

CHAPTER 21

(HB 45)

AN ACT relating to the licensure of certified public accountants.

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

➔Section 1. KRS 325.261 is amended to read as follows:

The license of "certified public accountant" shall be granted by the board to any person who satisfies the following requirements:

- (1) Is no less than eighteen (18) years of age;
- (2) Is of good moral character;
- (3) Has **completed at least one (1) of the following:**
 - (a) **A post-baccalaureate or higher degree conferred by a college or university recognized by the board with a major or concentration in accounting or its equivalent, as defined in administrative regulations promulgated by the board;**
 - (b) **A baccalaureate degree plus an additional thirty (30) semester credit hours, conferred by a college or university acceptable to the board, provided the total educational program includes a concentration in accounting or its equivalent, as defined in administrative regulations promulgated by the board; or**
 - (c) A baccalaureate degree ~~or master's degree~~ conferred by a college or university recognized by the board with a major or concentration in accounting or its equivalent, as defined in administrative regulations promulgated by the board;
- (4) Passes a board-approved examination in accounting, auditing, and other related subjects as the board deems appropriate. To be eligible to apply for the examination, a person shall first satisfy the requirement of subsections (1), (2), ~~and to~~(3) of this section;
- (5) ~~Completes one hundred fifty (150) college semester hours that include a baccalaureate or masters degree conferred by a college or university recognized by the board with a major or concentration in accounting or its equivalent, as defined in administrative regulations promulgated by the board;~~
- ~~(6)~~ **Obtains one (1) year of accounting or attest experience if applying for a license based on the educational requirement under subsection (3)(a) or (b) of this section, or obtains two (2) years of accounting or attest experience if applying for a license based on the educational requirement under subsection (3)(c) of this section. The experience required by this subsection shall be obtained:**
 - (a) While employed in ~~an accounting or auditing position in~~ public practice, industry, or government **and that** shall be verified by a certified public accountant who, during the time being verified, held an active license to practice from any state; ~~The one (1) year of experience required under this subsection shall be obtained;~~
 - ~~(b)(a)~~ After the completion of the education requirements established in subsection (3)(c) of this section; and
 - ~~(c)(b)~~ Within five (5) years from the date the candidate successfully completed the examination;
- ~~(6)(7)~~ At the time of applying for a license is a United States citizen, a citizen of a foreign country who is legally residing in the United States, or is an employee of a public accounting firm, company, or an institution of postsecondary education located outside the United States, but which has an office or campus located in the United States; and
- ~~(7)(8)~~ Submits a complete application for a license to practice as a certified public accountant in accordance with KRS 325.330.

➔Section 2. KRS 325.282 is amended to read as follows:

- (1) A person who **does not have an office located in this state and holds a valid license in good standing to practice as a certified public accountant from any state** ~~is~~

- ~~(a) Does not have an office located in this state;~~
- ~~(b) Holds a valid and active license to practice as a certified public accountant from any state that the board has determined to have licensure requirements substantially equivalent to those found in this chapter and the accompanying administrative regulations promulgated thereunder; and~~
- ~~(c) Offers to perform or performs a regulated activity in person or by mail, telephone, or other electronic means in this state;~~

~~—~~ shall have all the *practice* privileges granted to the holder of a license issued under this chapter without having to obtain a license from the board *if at the time of initial licensure, the person was required to show evidence of having met the following requirements:*

- ~~(a) Passage of a board-approved examination in accounting, auditing, and other related subjects as the board deems appropriate; and~~
 - ~~(b) Attainment of the education and experience requirements set forth in subsections (3) and (5) of Section 1 of this Act.~~
- (2) *A person whose principal place of business is not in this state shall continue to have all the privileges of licensees in this state without the need to obtain a license from the board if, as of June 30, 2025, the person:*
- ~~(a) Holds a valid license as a certified public accountant from any state; and~~
 - ~~(b) Has practice privileges in this state under this chapter.~~
- (3)~~(2)~~ Notwithstanding any other provision of this chapter, a person who satisfies the requirements of subsection (1) of this section:
- (a) Is not required to provide notice of offering or providing such services to the board; and
 - (b) Is subject to the requirements listed in subsection ~~(4)~~~~(3)~~ of this section.
- ~~(4)~~~~(3)~~ A person who offers to perform or performs a regulated activity in person or by mail, telephone, or other electronic means in this state pursuant to this section agrees to:
- (a) Submit to the personal and subject matter jurisdiction and disciplinary authority of the board;
 - (b) Comply with the provisions of this chapter and the administrative regulations of the board;
 - (c) Cease exercising the privilege if the license issued by the board or agency located in the state of the person's principal place of business expires or is no longer valid;
 - (d) The appointment of the state board or agency where the person's principal place of business is located and which issued the person's license as the agent upon whom process may be served in any action or proceeding by the Kentucky State Board of Accountancy against that person;
 - (e) Notify the board prior to opening any office in this state and immediately apply for a license under KRS 325.280; and
 - (f) Notify the board immediately if the person's license in the state where his or her principal place of business is located becomes inactive, lapses, or is subjected to any disciplinary action.
- ~~(5)~~~~(4)~~ The board may take disciplinary action against a person granted a privilege under this section for an act committed by the person in another state if the act at the time of its commission is a violation of that state's law or regulations and this chapter or administrative regulations promulgated pursuant to this chapter.
- ~~(6)~~~~(5)~~ A person who qualifies for the practice privilege under this section and offers to perform or performs one (1) or more of the following services for a client with its home office located in this state or for a person who is a resident of this state shall perform the service or services through a firm which has obtained a license issued under KRS 325.301:
- (a) Any financial statement audit or other engagement to be performed in accordance with the Statements on Auditing Standards;
 - (b) Any examination of prospective financial statements to be performed in accordance with the Statements on Standards for Attestation Engagements; or
 - (c) Any engagement to be performed in accordance with the Public Company Accounting Oversight Board Auditing Standards.

- (7) (a) *Notwithstanding any other provision of this chapter, if the board determines after evaluation that another state has granted certified public accountant licenses without requiring candidates to meet minimum qualifications acceptable to the board and continue to satisfy minimum continuing professional educational requirements acceptable to the board, the board may revoke practice privileges in this state for certified public accountants licensed by that state.*
- (b) *Individual certified public accountants from states for which practice privileges have been revoked may continue to qualify for practice privileges in Kentucky if the person would meet licensing and continuing education requirements of this state.*

➔Section 3. KRS 325.280 is amended to read as follows:

- (1) The board may issue a license to practice by reciprocity, if the applicant:
- (a) Submits an application for a license to practice any regulated activity, upon forms approved by the board;
 - (b) Pays all required fees, in the amounts as determined by administrative regulation promulgated by the board; and
 - (c) Meets the following requirements:
 1. Satisfies the educational requirement in KRS 325.261(3);
 2. Receives a grade on the Uniform CPA Examination in another state that was equivalent to a passing grade at the time in this Commonwealth;
 3. Holds a valid active license, and is in good standing as a certified public accountant, issued under the laws of any other state; and
 4. Meets all current experience requirements in this chapter, except for KRS 325.261(5)(c)~~((6)(b))~~, at the time application is made, or within the ten (10) years immediately preceding the application, had four (4) years of experience in the practice of the regulated activities acceptable to the board upon which the license was based.
- (2) The board may issue a license to practice the regulated activities without examination to an applicant who holds a valid license to engage in the practice of the regulated activities in good standing from a foreign country if:
- (a) The applicant's foreign country makes similar provisions to allow a person who holds a valid license to practice the regulated activities issued by this Commonwealth to obtain that foreign country's comparable designation;
 - (b) The authority of the foreign country that issued the designation regulates the practice of the regulated activities, including the issuance of reports;
 - (c) The foreign designation was granted upon education and examination requirements which were established by the foreign authority or law and were substantially equivalent to those in effect in this Commonwealth at the time the foreign designation was granted;
 - (d) The applicant satisfies the applicable experience requirement contained in paragraph (c) of subsection (1) of this section;
 - (e) The applicant has successfully passed a uniform qualifying examination on United States national standards prepared by the National Association of State Boards of Accountancy; and
 - (f) The applicant submits an application for a license to practice the regulated activities, upon forms approved by the board, and pays the fees listed in administrative regulations promulgated by the board.

➔Section 4. The following KRS section is repealed:

325.263 Submission of proof of educational requirements on and after April 1, 2007, by previously approved candidates.

Signed by Governor April 3, 2026.