for the actual degree. Licensure by endorsement is substituted for reciprocity. The experience requirement for board members has been reduced from 10 to 5 years as a CPA or PA.

An executive secretary, who would be the principal administrative officer of the board, would be appointed by the Attorney General and would not be permitted to engage in private practice as a CPA or PA while serving as executive secretary.

The board, which has the power to suspend or revoke a certificate, would be given the additional power to impose fines or order restitution to an aggrieved consumer.

The Assembly Labor, Industry and Professions Committee amended the bill to:

- (1) Expand the membership of the board to include an additional public accountant;
- (2) Carry over the Attorney General's existing authority in determining board members' annual compensation;
- (3) Permit an applicant for a CPA certificate to demonstrate, as a prerequisite for consideration, that he has had at least 4 years of accounting work in the employ of any political subdivision of a state;
- (4) Broaden the eligibility for registration of public accountants to those who have held themselves out continuously as full-time public accountants, not necessarily as "principals" for 30 months prior to the effective date of the bill;
- (5) Similarly broaden the eligibility for registration of nonprincipal public accountants presently in the military service who had been public accountants a year prior to such service;
- (6) Delineate the acceptability of both public accountants and certified public accountants to perform professional accounting services required by statute, rule or regulation; and
- (7) Delay the effective date of the bill to permit the board to promulgate rules and regulations.

REFERENCE USE ONLY

ASSEMBLY LABOR, INDUSTRY AND PROFESSIONS
COMMITTEE

STATEMENT TO

ASSEMBLY, No. 1457

STATE OF NEW JERSEY

DATED: NOVEMBER 8, 1976

The committee amendments to this bill are the product of lengthy discussions in and out of committee involving organizations representing a consensus among the State's certified public accountants, public accountants, municipal accountants and the Attorney General's office.

They are designed to (1) expand the membership of the board to include an additional public accountant; (2) carry over the Attorney General's existing authority in determining board members' annual compensation; (3) permit an applicant for a C.P.A. certificate to demonstrate, as a prerequisite for consideration, that he has had at least four years of accounting work in the employ of any political subdivision of a state; (4) broaden the eligibility for registration of public accountants to those who have held themselves out continuously as full-time public accountants, not necessarily as "principals" for 30 months prior to the effective date of the bill; (5) similarly broaden the eligibility for registration of non-principal public accountants presently in the military service who had been public accountants a year prior to such service; (6) delineate the acceptability of both public accountants and certified public accountants to perform professional accounting services required by statute, rule or regulation; and (7) delay the effective date of the bill to permit the board to promulgate rules and regulations.

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

1 30. Severability. The provisions of this act are severable and if
2 any provision of this act, or any part thereof, or the application
3 thereof to any person or circumstances is held unconstitutional, the
4 remaining provisions, and parts thereof, and application of such
5 provisions, or part thereof, to other persons or circumstances shall
6 not be affected thereby.

1 31. Repealer. P. L. 1965, c. 99 (C. 45:2A-1 et seq.) is hereby
2 repealed.

1 32. Effective date. This act shall take effect immediately, except
2 that any person, partnership or professional corporation required
3 to register with the board pursuant to sections 14, 15 or 16 shall
4 apply for such registration on or before 120 days following the
5 effective date of this act.

STATEMENT

This bill represents a comprehensive revision of existing legis-
lation regulating the practice of public accounting in the State of
New Jersey.

Among the more important departures from current legislation
are the following:

Heretofore the jurisdiction of the State Board of Certified Public
Accountants covered only certified public accountants (CPA's).
The bill requires the registration of practicing public accountants
(PA's), thus bringing within the regulatory scheme all persons
offering accounting services to the public.

Restrictions on entry into the profession have been relaxed with-
out sacrificing professional standards. One year residency require-
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—In the office of a CPA from 3 years to 2 years.

—In general practice as a public accountant from 10 years to 4
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—In the employ of the Federal or State Government from 10
years to 4 years.

Credit is given for experience in private industry. Combinations of education and experience are recognized. Teaching experience and other study may be substituted for the experience requirement. The equivalent of a baccalaureate degree as determined by the Department of Higher Education may be substituted for the actual degree. Licensure by endorsement is substituted for reciprocity. The experience requirement for board members has been reduced from 10 to 5 years as a CPA or PA.

An executive secretary, who would be the principal administrative officer of the board, would be appointed by the Attorney General and would not be permitted to engage in private practice as a CPA or PA while serving as executive secretary.

The board, which has the power to suspend or revoke a certificate, would be given the additional power to impose fines or order restitution to an aggrieved consumer.

FROM THE OFFICE OF THE GOVERNOR

JULY 5, 1977

FOR FURTHER INFORMATION

FOR IMMEDIATE RELEASE

ANNE BURNS

G61

Governor Brendan Byrne Tuesday signed into law A-1457, sponsored by Assemblyman Christopher J. Jackman, D-Hudson, which revises the statutes regulating the practice of public accounting.

The bill requires that any person who calls himself a "public accountant" or an "accountant" register with the New Jersey State Board of Certified Public Accountants within 180 days after enactment.

The bill also has a grandfather clause which permits public accountants and accountants with one year of full-time practice, or who have been an employee in the full-time practice of public accounting for 30 months, to register with the Board as "public accountants."

After the grandfather period of 180 days, any individual who wants to hold himself out as a C.P.A., a public accountant or an accountant will have to meet the statutory requirements necessary to become a certified public accountant.

The bill also adds two public accountant members to the C.P.A. Board and decreases the work experience necessary for certification as a C.P.A.

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