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AB-1175 Accountants. (2025-2026)

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Assembly Bill No. 1175

CHAPTER 293

An act to amend Sections 5081, 5082.3, 5082.4, 5082.5, 5087, 5088, 5090, 5094, 5095, 5096, 5096.1, 5096.4, 5096.12, 5096.20, 5096.21, and 5096.22 of, to amend and repeal Sections 5093, 5093.5, 5094.3, and 5094.6 of, to add Sections 5035.4, 5093.2, and 5093.3 to, and to repeal Sections 5086 and 5092 of, the Business and Professions Code, relating to professions and vocations.

[Approved by Governor October 03, 2025. Filed with Secretary of State October 03, 2025.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1175, Irwin. Accountants.

Existing law establishes the California Board of Accountancy in the Department of Consumer Affairs to license and regulate certified public accountants and the practice of public accountancy. Existing law makes it a crime for a person to engage in the practice of public accountancy without a valid permit issued by the board or pursuant to a practice privilege.

Existing law establishes education, experiential, examination, and other qualifications for licensure as a certified public accountant and requires an applicant to provide documentation that the applicant completed specified units in prescribed courses. Existing law requires the board to admit an applicant to the certified public accountant examination before the applicant completes the education requirements if the applicant is enrolled in a degree-granting university, college, or other institution of learning and is within 180 days of completing prescribed education requirements. Existing law requires the board to adopt guidelines for accounting study to be included as part of the educational requirements for licensure.

This bill would, operative on January 1, 2027, enact an alternative set of qualifications and requirements for a license, including a requirement to have completed an accounting concentration of courses from a board-recognized United States institution of higher education, instead of evidence of completion of specified units in prescribed courses for the education qualifications, as described above. The bill would make those revised qualifications and requirements an alternative to the above-described existing law provisions until January 1, 2029, at which time the bill would repeal those existing law provisions.

Existing law authorizes the board to issue a certified public accountant license to an applicant who is the holder of a certified public accountant license issued under the laws of any state if the board determines the standards are substantially equivalent to the standards established in this state.

This bill would instead authorize the board to issue a certified public accountant license to an applicant who holds a license from another state with comparable licensure requirements, as defined.

Existing law authorizes an individual whose principal place of business is not in this state and who has a license to practice public accountancy from another state to practice in this state under a practice privilege without obtaining a license from the board if the

individual, among other things, satisfies one of specified requirements, including that the individual has continually practiced public accountancy as a certified public accountant under a license issued by another state for at least 4 of the last 10 years.

This bill would delete the provision requiring the individual to satisfy one of those specified requirements to practice under a practice privilege.

Existing law requires individuals licensed in another state as a certified public accountant to file a specified notification form with the board and pay a fee as a condition of exercising a practice privilege if the board determines that allowing the individual to practice would violate the board's duty to protect the public, and specifies factors the board is required to consider in making that determination.

This bill would require the board, in making that determination, to also consider whether the other state has comparable licensure requirements. The bill would require an individual who has their principal place of business in a state that the board determines does not have comparable licensure requirements, to indicate on the notification form whether they have met one of 2 alternative sets of requirements. The first would be having continually practiced public accountancy as a certified public accountant under a license issued by any state for at least 4 of the last 10 years. The other set of requirements would be having passed the Uniform CPA Examination and completed education that included a baccalaureate degree or higher with an accounting concentration and at least one year of general accounting experience.

Existing law authorizes a licensee to sign reports on attest engagements if, among other requirements, the licensee completes 500 hours of experience satisfactory to the board in attest services.

This bill, among other changes to those requirements, would authorize the board, by regulation, to require the completion of specified job tasks associated with performing attest services.

The bill would make other conforming, technical, and nonsubstantive changes.

Vote: majority Appropriation: no Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

SECTION 1. Section 5035.4 is added to the Business and Professions Code, to read:

5035.4. "Comparable licensure requirements" means another state requires passage of the examination described in Section 5082 and has education and experience requirements, when considered collectively, that meet or exceed the standards established by the board pursuant to Article 5 (commencing with Section 5080).

SEC. 2. Section 5081 of the Business and Professions Code is amended to read:

5081. An applicant for an authorization to be admitted to the examination for a certified public accountant license shall:

- (a) Not have committed acts or crimes constituting grounds for denial of a license under Section 480.
- (b) File the application prescribed by the board. This application shall not be considered filed unless all required supporting documents, fees, and the fully completed board-approved application form are received in the board office or submitted via a board-provided electronic application or filed by mail.
- (c) Meet one of the educational requirements specified in this article.

SEC. 3. Section 5082.3 of the Business and Professions Code is amended to read:

5082.3. An applicant for a license as a certified public accountant may be deemed by the board to have met the examination requirements of Section 5082 if the applicant satisfies all of the following requirements:

- (a) The applicant is licensed or has comparable authority under the laws of any country to engage in the practice of public accountancy.
- (b) The International Qualifications Appraisal Board jointly established by the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants has determined that the standards under which the applicant was licensed or under which the applicant secured comparable authority meet its standards for admission to the International Uniform Certified Public Accountant Qualification Examination.
- (c) The applicant has successfully passed the International Uniform Certified Public Accountant Qualification Examination referenced in subdivision (b).

SEC. 4. Section 5082.4 of the Business and Professions Code is amended to read:

5082.4. A Canadian Chartered Accountant in good standing may be deemed by the board to have met the examination requirements of Section 5082 if they have successfully passed the Canadian Chartered Accountant Uniform Certified Public Accountant Qualification Examination of the American Institute of Certified Public Accountants or the International Uniform Certified Public Accountant Qualification Examination referenced in subdivision (b) Section 5082.3.

SEC. 5. Section 5082.5 of the Business and Professions Code is amended to read:

5082.5. The board may give credit to a candidate who has passed all or part of the examination in another state if the members of the board determine that the standards under which the examination was held are as high as the standards established for the examination in this chapter.

SEC. 6. Section 5086 of the Business and Professions Code is repealed.

SEC. 7. Section 5087 of the Business and Professions Code is amended to read:

5087. (a) The board may issue a certified public accountant license to any applicant who is a holder of a current, active, and unrestricted certified public accountant license issued under the laws of any state with comparable licensure requirements and who has not committed acts or crimes constituting grounds for denial under Section 480. To be authorized to sign reports on attest engagements, the applicant shall meet the requirements of Section 5095.

(b) The board may in particular cases waive any of the requirements regarding the circumstances in which the various parts of the examination were to be passed for an applicant from another state.

SEC. 8. Section 5088 of the Business and Professions Code is amended to read:

5088. Any individual who is the holder of a current, active, and unrestricted license as a certified public accountant issued under the laws of any state and who applies to the board for a license as a certified public accountant under the provisions of Section 5087 may, until the time the application for a license is granted or denied, practice public accountancy in this state only under a practice privilege pursuant to the provisions of Article 5.1 (commencing with Section 5096), except that, for purposes of this section, the individual is not disqualified from a practice privilege during the period the application is pending by virtue of maintaining an office or principal place of business, or both, in this state. The board may by regulation provide for exemption, credit, or proration of fees to avoid duplication of fees.

SEC. 9. Section 5090 of the Business and Professions Code is amended to read:

5090. An applicant for the certified public accountant license shall comply with the education, examination, and experience requirements in this article.

SEC. 10. Section 5092 of the Business and Professions Code is repealed.

SEC. 11. Section 5093 of the Business and Professions Code is amended to read:

5093. (a) To qualify for the certified public accountant license, an applicant who is applying under this section shall meet the education, examination, and experience requirements specified in subdivisions (b), (c), and (d), or otherwise prescribed pursuant to this article. The board may adopt regulations as necessary to implement this section.

(b) (1) An applicant for admission to the certified public accountant examination under this section shall present satisfactory evidence that the applicant has completed a baccalaureate or higher degree conferred by a degree-granting university, college, or other institution of learning accredited by an accrediting agency included in a list of these agencies published by the United States Secretary of Education under the requirements of the federal Higher Education Act of 1965 as amended (20 U.S.C. Sec. 1001 et seq.), or meeting, at a minimum, the standards described in Section 5094. The total educational program shall include a minimum of 24 semester units in accounting subjects and 24 semester units in business-related subjects. This evidence shall be provided at the time of application for admission to the examination, except that an applicant who applied, qualified, and sat for at least two subjects of the examination for the certified public accountant license before May 15, 2002, may provide this evidence at the time of application for licensure.

(A) An applicant enrolled in a program at an institution as described in this paragraph that grants conferral of a baccalaureate degree upon completion of the 150 semester units required by paragraph (2) of this subdivision may satisfy the requirements of this paragraph if the applicant's institution sends electronically or delivers the applicant's official

transcript or its equivalent together or separately with a letter signed by the institution's registrar, or its equivalent, directly to the board pursuant to subdivision (c) of Section 5094. The letter shall include all of the following:

(i) A statement that the applicant is enrolled and in good standing in a program that will result in the conferral of a baccalaureate degree upon completion of either a master's degree or the 150 semester units required by paragraph (2) of this subdivision.

(ii) A statement that the applicant has completed all requirements, including general education and elective requirements, for a baccalaureate degree and the only reason the college or university has yet to confer the degree is because the applicant is enrolled in a program that confers a baccalaureate degree upon completion of either a master's degree or the 150 semester units required by paragraph (2) of this subdivision.

(iii) The date on which the applicant met all of the college's or university's requirements for conferral of a baccalaureate degree.

(B) The total educational program for an applicant described in subparagraph (A) shall include a minimum of 24 semester units in accounting subjects and 24 semester units in business-related subjects. This evidence shall be provided at the time of application for admission to the examination, except that an applicant who applied, qualified, and sat for at least two subjects of the examination for the certified public accountant license before May 15, 2002, may provide this evidence at the time of application for licensure.

(2) An applicant for issuance of the certified public accountant license under this section shall present satisfactory evidence that the applicant has completed at least 150 semester units of college education, including a baccalaureate or higher degree conferred by a college or university, meeting, at a minimum, the standards described in Section 5094, the total educational program to include a minimum of 24 semester units in accounting subjects, 24 semester units in business-related subjects, and, after December 31, 2013, shall also include a minimum of 10 units of ethics study consistent with the requirements set forth in Section 5094.3 and 20 units of accounting study consistent with the regulations promulgated under subdivision (c) of Section 5094.6. This evidence shall be presented at the time of application for the certified public accountant license. Nothing in this paragraph shall be deemed inconsistent with Section 5094 or 5094.6. Nothing in this paragraph shall be construed to be inconsistent with prevailing academic practice regarding the completion of units.

(c) An applicant for the certified public accountant license shall pass an examination prescribed by the board.

(d) (1) The applicant shall show, to the satisfaction of the board, that the applicant has had one year of qualifying experience. This experience may include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills.

(2) To be qualifying under this section, experience shall have been performed in accordance with applicable professional standards. Experience in public accounting shall be completed under the supervision or in the employ of a person licensed or otherwise having comparable authority under the laws of any state or country to engage in the practice of public accountancy. Experience in private or governmental accounting or auditing shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy.

(3) Notwithstanding paragraph (2), the board may, by regulation, allow experience in academia to be qualifying under this section.

(e) Applicants completing education at a college or university located outside of this state, meeting, at a minimum, the standards described in Section 5094, shall be deemed to meet the educational requirements of this section if the board determines that the education is substantially equivalent to the standards of education specified under this chapter.

(f) An applicant who has successfully passed the examination requirement specified under Section 5082 on or before December 31, 2013, may qualify for the certified public accountant license without satisfying the 10 semester units of study set forth in Section 5094.3 or 20 semester units of accounting study consistent with the regulations promulgated under Section 5094.6, if the applicant completes all other requirements for the issuance of a license on or before December 31, 2015.

(g) The education and experience requirements of this section are notwithstanding Sections 5093.2 and 5093.3 and pertain to applicants who submit an application for licensure by December 31, 2028, inclusive of qualifying experience and satisfactory evidence of meeting the education requirements of this section.

(h) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 12. Section 5093.2 is added to the Business and Professions Code, to read:

5093.2. (a) An applicant for admission to the certified public accountant examination under Section 5082 shall meet the educational requirements by presenting satisfactory evidence that the applicant has completed one of the following:

(1) The applicant was conferred a board-recognized baccalaureate or advanced accounting degree. The board may recognize accounting degrees conferred by United States institutions of higher education that require the completion of an accounting concentration of courses pursuant to regulations established pursuant to subparagraph (B) of paragraph (2).

(2) (A) The applicant was conferred a baccalaureate or advanced degree not recognized by the board and completed an accounting concentration of courses.

(B) The board shall establish by regulation an accounting concentration of courses required to be completed to satisfy the requirements of this section.

(3) The applicant is enrolled in a dual degree program at an institution of higher education that confers a baccalaureate degree, as described in paragraph (1) or (2), upon conferral of a master's degree. Satisfactory evidence shall include, but not be limited to, all of the following:

(A) A statement that the applicant is enrolled and in good standing in a dual degree program at an institution of higher education that will result in the conferral of a baccalaureate degree, as described in paragraph (1) or (2), upon conferral of a master's degree.

(B) The date the applicant completed all educational requirements for a baccalaureate degree at their enrolled institution of higher education.

(C) Degrees to be conferred.

(4) (A) The applicant is enrolled in an institution of higher education and is within 180 days of completing the education requirements set forth in paragraph (1) or (2).

(B) Within 240 days of submitting an application to qualify for the examination, the applicant shall provide the board with satisfactory evidence that they have completed the educational requirement set forth in paragraph (1) or (2). Failure to comply with this subparagraph may result in the loss of any credit received for passage of any part of the examination before the requirement described in paragraph (1) or (2) was met.

(b) This section shall become operative on January 1, 2027.

SEC. 13. Section 5093.3 is added to the Business and Professions Code, to read:

5093.3. (a) An applicant seeking certified public accountant licensure shall show, to the satisfaction of the board, completion of two years of qualifying experience and passage of the certified public accountant examination under Section 5082. This experience may include providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills. The board may also, by regulation, require the completion of specified job tasks associated with minimum competencies of entry-level practice.

(b) To the satisfaction of the board, an advanced degree in an accounting-related subject may be substituted for one year of experience.

(c) The board may, by regulation, accept the completion of board-recognized certificate or training programs as a substitute for a portion of the otherwise required amount of experience.

(d) An applicant may only receive credit for substitution of the experience requirement under either subdivision (b) or (c), but not both.

(e) To be qualifying under this section, experience shall have been performed in accordance with applicable professional standards. Experience in public accounting shall be completed under the supervision or in the employ of a person certified under the laws of any state or country to engage in the practice of public accountancy. Experience outside of public accounting shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy.

(f) Notwithstanding subdivisions (a) and (e), the board may, by regulation, allow experience in academia to be qualifying under this section.

(g) This section shall become operative on January 1, 2027.

SEC. 14. Section 5093.5 of the Business and Professions Code is amended to read:

5093.5. (a) Notwithstanding subdivision (b) of Section 5093, the board may admit an applicant to the certified public accountant examination before the applicant completes the education requirements set forth in Section 5093, if the applicant is enrolled in a degree-granting university, college, or other institution of learning, as defined in Section 5094, and is within 180 days of completing the educational requirements set forth in paragraph (1) of subdivision (b) of Section 5093.

(b) Within 240 days of submitting an application pursuant to subdivision (a), the applicant shall provide the board with satisfactory evidence that they have completed the educational requirements set forth in paragraph (1) of subdivision (b) of Section 5093.

(c) Failure to comply with subdivision (b) may result in the loss of any credit received for passage of any part of the certified public accountant examination before the requirement described in subdivision (b) was met.

(d) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 15. Section 5094 of the Business and Professions Code is amended to read:

5094. (a) In order for education to be qualifying, it shall meet the standards described in subdivision (b) or (c) of this section.

(b) At a minimum, education shall be from a degree-granting university, college, or other institution of learning accredited by an accrediting agency included in a list of these agencies published by the United States Secretary of Education under the requirements of the Higher Education Act of 1965 as amended (20 U.S.C. Sec. 1001 et seq.).

(c) Education from a degree-granting college, university, or other institution of learning located outside the United States may be qualifying provided it is deemed by the board to be equivalent to education obtained under subdivision (b). The board may require an applicant to submit documentation of their education to a credential evaluation service approved by the board for evaluation and to cause the results of this evaluation to be reported to the board in order to assess educational equivalency.

(d) The board shall adopt regulations specifying the criteria and procedures for approval of credential evaluation services. These regulations shall, at a minimum, require that the credential evaluation service (1) furnish evaluations directly to the board, (2) furnish evaluations written in English, (3) be a member of the American Association of Collegiate Registrars and Admissions Officers, NAFSA: Association of International Educators, or the National Association of Credential Evaluation Services, (4) be used by accredited colleges and universities, (5) be reevaluated by the board every five years, (6) maintain a complete set of reference materials as specified by the board, (7) base evaluations only upon authentic, original transcripts and degrees and have a written procedure for identifying fraudulent transcripts, (8) include in the evaluation report, for each degree held by the applicant, the equivalent degree offered in the United States, the date the degree was granted, the institution granting the degree, an English translation of the course titles, and the semester unit equivalence for each of the courses, (9) have an appeal procedure for applicants, and (10) furnish the board with information concerning the credential evaluation service that includes biographical information on evaluators and translators, three letters of references from public or private agencies, statistical information on the number of applications processed annually for the past five years, and any additional information the board may require in order to ascertain that the credential evaluation service meets the standards set forth in this subdivision and in any regulations adopted by the board.

(e) Colleges, universities, or other institutions of learning that provide qualifying education as described in subdivisions (b) and (c) shall be referenced as "institutions of higher education" in this chapter.

SEC. 16. Section 5094.3 of the Business and Professions Code is amended to read:

5094.3. (a) An applicant for licensure as a certified public accountant shall, to the satisfaction of the board, provide documentation of the completion of 10 semester units or 15 quarter units of ethics study, as set forth in paragraph (2) of subdivision (b) of Section 5093, in the manner prescribed in this section.

(b) Beginning January 1, 2017, an applicant shall complete 10 semester units or 15 quarter units in courses described in subdivisions (c), (d), (e), and (f).

(c) A minimum of three semester units or four quarter units in courses at an upper division level or higher devoted to accounting ethics, accountants' professional responsibilities, auditing, or fraud unless the course was completed at a community college, in which case it need not be completed at the upper division level or higher.

(d) A maximum of 7 semester units or 11 quarter units, in the following subjects relating to ethics:

(1) Business, government, and society.

(2) Business law.

(3) Corporate governance.

- (4) Corporate social responsibility.
- (5) Ethics.
- (6) Fraud.
- (7) Human resources management.
- (8) Business leadership.
- (9) Legal environment of business.
- (10) Management of organizations.
- (11) Morals.
- (12) Organizational behavior.
- (13) Professional responsibilities.
- (14) Auditing.

(e) (1) A maximum of three semester units or four quarter units in courses taken in the following disciplines:

- (A) Philosophy.
- (B) Religion.
- (C) Theology.

(2) To qualify under this subdivision, the course title shall contain one or more of the terms "introduction," "introductory," "general," "fundamentals of," "principles," "foundation of," or "survey of," or have the name of the discipline as the sole name of the course title.

(f) A maximum of one semester unit of ethics study for completion of a course specific to financial statement audits.

(g) An applicant who has successfully passed the examination requirement specified under Section 5082 on or before December 31, 2013, is exempt from this section unless the applicant fails to obtain the qualifying experience as specified in Section 5092 or 5093 on or before December 31, 2015.

(h) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 17. Section 5094.6 of the Business and Professions Code is amended to read:

5094.6. (a) The board shall, by regulation, adopt guidelines for accounting study to be included as part of the education required under Section 5093.

(b) For purposes of this section, "accounting study" means independent study or other academic work in accounting, business, ethics, business law, or other academic work relevant to accounting and business, so as to enhance the competency of students as practitioners.

(c) This section shall remain in effect only until January 1, 2029, and as of that date is repealed.

SEC. 18. Section 5095 of the Business and Professions Code is amended to read:

5095. (a) To be authorized to sign reports on attest engagements, a licensee shall complete a minimum of 500 hours of experience, satisfactory to the board, in attest services. The board may, by regulation, also require the completion of specified job tasks associated with performing attest services.

(b) To qualify under this section, verified attest experience shall have been performed in accordance with applicable professional standards. Experience in public accounting shall be completed under the supervision or in the employ of a person licensed or otherwise having comparable authority under the laws of any state or country to engage in the practice of public accountancy and provide attest services. Experience outside of public accounting shall be completed under the supervision of an individual licensed by a state to engage in the practice of public accountancy and perform attest services. An applicant may be required to present work papers or other evidence substantiating that the applicant has met the requirements of this section and any applicable regulations.

(c) The board shall adopt regulations to implement this section, including, but not limited to, a procedure for applicants under Section 5092 or 5093 to qualify under this section.

SEC. 19. Section 5096 of the Business and Professions Code is amended to read:

5096. (a) An individual whose principal place of business is not in this state and who has a current and active license, certificate, or permit to practice public accountancy from another state may, subject to the conditions and limitations in this article, engage in the practice of public accountancy in this state under a practice privilege without obtaining a certificate or license under this chapter.

(b) An individual who qualifies for the practice privilege under this section may engage in the practice of public accountancy in this state, and a notice, fee, or other requirement shall not be imposed on that individual by the board.

(c) An individual who qualifies for the practice privilege under this section may perform the following services only through a firm of certified public accountants that has obtained a registration from the board pursuant to Section 5096.12:

(1) An audit or review of a financial statement for an entity headquartered in California.

(2) A compilation of a financial statement when that person expects, or reasonably might expect, that a third party will use the financial statement and the compilation report does not disclose a lack of independence for an entity headquartered in California.

(3) An examination of prospective financial information for an entity headquartered in California.

(d) An individual who holds a practice privilege under this article, and is exercising the practice privilege in California:

(1) Is subject to the personal and subject matter jurisdiction and disciplinary authority of the board and the courts of this state.

(2) Shall comply with the provisions of this chapter, board regulations, and other laws, regulations, and professional standards applicable to the practice of public accountancy by the licensees of this state and to any other laws and regulations applicable to individuals practicing under practice privileges in this state, except the individual is deemed, solely for the purpose of this article, to have met the continuing education requirements of this state when the individual has met the continuing education requirements of the state in which the individual holds the current and active license, certificate, or permit.

(3) Shall not provide public accountancy services in this state from any office located in this state, except as an employee of a firm registered in this state. This paragraph does not apply to public accountancy services provided to a client at the client's place of business or residence.

(4) Is deemed to have appointed the regulatory agency of the state in which the principal place of business identified by the individual is located, as the individual's agent on whom notices, subpoenas, or other process may be served in any action or proceeding by the board against the individual.

(5) Shall cooperate with any board investigation or inquiry and shall timely respond to a board investigation, inquiry, request, notice, demand, or subpoena for information or documents and timely provide to the board the identified information and documents.

(6) Shall cease exercising the practice privilege in this state if a regulatory agency in a state in which the individual holds a certificate, license, or permit takes disciplinary action resulting in the suspension or revocation, including stayed suspension, stayed revocation, or probation of the individual's certificate, license, or permit, or takes other disciplinary action against the individual's certificate, license, or permit that arises from any of the following:

(A) Gross negligence, recklessness, or intentional wrongdoing relating to the practice of public accountancy.

(B) Fraud or misappropriation of funds.

(C) Preparation, publication, or dissemination of false, fraudulent, or materially incomplete or misleading financial statements, reports, or information.

(7) Shall cease exercising the practice privilege in this state if convicted in any jurisdiction of any crime involving dishonesty, including, but not limited to, embezzlement, theft, misappropriation of funds or property, or obtaining money, property, or other valuable consideration by fraudulent means or false pretenses.

(8) Shall cease exercising the practice privilege if the United States Securities and Exchange Commission or the Public Company Accounting Oversight Board bars the individual from practicing before them.

(9) Shall cease exercising the practice privilege if any governmental body or agency suspends the right of the individual to practice before the body or agency.

(10) Shall report to the board in writing any pending criminal charges, other than for a minor traffic violation, in any jurisdiction within 30 days of the date the individual has knowledge of those charges.

(e) An individual who is required to cease practice pursuant to paragraphs (6) to (9), inclusive, of subdivision (d) shall notify the board within 15 calendar days, on a form prescribed by the board, and shall not practice public accountancy in this state pursuant to this section until the individual has received from the board written permission to do so.

(f) An individual who fails to cease practice as required by subdivision (d) or who fails to provide the notice required by subdivision (e) shall be subject to the personal and subject matter jurisdiction and disciplinary authority of the board as if the practice privilege were a license and the individual were a licensee. An individual in violation of subdivision (d) or (e) shall, for a minimum of one year from the date the board learns there has been a violation of subdivision (d) or (e), not practice in this state and shall not have the possibility of reinstatement during that period. If the board determines that the failure to cease practice or provide the notice was intentional, that individual's practice privilege shall be revoked and there shall be no possibility of reinstatement for a minimum of two years.

(g) The board shall require an individual who provides notice to the board pursuant to subdivision (e) to cease the practice of public accountancy in this state until the board provides the individual with written permission to resume the practice of public accountancy in this state.

(h) (1) An individual to whom, within the last seven years immediately preceding the date on which the individual wishes to practice in this state, any of the following criteria apply, shall notify the board, on a form prescribed by the board, and shall not practice public accountancy in this state pursuant to this section until the board provides the individual with written permission to do so:

(A) The individual has been the subject of any final disciplinary action by the licensing or disciplinary authority of any other jurisdiction with respect to any professional license or has any charges of professional misconduct pending against that individual in any other jurisdiction.

(B) The individual has had their license in another jurisdiction reinstated after a suspension or revocation of the license.

(C) The individual has been denied issuance or renewal of a professional license or certificate in any other jurisdiction for any reason other than an inadvertent administrative error.

(D) The individual has been convicted of a crime or is subject to pending criminal charges in any jurisdiction other than a minor traffic violation.

(E) The individual has otherwise acquired a disqualifying condition as described in subdivision (a) of Section 5096.2.

(2) An individual who fails to cease practice as required by subdivision (d) or who fails to provide the notice required by paragraph (1) shall be subject to the personal and subject matter jurisdiction and disciplinary authority of the board as if the practice privilege were a license and the individual were a licensee. An individual in violation of subdivision (d) or paragraph (1) shall, for a minimum of one year from the date the board knows there has been a violation of subdivision (d) or paragraph (1), not practice in this state and shall not have the possibility of reinstatement during that period. If the board determines that the failure to cease practice or provide the notice was intentional, that individual shall be prohibited from practicing in this state in the same manner as if a licensee has that licensee's practice privilege revoked and there shall be no possibility of reinstatement for a minimum of two years.

(i) At the time of notification pursuant to subdivision (e) or (h), if the individual has a valid email address, that individual shall provide that email address to the board.

(j) The board shall consult the Public Company Accounting Oversight Board and the United States Securities and Exchange Commission at least once every six months to identify out-of-state licensees who may have disqualifying conditions or who may be obliged to cease practice, and shall disclose, pursuant to this subdivision, whether those out-of-state licensees are lawfully permitted to exercise the privilege. Disclosure of this information shall not be considered discipline.

SEC. 20. Section 5096.1 of the Business and Professions Code is amended to read:

5096.1. (a) Any individual, not a licensee of this state, who is engaged in any act which is the practice of public accountancy in this state, and who does not qualify to practice pursuant to the practice privilege described in Section 5096 and who has a license, certificate, or other authority to engage in the practice of public accountancy in any other state, regardless of whether active, inactive, suspended, or subject to renewal on payment of a fee or completion of an educational or ethics requirement, is:

(1) Deemed to be practicing public accountancy unlawfully in this state.

(2) Subject to the personal and subject matter jurisdiction and disciplinary authority of the board and the courts of this state to the same extent as a holder of a valid practice privilege.

(3) Deemed to have appointed the regulatory agency of the state in which the principal place of business identified by the individual is located, as the individual's agent on whom notices, subpoenas, or other process may be served in any action or proceeding by the board against the individual.

(b) The board may revoke a practice privilege from any individual who has violated this section or implementing regulations or committed any act which would be grounds for discipline against the holder of a practice privilege.

SEC. 21. Section 5096.4 of the Business and Professions Code is amended to read:

5096.4. (a) The right of an individual to practice in this state under a practice privilege may be administratively suspended at any time by an order issued by the board or its executive officer, without prior notice or hearing, for the purpose of conducting a disciplinary investigation, proceeding, or inquiry concerning the individual's competence or qualifications to practice under practice privileges, failure to timely respond to a board inquiry or request for information or documents, or under other conditions and circumstances provided for by board regulation.

(b) The administrative suspension order is immediately effective when mailed to the individual's address of record or agent for notice and service as provided for in this article.

(c) The administrative suspension order shall contain the following:

(1) The reason for the suspension.

(2) A statement that the individual has the right, within 30 days, to appeal the administrative suspension order and request a hearing.

(3) A statement that any appeal hearing will be conducted under the provisions of the Administrative Procedure Act (Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code) applicable to individuals who are denied licensure, including the filing of a statement of issues by the board setting forth the reasons for the administrative suspension of practice privileges and specifying the statutes and rules with which the individual must show compliance by producing proof at the hearing and in addition any particular matters that have come to the attention of the board and that would authorize the administrative suspension, or the revocation of practice privileges.

(d) The burden is on the holder of the suspended practice privilege to establish both qualification and fitness to practice under practice privileges.

(e) The administrative suspension shall continue in effect until terminated by an order of the board or the executive officer.

(f) Administrative suspension is not discipline and shall not preclude any individual from applying for a license to practice public accountancy in this state.

(g) Proceedings to appeal an administrative suspension order may be combined or coordinated with proceedings for revocation or discipline of a practice privilege.

SEC. 22. Section 5096.12 of the Business and Professions Code is amended to read:

5096.12. (a) A certified public accounting firm that is authorized to practice in another state and that does not have an office in this state may engage in the practice of public accountancy in this state through the holder of a practice privilege provided that:

(1) The practice of public accountancy by the firm is limited to authorized practice by the holder of the practice privilege.

(2) A firm that engages in practice under this section is deemed to consent to the personal, subject matter, and disciplinary jurisdiction of the board with respect to any practice under this section.

(b) The board may revoke, suspend, issue a fine pursuant to Article 6.5 (commencing with Section 5116), issue a citation and fine pursuant to Section 125.9, or otherwise restrict or discipline the firm for any act that would be grounds for discipline against a holder of a practice privilege through which the firm practices.

(c) A firm that provides the services described in subdivision (c) of Section 5096 shall obtain a registration from the board. At the time of registration, if the firm has a valid email address, it shall provide that email address to the board.

SEC. 23. Section 5096.20 of the Business and Professions Code is amended to read:

5096.20. (a) To ensure that Californians are protected from out-of-state licensees with disqualifying conditions, the board shall maintain an out-of-state licensee feature on its license lookup tab of the home page of its internet website that allows consumers to obtain information about an individual whose principal place of business is not in this state and who seeks to exercise a practice privilege in this state. At minimum, these features shall include all of the following:

(1) The ability of the consumer to search by name and state of licensure.

(2) The disclosure of information in the possession of the board, which the board is otherwise authorized to publicly disclose, about an individual exercising a practice privilege in this state, including, but not limited to, whether the board has taken action of any form against that individual and, if so, what the action was or is.

(3) A disclaimer that the consumer must click through prior to being referred to any other internet website, which in plain language explains that the consumer is being referred to an internet website that is maintained by a regulatory agency or other entity that is not affiliated with the board. This disclaimer shall include a link to relevant sections of this article that set forth disqualifying conditions, including, but not limited to, Section 5096.2.

(4) A statement in plain language that notifies consumers that they are permitted to file complaints against such individuals with the board.

(5) A link to the internet website or sites that the board determines, in its discretion, provides the consumer the most complete and reliable information available about the individual's status as a licenseholder, permitholder, or certificate holder.

(6) If the board of another state does not maintain an internet website that allows a consumer to obtain information about its licensees including, but not limited to, disciplinary history, and that information is not available through a link to an internet website maintained by another entity, a link to contact information for that board, which contains a disclaimer in plain language that explains that the consumer is being referred to a board that does not permit the consumer to obtain information, including, but not limited to, disciplinary history, about individuals through the internet website, and that the out-of-state board is not affiliated with the board.

(b) The board shall biennially survey the internet websites and disclosure policies of other boards to ensure that its disclaimers are accurate.

SEC. 24. Section 5096.21 of the Business and Professions Code is amended to read:

5096.21. (a) (1) If the board determines, through a majority vote of the board at a regularly scheduled meeting, that allowing individuals from a particular state to practice in this state pursuant to a practice privilege as described in Section 5096, violates the board's duty to protect the public, pursuant to Section 5000.1, the board shall require out-of-state individuals licensed from that state, as a condition to exercising a practice privilege in this state, to file the notification form and pay the applicable fees as required by Section 5096.22.

(2) A state for which the board has made a determination pursuant to paragraph (1) to require individuals licensed from that state to file a notification form and pay the applicable fees may subsequently be redetermined by the board, by majority vote of the board at a regularly scheduled meeting, to allow individuals from that state to practice in this state pursuant to a practice privilege as described in Section 5096.

(b) The board shall, at minimum, consider the following factors when making a determination or redetermination pursuant to subdivision (a):

(1) Whether the state timely and adequately addresses enforcement referrals made by the board to the accountancy regulatory board of that state, or otherwise fails to respond to requests the board deems necessary to meet its obligations under this article.

(2) Whether the state makes the disciplinary history of its licensees publicly available through the internet in a manner that allows the board to adequately link consumers to an internet website to obtain information.

(3) Whether the state imposes discipline against licensees that is appropriate in light of the nature of the alleged misconduct.

(4) Whether the state has in place and is operating pursuant to enforcement practices substantially equivalent to the current best practices guidelines adopted by the National Association of State Boards of Accountancy provided those guidelines have been determined by the board to meet or exceed the board's own enforcement practices.

(5) Whether the state has in place and implements comparable licensure requirements.

SEC. 25. Section 5096.22 of the Business and Professions Code is amended to read:

5096.22. (a) An individual whose principal place of business is in a state subject to an action of the board pursuant to Section 5096.21 shall do all of the following:

(1) Prior to practicing, submit a notification form to the board in a manner prescribed by board regulation.

(2) If the board has determined the state in which the individual has their principal place of business to not have comparable licensure requirements, indicate on the notification form they satisfy one of the following:

(A) Have continually practiced public accountancy as a certified public accountant under a current and active license issued by any state for at least 4 of the last 10 years.

(B) Have passed the Uniform Certified Public Accountant Examination and completed education that included a baccalaureate degree or higher with an accounting concentration and at least one year of general accounting experience.

(3) Pay a fee equal to the reasonable administrative costs, as established by the board.

(b) Except as otherwise provided by this article or by board regulation, a practice privilege subject to this section shall commence when the individual submits a properly completed notification form to the board, provided that the fee is received by the board within 30 days of that date. The board shall permit the notification to be provided electronically.

(c) An individual shall not be deemed to be in violation of this section solely because they begin the practice of public accounting in California prior to notifying the board as indicated in subdivision (a), provided the notice is given within five business days of the date practice begins. An individual who properly notifies the board within the five-day period provided for in this subdivision shall be deemed to have a practice privilege from the first day of practice in California unless the individual fails to timely submit the required fee. Failure to comply with this section means that the individual is practicing public accountancy unlawfully in this state and is in violation of Section 5120. In addition to any other available remedy, the board may issue a fine equal to reasonable enforcement costs if an individual notifies the board more than five business days after beginning practice in California.

(d) An individual whose principal place of business is in a state subject to an action by the board pursuant to Section 5096.21 shall not be deemed in violation of the notice and fee requirements of this section if the failure to comply occurs within 60 days of the date of the board action.