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**HOUSE COMMITTEE AMENDMENTS**

2016 Regular Session

Amendments proposed by House Committee on Commerce to Original House Bill No. 870  
by Representative StokesAMENDMENT NO. 1

On page 1, line 4, change "74.1(introductory paragraph)" to "74.1" and change "(G)(5)" to "(G)(introductory paragraph) and (5)"

AMENDMENT NO. 2

On page 1, line 5, after "(4)" and before "and" insert a comma ","

AMENDMENT NO. 3

On page 1, delete line 8 in its entirety and insert in lieu thereof the following:

"91(B), and to enact R.S. 37:73(18) and (19), 79(B)(5), 87(D), and 94(A),"

AMENDMENT NO. 4

On page 1, line 9, delete "R.S. 37:74.1(1) through (17)" and insert "R.S. 37:77(I)"

AMENDMENT NO. 5

On page 1, at the end of line 12, delete "to eliminate" and on line 13, delete "the statutory fee schedule;"

AMENDMENT NO. 6

On page 2, line 17, delete "74.1(introductory paragraph); 75(A), (C)(3), (D)(1), (3) and (4) and (G)" and insert in lieu thereof "74.1, 75(A), (C), (D), and (G)"

AMENDMENT NO. 7

On page 2, delete lines 18 and 19 in their entirety and insert in lieu thereof the following:

"(G)(introductory paragraph) and (5), 77(A), (B), (C)(2)(introductory paragraph) and (b), (3) and (4), and (D) through (H), 77.1(A)(introductory paragraph), (1) and (2) and (B), 79(A)(introductory paragraph)"

AMENDMENT NO. 8

On page 2, at the beginning of line 20, delete "paragraph)"

AMENDMENT NO. 9

On page 2, line 21, change "91(B(1))" to "91(B)"

AMENDMENT NO. 10

On page 3, line 29, after "R.S. 37:75(I)" delete the comma "," and at the end of the line, delete the comma ","

1 AMENDMENT NO. 11

2 On page 4, line 2, delete "CPA Inactive" and insert "CPA-Inactive" or "CPA- Retired"

3 AMENDMENT NO. 12

4 On page 4, line 5, change "(6)" to "(6)(a)"

5 AMENDMENT NO. 13

6 On page 4, line 6, change "(a)" to "(i)"

7 AMENDMENT NO. 14

8 On page 4, line 10, change "(b)" to "(ii)"

9 AMENDMENT NO. 15

10 On page 4, line 12, change "(2)" to "(b)"

11 AMENDMENT NO. 16

12 On page 4, line 14, change "so" to "as"

13 AMENDMENT NO. 17

14 On page 4, line 18, after "honest" and before "and" insert a comma ","

15 AMENDMENT NO. 18

16 On page 4, line 19, after "felonious" delete the remainder of the line and insert in lieu thereof  
17 "acts."

18 AMENDMENT NO. 19

19 On page 5, line 8, delete "AICPA's" and insert in lieu thereof "American Institute of  
20 "Certified Public Accountants"

21 AMENDMENT NO. 20

22 On page 6, at the end of line 7, insert "state or"

23 AMENDMENT NO. 21

24 On page 6, line 22, delete "licensees, certificates, and permits" and insert in lieu thereof  
25 "licensees and all certificates and permits issued by the board"

26 AMENDMENT NO. 22

27 On page 6, line 25, delete "said" and insert "the"

28 AMENDMENT NO. 23

29 On page 7, delete line 13 in its entirety and on line 14, delete "firm," and insert in lieu  
30 thereof the following:

31 "Part and the conduct of holders of a certificate, ~~and permits~~ license, or permit"

1 AMENDMENT NO. 24

2 On page 7, line 18, after "fees" delete the remainder of the line and insert in lieu thereof  
3 "which shall not exceed the following:"

4 AMENDMENT NO. 25

5 On page 7, delete lines 19 and 20 in their entirety and insert in lieu thereof the following:

6	"(1) Original or reciprocal certification application	<del>\$150.00</del> <u>\$250.00</u>
7	(2) Reinstatement application	<del>\$150.00</del> <u>\$500.00</u>
8	(3) Notice under substantial equivalency	<del>\$100.00</del> <u>\$200.00</u>
9	(4) Transfer of grades transfer fee	\$ 50.00
10	(5) Written verifications requested by applicants	
11	and registrants	<del>\$ 50.00</del> <u>\$100.00</u>
12	(6) Registration <u>and renewal</u> fee for CPA,	<del>\$ 60.00</del> <u>\$100.00</u>
13	<del>inactive</del> <u>CPA-Inactive</u> status	
14	(7) <u>Registration and renewal</u> fee for	
15	<u>CPA-Retired</u> status	<u>\$50.00</u>
16	<del>(7)</del> <u>(8)</u> Application to establish experience	<del>\$100.00</del> <u>\$200.00</u>
17	<u>or evaluate education courses and qualifications</u>	
18	<del>(8)</del> <u>(9)</u> Annual renewal of certificate	<del>\$100.00</del> <u>\$200.00</u>
19	<del>(9)</del> <u>(10)</u> <u>Renewal Additional</u> fee if not renewed prior to	
20	February 1	<u>\$200.00 per month</u>
21	<del>(10)</del> <u>Renewal fee if not renewed and reinstated</u>	
22	<u>prior to March 1</u>	<u>\$300.00</u>
23	<del>(11)</del> <u>Additional fee if not renewed and reinstated</u>	
24	<u>prior to April 16</u>	<u>\$200.00</u>
25	<del>(12)</del> <u>Certified public accountants, registrants,</u>	
26	<u>or CPA firms who have received three</u>	
27	<u>suspensions within the previous six years</u>	
28	<u>for delinquent filing of renewals of their</u>	
29	<u>certificates or permits an additional fee of</u>	<u>\$300.00</u>
30	<u>(11) Additional fee to licensees or CPA firms who</u>	
31	<u>have delinquenty renewed their certificates</u>	
32	<u>or permits three times within the previous</u>	
33	<u>six years</u>	<u>\$300.00</u>
34	<del>(13)</del> <u>(12)</u> Firm permit, initial application	<del>\$150.00</del> <u>\$250.00</u>
35	<del>(14)</del> <u>(13)</u> Annual filing fee for firm permit	<del>\$15.00 per owner, partner,</del>
36		<del>member, or shareholder not</del>
37		<del>licensed to practice in</del>
38		<del>Louisiana, with a maximum</del>
39		<del>fee of \$5,000.00 per firm</del>
40		<u>\$100.00 plus \$25.00 per each</u>
41		<u>owner over 10, with a maximum</u>
42		<u>fee of \$2,500.00 per firm</u>
43	<del>(15)</del> <u>(14)</u> Additional delinquent fees for	<del>\$15.00 per owner, partner,</del>
44	firm permit renewals received	<del>member, or shareholder, in</del>
45	on or after February 1	<del>addition to the regular filing</del>
46		<del>fee for renewal of firm permit,</del>
47		<del>not in excess of a maximum</del>
48		<del>additional fee of \$5,000.00</del>
49		<u>\$300.00</u>
50	<del>(16)</del> <u>Delinquent fees for firm permit</u>	<u>\$30.00 per owner in addition</u>
51	<u>renewals per owner, partner,</u>	<u>to the regular filing fee for</u>
52	<u>member, or shareholder received</u>	<u>renewal of firm permit, not in</u>
53	<u>on or after March 1</u>	<u>excess of a maximum addi-</u>
54		<u>tional \$10,000.00</u>

1           ~~(17)~~(15) Reinstatement fee for firms           The number of years the  
2                            continuing to practice as a CPA           firm practiced without a  
3                            firm in Louisiana after the expir-           permit times the annual firm  
4                            ation or cancellation of the firm           permit renewal fee"

5    AMENDMENT NO. 26

6    On page 8, line 18, delete "must" and insert "shall"

7    AMENDMENT NO. 27

8    On page 8, line 19, delete "must" and insert "shall"

9    AMENDMENT NO. 28

10   On page 9, at the end of line 21, insert the following:

11                    "The board may grant additional time to complete the requirements as  
12                    provided in this Section when an applicant can demonstrate circumstances  
13                    of extreme hardship."

14   AMENDMENT NO. 29

15   On page 10, line 6, delete "must" and insert "shall"

16   AMENDMENT NO. 30

17   On page 10, line 16, delete "must" and insert "shall"

18   AMENDMENT NO. 31

19   On page 10, delete line 24 in its entirety and insert in lieu thereof the following:

20                    "for or hold certificates, licenses, or permits, or information pertaining to any  
21                    current investigation or ~~and any~~ past denial,"

22   AMENDMENT NO. 32

23   On page 11, line 4, delete "under" and insert "as provided by"

24   AMENDMENT NO. 33

25   On page 11, at the end of line 9, insert a semicolon ";" and "exceptions"

26   AMENDMENT NO. 34

27   On page 11, line 11, delete "entities that make" and insert "applicants who submit an"

28   AMENDMENT NO. 35

29   On page 11, line 14, delete "must" and insert "shall"

30   AMENDMENT NO. 36

31   On page 11, line 21, delete "R.S. 37:77(C)" and insert in lieu thereof "Subsection C of this  
32   Section"

1 AMENDMENT NO. 37

2 On page 11, line 22, delete "R.S. 37:77(H)" and insert in lieu thereof "Subsection G of this  
3 Section"

4 AMENDMENT NO. 38

5 On page 12, line 8, delete "under" and insert "as provided in"

6 AMENDMENT NO. 39

7 On page 12, line 23, delete "under" and insert "as provided by"

8 AMENDMENT NO. 40

9 On page 13, line 6, delete "under" and insert "as provided by"

10 AMENDMENT NO. 41

11 On page 13, line 24, after "list" delete the remainder of the line and insert in lieu thereof "the  
12 information pertaining to any current investigation or past denial,"

13 AMENDMENT NO. 42

14 On page 14, line 10, change "(G)(1)(a)" to "G.(1)"

15 AMENDMENT NO. 43

16 On page 14, line 22, after "services" and before "shall" insert a comma "," and "excluding  
17 engagements subject to a permanent inspection program of the Public Company Accounting  
18 Oversight Board,"

19 AMENDMENT NO. 44

20 On page 14, delete lines 24 through 28 in their entirety

21 AMENDMENT NO. 45

22 On page 15, delete lines 1 through 15 in their entirety and insert in lieu thereof the following:

23 ~~"(2)(a) However, in the case of a licensee who qualifies for an exemption from~~  
24 ~~periodic review because of a peer review and who is a member of the Center for~~  
25 ~~Public Company Audit Firms, the peer review report shall have been submitted to~~  
26 ~~the American Institute of Certified Public Accountants or the Society of Louisiana~~  
27 ~~Certified Public Accountants and shall be available to the board.~~

28 Each of the following is approved by the board:

29 (i) The American Institute of Certified Public Accountants peer review  
30 program.

31 (ii) Other peer review programs administered by organizations fully involved  
32 in the administration of the American Institute of Certified Public Accountants peer  
33 review program that utilize the Standards for Performing and Reporting on Peer  
34 Reviews promulgated by the American Institute of Certified Public Accountants.  
35 The board may approve other nationally recognized peer review programs and peer  
36 review standards that are not less stringent than the American Institute of Certified  
37 Public Accountants peer review program and peer review standards.

38 (iii) The Society of Louisiana Certified Public Accountants, other state CPA  
39 societies fully involved in the administration of the American Institute of Certified  
40 Public Accountants peer review program, and the American Institute of Certified  
41 Public Accountants for the administration of peer review.

1            (iv) The Public Company Accounting Oversight Board's permanent inspection  
 2 process for engagements subject to a permanent inspection program of the Public  
 3 Company Accounting Oversight Board. Firms only performing such engagements  
 4 are exempt from the peer review requirement in Paragraph (1) of this Subsection.

5            ~~(b) In the case of a licensee who qualifies for an exemption from periodic~~  
 6 ~~review because of a peer review who is not a member of the Center for Public~~  
 7 ~~Company Audit Firms, the board shall have received certification from the American~~  
 8 ~~Institute of Certified Public Accountants, or the Society of Louisiana Certified Public~~  
 9 ~~Accountants or another state-certified public accountant society of the licensee's~~  
 10 ~~participation in a peer review program and the dates of the licensee's most recent~~  
 11 ~~peer review:~~

12            Firms subject to permanent inspections of the Public Company Accounting  
 13 Oversight Board are also required to meet the peer review requirements in Paragraph  
 14 (1) of this Subsection that cover the portion of the firm's attest practice not subject  
 15 to the Public Company Accounting Oversight Board's permanent inspection process,  
 16 should the firm have such a practice.

17            (3) The board may adopt rules to:

18            ~~(a)(i) Establish a program for the scheduled inspection, examination, and~~  
 19 ~~review of working papers developed by licensees in connection with the issuance of~~  
 20 ~~any audit, review, or compilation report and provide for such a review of all~~  
 21 ~~licensees within each three-year period or such longer period as the board may~~  
 22 ~~prescribe. The board shall during any such period exempt from the requirement of~~  
 23 ~~such review of working papers licensees who during such period have been subjected~~  
 24 ~~to a professional peer review, the report of which shall be available to the board;~~  
 25 ~~approved by and acceptable to the board and conducted pursuant to standards not~~  
 26 ~~less stringent than those applied by the American Institute of Certified Public~~  
 27 ~~Accountants and administered by the Society of Louisiana Certified Public~~  
 28 ~~Accountants or another state-certified public accountant society. If the professional~~  
 29 ~~peer review report is not made available to the board, the licensee shall submit the~~  
 30 ~~report to the board in accordance with rules and regulations adopted and promulgated~~  
 31 ~~by the board in accordance with the Administrative Procedure Act.~~

32            ~~(ii) However, in the case of a peer review qualifying for exemption of a~~  
 33 ~~licensee who is a member of the Center for Public Company Audit Firms, the peer~~  
 34 ~~review report shall have been submitted to the American Institute of Certified Public~~  
 35 ~~Accountants or the Society of Louisiana Certified Public Accountants and shall be~~  
 36 ~~available to the board.~~

37            ~~(iii) However, in the case of a peer review qualifying a licensee for such~~  
 38 ~~exemption, a licensee which is not a member of the Center for Public Company~~  
 39 ~~Audit Firms, the board shall have received certification from the American Institute~~  
 40 ~~of Certified Public Accountants, or the Society of Louisiana Certified Public~~  
 41 ~~Accountants or another state-certified public accountant society, of the licensee's~~  
 42 ~~participation in a peer review program and the dates of the licensee's most recent~~  
 43 ~~peer review.~~

44            ~~(b) Provide that a licensee shall reimburse the board for expenses incurred by~~  
 45 ~~the board in connection with its review of the working papers of any such licensee.~~  
 46 ~~However, such reimbursable expenses shall include only reasonable travel expenses~~  
 47 ~~and a per diem prescribed by the board, and the aggregate amount of such~~  
 48 ~~reimbursable expenses shall not exceed the sum of one thousand dollars as to any~~  
 49 ~~licensee in any three-year period.~~

50            Firms shall make peer review results and inspection results of the Public  
 51 Company Accounting Oversight Board available to the board in accordance with  
 52 rules and regulations adopted by the board."

53 AMENDMENT NO. 46

54 On page 15, line 16, change "(3)" to "(4)"

1 AMENDMENT NO. 47

2 On page 15, delete line 18 in its entirety

3 AMENDMENT NO. 48

4 On page 15, line 19, delete "(4)(a)" and insert "(5)(a)"

5 AMENDMENT NO. 49

6 On page 16, line 4, delete the asterisks "\*\*\*\*" and insert in lieu thereof the following:

7 " (b) The privilege in Subparagraph (a) of this Paragraph shall not be construed  
8 to do any of the following:

9 (i) Establish a privilege with respect to any information or records within the  
10 knowledge or possession of a person or firm not obtained from or produced in  
11 connection with a peer review.

12 (ii) Prevent the disclosure, use, or introduction of information or other records  
13 privileged by Subparagraph (a) of this Paragraph in any civil proceeding arising out  
14 of a dispute between persons conducting a peer review and a licensee subject to a  
15 peer review and arising from the performance of a peer review.

16 (iii) Prevent a designee of the board from disclosing, using, introducing, or  
17 testifying with respect to information or records which are relevant in a proceeding  
18 before the board pursuant to R.S. 37:79, 80, 81, and 84.

19 (iv) Prevent designees of the Society of Louisiana Certified Public  
20 Accountants from giving the board access to peer review reports or having  
21 discussions with a designee of the board concerning peer review reports.

22 (v) Prevent peer review reports of licensees who participate in the Center for  
23 Public Company Audit Firms Peer Review program from being disclosed.

24 F. H. All firms holding a valid registration as a certified public accounting firm  
25 on June 18, 1999, shall be deemed to have met the initial permit requirements of this  
26 Section."

27 AMENDMENT NO. 50

28 On page 16, line 25, delete the comma ","

29 AMENDMENT NO. 51

30 On page 17, line 2, delete "under" and insert "pursuant to the provisions of"

31 AMENDMENT NO. 52

32 On page 17, line 3, delete the comma ","

33 AMENDMENT NO. 53

34 On page 17, line 4, after "permit," and before "reprimand" insert "or"

35 AMENDMENT NO. 54

36 On page 17, delete line 5 in its entirety and insert in lieu thereof "individual granted  
37 privileges ~~under~~ as provided by R.S. 37:94, or impose an administrative fine not to"

38 AMENDMENT NO. 55

39 On page 17, line 7, delete "under" and insert "as provided by"

1 AMENDMENT NO. 56

2 On page 17, line 11, after "any" delete the remainder of the line and insert in lieu thereof  
3 "state, ~~or federal agency,~~ or the Public Company Accounting Oversight Board."

4 AMENDMENT NO. 57

5 On page 18, line 22, delete "thereon"

6 AMENDMENT NO. 58

7 On page 18, line 23, delete "(SSARS)" and insert in lieu thereof "the Statements on  
8 Standards for Accounting and Review Services (SSARS)."~~and delete line 24 in its entirety~~

9 AMENDMENT NO. 59

10 On page 19, line 1, delete "in writing"

11 AMENDMENT NO. 60

12 On page 19, line 5, delete the comma ", "

13 AMENDMENT NO. 61

14 On page 19, line 17, after "justify" delete the remainder of the line

15 AMENDMENT NO. 62

16 On page 19, line 18, delete "penalty," and insert in lieu thereof "a penalty, fine,"

17 AMENDMENT NO. 63

18 On page 19, line 29, change "R.S. 37:77(G)(4)(b)" to "R.S. 37:77(G)(5)(b)"

19 AMENDMENT NO. 64

20 On page 20, delete lines 11 through 24 in their entirety and insert in lieu thereof the  
21 following:

22 B. No action based on negligence may be brought against any defendant  
23 licensee; or any employee or principal of a defendant licensee unless all of the  
24 following conditions exists:

25 ~~(1) by any person or entity claiming~~ The plaintiff claims to have been injured  
26 as a result of their justifiable reliance upon financial statements or other information  
27 examined, compiled, reviewed, certified, audited, prepared pursuant to a preparation  
28 of financial statement engagement, or otherwise prepared, reported, or opined on by  
29 the defendant licensee or in the course of ~~an~~ the defendant licensee's engagement to  
30 provide other services, ~~may be brought unless either of the following conditions~~  
31 ~~exist:~~

32 ~~(1)(2)~~ (2) The plaintiff is the issuer or successor of the issuer of the financial  
33 statements or other information examined, compiled, reviewed, certified, audited,  
34 prepared pursuant to a preparation of financial statement engagement, or otherwise  
35 prepared, reported, or opined on by the defendant licensee, and such plaintiff has  
36 engaged the defendant licensee to examine, compile, review, certify, audit, prepare  
37 pursuant to a preparation of financial statement engagement, or otherwise report or  
38 render an opinion on such financial statements or to provide other services.

39 ~~(2)(3)~~ (3) The defendant licensee was aware at the time the engagement was  
40 undertaken that the financial statements or other information were to be made  
41 available for use in connection with a specified transaction by the plaintiff who was

1 specifically identified to the defendant licensee, was aware that the plaintiff intended  
2 to rely upon such financial statements or other information in connection with the  
3 specified transaction, and had direct contact and communication with the plaintiff  
4 and expressed by words and conduct the defendant licensee's understanding of the  
5 reliance on such financial statements or other information.

6 AMENDMENT NO. 65

7 On page 21, line 5, delete "R.S. 37:74.1(1) through (17) are" and insert in lieu thereof "R.S.  
8 37:77(I) is"