

1 AN ACT relating to the licensure of certified public accountants.

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

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

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

6 (1) Is no less than eighteen (18) years of age;

7 (2) Is of good moral character;

8 (3) Has completed at least one (1) of the following:

9 (a) A post-baccalaureate or higher degree conferred by a college or university
10 recognized by the board with a major or concentration in accounting or its
11 equivalent, as defined in administrative regulations promulgated by the
12 board;

13 (b) A baccalaureate degree plus an additional thirty (30) semester credit hours,
14 conferred by a college or university acceptable to the board, provided the
15 total educational program includes a concentration in accounting or its
16 equivalent, as defined in administrative regulations promulgated by the
17 board; or

18 (c) A baccalaureate degree~~[or master's degree]~~ conferred by a college or
19 university recognized by the board with a major or concentration in
20 accounting or its equivalent, as defined in administrative regulations
21 promulgated by the board;

22 (4) Passes a board-approved examination in accounting, auditing, and other related
23 subjects as the board deems appropriate. To be eligible to apply for the
24 examination, a person shall first satisfy the requirement of subsections (1), (2), and
25 ~~to~~ (3) of this section;

26 (5) ~~[Completes one hundred fifty (150) college semester hours that include a~~
27 ~~baccalaureate or masters degree conferred by a college or university recognized by~~

1 the board with a major or concentration in accounting or its equivalent, as defined
2 in administrative regulations promulgated by the board;

3 ~~(6)~~ Obtains one (1) year of accounting or attest experience if applying for a license
4 based on the educational requirement under subsection (3)(a) or (b) of this
5 section, or obtains two (2) years of accounting or attest experience if applying for
6 a license based on the educational requirement under subsection (3)(c) of this
7 section. The experience required by this subsection shall be obtained:

8 (a) While employed in ~~an accounting or auditing position in~~ public practice,
9 industry, or government and ~~that~~ shall be verified by a certified public
10 accountant who, during the time being verified, held an active license to
11 practice from any state; ~~The one (1) year of experience required under this~~
12 ~~subsection shall be obtained;~~

13 (b) ~~(a)~~ After the completion of the education requirements established in
14 subsection (3)(c) of this section; and

15 (c) ~~(b)~~ Within five (5) years from the date the candidate successfully completed
16 the examination;

17 (6) ~~(7)~~ At the time of applying for a license is a United States citizen, a citizen of a
18 foreign country who is legally residing in the United States, or is an employee of a
19 public accounting firm, company, or an institution of postsecondary education
20 located outside the United States, but which has an office or campus located in the
21 United States; and

22 (7) ~~(8)~~ Submits a complete application for a license to practice as a certified public
23 accountant in accordance with KRS 325.330.

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

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

- 1 ~~(a) — Does not have an office located in this state;~~
- 2 ~~(b) — Holds a valid and active license to practice as a certified public accountant from any~~
- 3 ~~state that the board has determined to have licensure requirements substantially~~
- 4 ~~equivalent to those found in this chapter and the accompanying administrative~~
- 5 ~~regulations promulgated thereunder; and~~
- 6 ~~(c) — Offers to perform or performs a regulated activity in person or by mail, telephone,~~
- 7 ~~or other electronic means in this state;~~
- 8 ~~—~~ shall have all the ***practice*** privileges granted to the holder of a license issued under
- 9 this chapter without having to obtain a license from the board ***if at the time of***
- 10 ***initial licensure, the person was required to show evidence of having met the***
- 11 ***following requirements:***
- 12 ***(a) Passage of a board-approved examination in accounting, auditing, and***
- 13 ***other related subjects as the board deems appropriate; and***
- 14 ***(b) Attainment of the education and experience requirements set forth in***
- 15 ***subsections (3) and (5) of Section 1 of this Act.***
- 16 ***(2) A person whose principal place of business is not in this state shall continue to***
- 17 ***have all the privileges of licensees in this state without the need to obtain a***
- 18 ***license from the board if, as of June 30, 2025, the person:***
- 19 ***(a) Holds a valid license as a certified public accountant from any state; and***
- 20 ***(b) Has practice privileges in this state under this chapter.***
- 21 ~~(3)(2)~~ Notwithstanding any other provision of this chapter, a person who satisfies the
- 22 requirements of subsection (1) of this section:
- 23 (a) Is not required to provide notice of offering or providing such services to the
- 24 board; and
- 25 (b) Is subject to the requirements listed in subsection ~~(4)(3)~~ of this section.
- 26 ~~(4)(3)~~ A person who offers to perform or performs a regulated activity in person or
- 27 by mail, telephone, or other electronic means in this state pursuant to this section

1 agrees to:

2 (a) Submit to the personal and subject matter jurisdiction and disciplinary
3 authority of the board;

4 (b) Comply with the provisions of this chapter and the administrative regulations
5 of the board;

6 (c) Cease exercising the privilege if the license issued by the board or agency
7 located in the state of the person's principal place of business expires or is no
8 longer valid;

9 (d) The appointment of the state board or agency where the person's principal
10 place of business is located and which issued the person's license as the agent
11 upon whom process may be served in any action or proceeding by the
12 Kentucky State Board of Accountancy against that person;

13 (e) Notify the board prior to opening any office in this state and immediately
14 apply for a license under KRS 325.280; and

15 (f) Notify the board immediately if the person's license in the state where his or
16 her principal place of business is located becomes inactive, lapses, or is
17 subjected to any disciplinary action.

18 ~~(5)~~~~(4)~~ The board may take disciplinary action against a person granted a privilege
19 under this section for an act committed by the person in another state if the act at
20 the time of its commission is a violation of that state's law or regulations and this
21 chapter or administrative regulations promulgated pursuant to this chapter.

22 ~~(6)~~~~(5)~~ A person who qualifies for the practice privilege under this section and offers
23 to perform or performs one (1) or more of the following services for a client with its
24 home office located in this state or for a person who is a resident of this state shall
25 perform the service or services through a firm which has obtained a license issued
26 under KRS 325.301:

27 (a) Any financial statement audit or other engagement to be performed in

- 1 accordance with the Statements on Auditing Standards;
- 2 (b) Any examination of prospective financial statements to be performed in
- 3 accordance with the Statements on Standards for Attestation Engagements; or
- 4 (c) Any engagement to be performed in accordance with the Public Company
- 5 Accounting Oversight Board Auditing Standards.

6 (7) (a) Notwithstanding any other provision of this chapter, if the board determines
7 after evaluation that another state has granted certified public accountant
8 licenses without requiring candidates to meet minimum qualifications
9 acceptable to the board and continue to satisfy minimum continuing
10 professional educational requirements acceptable to the board, the board
11 may revoke practice privileges in this state for certified public accountants
12 licensed by that state.

13 (b) Individual certified public accountants from states for which practice
14 privileges have been revoked may continue to qualify for practice privileges
15 in Kentucky if the person would meet licensing and continuing education
16 requirements of this state.

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

- 18 (1) The board may issue a license to practice by reciprocity, if the applicant:
- 19 (a) Submits an application for a license to practice any regulated activity, upon
- 20 forms approved by the board;
- 21 (b) Pays all required fees, in the amounts as determined by administrative
- 22 regulation promulgated by the board; and
- 23 (c) Meets the following requirements:
- 24 1. Satisfies the educational requirement in KRS 325.261(3);
- 25 2. Receives a grade on the Uniform CPA Examination in another state that
- 26 was equivalent to a passing grade at the time in this Commonwealth;
- 27 3. Holds a valid active license, and is in good standing as a certified public

1 accountant, issued under the laws of any other state; and

2 4. Meets all current experience requirements in this chapter, except for
3 KRS 325.261(5)(c)~~[(6)(b)]~~, at the time application is made, or within the
4 ten (10) years immediately preceding the application, had four (4) years
5 of experience in the practice of the regulated activities acceptable to the
6 board upon which the license was based.

7 (2) The board may issue a license to practice the regulated activities without
8 examination to an applicant who holds a valid license to engage in the practice of
9 the regulated activities in good standing from a foreign country if:

10 (a) The applicant's foreign country makes similar provisions to allow a person
11 who holds a valid license to practice the regulated activities issued by this
12 Commonwealth to obtain that foreign country's comparable designation;

13 (b) The authority of the foreign country that issued the designation regulates the
14 practice of the regulated activities, including the issuance of reports;

15 (c) The foreign designation was granted upon education and examination
16 requirements which were established by the foreign authority or law and were
17 substantially equivalent to those in effect in this Commonwealth at the time
18 the foreign designation was granted;

19 (d) The applicant satisfies the applicable experience requirement contained in
20 paragraph (c) of subsection (1) of this section;

21 (e) The applicant has successfully passed a uniform qualifying examination on
22 United States national standards prepared by the National Association of State
23 Boards of Accountancy; and

24 (f) The applicant submits an application for a license to practice the regulated
25 activities, upon forms approved by the board, and pays the fees listed in
26 administrative regulations promulgated by the board.

27 ➔Section 4. The following KRS section is repealed:

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