CHAPTER 4

(HB 261)

AN ACT relating to retired certified public accountants.

Be it enacted by the General Assembly of the Commonwealth of Kentucky:

➔Section 1. KRS 325.290 is amended to read as follows:

(1) Only an individual who has received a license to practice or qualifies for a practice privilege shall be styled and known as a "certified public accountant." A certified public accountant may also use the abbreviation "CPA" or "public accountant."

(2) Licensees granted a waiver from continuing professional education based on retirement may use "certified public accountant," "public accountant," or "CPA," but shall not engage in regulated activities.

(3) Nothing in this section shall preclude a licensee who has been granted a continuing professional education waiver based on retirement from providing the following uncompensated services on a volunteer basis:

(a) Preparing taxes;

(b) Participating in a government-sponsored business-mentoring program;

(c) Serving on the board of directors for a nonprofit or governmental organization; or

(d) Serving on a government-appointed advisory body.

(4) As prescribed by the board in accordance with administrative regulations promulgated by the board, licensees applying for and renewing the continuing professional education waiver based on retirement shall affirm their understanding of the limited types of activities in which they may engage while on the waiver and their understanding that they have a professional duty to ensure that they hold the professional competencies necessary to offer these limited services.

➔Section 2. KRS 325.330 is amended to read as follows:

(1) An applicant for an initial license to practice shall:

(a) Satisfy all the requirements of KRS 325.261 and the administrative regulations promulgated by the board;

(b) Pay a fee not to exceed two hundred dollars ($200); and

(c) Complete the application process established in an administrative regulation promulgated by the board.

(2) Licenses shall be initially issued and renewed for a period of two (2) years, and shall expire on the first day of July in the year of expiration.

(3) When an initial license to practice is granted, the board shall issue a nonrenewable document that indicates that the licensee has satisfied all requirements to receive an initial license as a certified public accountant.

(4) An applicant for renewal of a license to practice who is in good standing shall complete the renewal procedure established in administrative regulations promulgated by the board that show that the applicant has:

(a) Fulfilled the requirement of continuing professional education as defined by the board by administrative regulation, but not to exceed eighty (80) hours during a two (2) year calendar period ending December 31 preceding the July 1 renewal date. Certified public accountants not employed by a firm licensed by the board shall be required to achieve continuing professional education not to exceed sixty (60) hours during the two (2) year calendar period ending December 31 preceding the July 1 renewal date. The board shall provide for lesser, prorated requirements for applicants whose initial permit was issued substantially less than two (2) years prior to the renewal date;

(b) Paid a fee not to exceed two hundred dollars ($200) biennially;

(c) Listed a permanent mailing address; and

(d) Designated as part of the renewal process whether the applicant is employed by a firm licensed by the board.

(5) Any license not renewed by the expiration date shall automatically expire and the holder of the expired license shall be prohibited from practicing public accounting or holding himself ***or herself*** out as a certified public accountant.

(6) (a) The holder of a license that from the date of renewal has been expired for a period shorter than six (6) months, and who has not violated any other provision of this chapter, may renew the license by meeting all of the requirements of this section and paying a late penalty fee not to exceed one hundred dollars ($100).

(b) If the license has expired for a period longer than six (6) months, the applicant shall apply to the board for reinstatement. The board shall determine the eligibility for license reissuance, including a late penalty fee not to exceed two hundred dollars ($200) and additional continuing professional education hours.

(c) Failure to receive a renewal notice shall not constitute an adequate reason for failing to renew the license to practice in a timely manner.

(7) (a) Effective January 1, 2011, licenses shall expire on August 1 of the year in which they are to be renewed. Odd-numbered licenses shall expire on August 1 of every odd-numbered year and even-numbered licenses shall expire on August 1 of every even-numbered year.

(b) An applicant for renewal of a license to practice who is in good standing shall complete the renewal procedure, which shall be established by administrative regulation promulgated by the board and shall require the applicant to:

1. Fulfill the continuing professional education requirements, as defined by the board by promulgation of administrative regulation, in accordance with the following:

a. Certified public accountants employed by or operating a firm licensed by the board shall be required to complete no more than eighty (80) hours of continuing professional education during the two (2) year calendar period ending December 31 preceding the August 1 renewal date;

b. Certified public accountants not employed by a firm licensed by the board shall be required to complete no more than sixty (60) hours during the two (2) year calendar period ending December 31 preceding the August 1 renewal date; and

c. The board shall provide for lesser, prorated requirements for applicants whose initial license was issued substantially less than two (2) years prior to the renewal date;

2. Pay a fee not to exceed two hundred dollars ($200) biennially;

3. Provide a permanent mailing address; and

4. Designate where the applicant is currently practicing.

(c) Any license not renewed by the expiration date shall automatically expire, and the holder of the expired license shall be prohibited from practicing public accounting or holding himself or herself out as a certified public accountant.

(d) 1. The holder of a license that has been expired for a period of less than one (1) month, who has not violated any other provision of this chapter, may renew the license by meeting all of the requirements of this section and paying a late penalty fee not to exceed one hundred dollars ($100).

2. If the license has expired for a period longer than one (1) month, the applicant shall apply to the board for reinstatement. The board shall determine the eligibility for license reissuance, including a late penalty fee not to exceed two hundred dollars ($200) and additional continuing professional education hours.

(8) The board may reduce or waive the license to practice renewal requirements upon written request of the licensee showing illness, extreme hardship, or age and~~[complete]~~ retirement from practice as prescribed by the board by administrative regulation.

(9) A licensee shall notify the board in writing of a change in his or her mailing address within twenty (20) days following the effective date of the change in address.

Signed by Governor March 10, 2025.