

**§12252. Licenses; accounting firms**

**1. Licensure.** The board shall grant or renew a license to accounting firms that submit the application required by the board, pay the fee as set under section 12203 and demonstrate their qualifications in accordance with this section.

A. A firm must hold a license issued under this section if it:

- (1) Has an office in this State performing any of the services described in section 12201, subsection 3-A, paragraphs A to D;
- (2) Has an office in this State that uses the title "CPA" or "CPA firm"; or
- (3) Does not have an office in this State but performs any of the services described in section 12201, subsection 3-A, paragraph A, C or D for a client having its home office in this State unless:
  - (a) It qualifies for a firm license pursuant to subsections 3 and 8 and it performs such services through an individual with practice privileges under section 12232; or
  - (b) It meets the requirements of section 12253. [PL 2021, c. 68, §2 (AMD).]

B. A firm that does not have an office in this State may perform services described in section 12201, subsection 3-A, paragraph B or F for a client having its home office in this State and may use the title "CPA" or "CPA firm" without a license issued under this section only if:

- (1) It qualifies for a firm license pursuant to subsections 3 and 8 and it performs such services through an individual with practice privileges under section 12232; or
- (3) It meets the requirements of section 12253. [PL 2021, c. 68, §2 (AMD).]

C. A firm that is not subject to the requirements of paragraphs A and B may perform professional services other than those described in section 12201, subsection 3-A while using the title "CPA" or "CPA firm" in this State without a license issued under this section only if the firm meets the requirements of section 12253 or:

- (1) Performs such services through an individual with practice privileges under section 12232; and
- (2) Has legal authority to perform such services in the state of that individual's principal place of business. [PL 2021, c. 68, §2 (AMD).]

[PL 2021, c. 68, §2 (AMD).]

**2. Duration.** A license expires on the date set by the Commissioner of Professional and Financial Regulation pursuant to Title 10, section 8003, subsection 4 for the licensing period for which the license was issued. A license may be renewed upon receipt of an application for renewal and payment of the renewal fee as set under section 12203.

Licenses may be renewed up to 90 days after the date of expiration upon payment of a late fee in addition to the renewal fee as set under section 12203. Any firm that submits an application for renewal more than 90 days after the expiration date is subject to all requirements governing new applicants under this chapter. The board in its discretion, giving due consideration to the protection of the public, may waive any requirements if that renewal application is made within 2 years from the date of that expiration.

[PL 2009, c. 242, §21 (AMD).]

**3. Firm licenses.** The following provisions apply to the issuance of firm licenses.

A. An applicant for initial issuance or renewal of a license under this section shall show that a simple majority of the ownership of the firm, in terms of financial interests and voting rights of all partners, officers, shareholders, members or managers, belongs to certified public accountants or

public accountants who are licensed in a state and that all partners, officers, shareholders, members or managers whose principal place of business is in this State and who perform professional services in this State hold valid individual licenses issued by the board. Firms may include nonlicensee owners in accordance with paragraph B. [PL 2009, c. 242, §21 (AMD).]

B. A certified public accountancy firm or public accountancy firm may include nonlicensee owners as long as:

- (1) All nonlicensee owners are individuals who actively participate in the certified public accountancy firm or public accountancy firm or an affiliated entity;
- (2) The firm complies with such other requirements as the board may impose by rule; and
- (3) The firm designates an individual who is a licensee of this State or, in the case of a firm that must have a license pursuant to subsection 1, paragraph A, subparagraph (3), designates an individual who is a licensee of another state who meets the requirements set out in section 12232, subsection 1 who is responsible for the proper licensure of the firm and identifies that individual who is a licensee to the board. [PL 2015, c. 110, §9 (AMD).]

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**4. Office licensed.** An applicant for initial issuance or renewal of a license under this section shall license each office of the firm within this State with the board, pay the fee as set under section 12203 and show that each such office is under the charge of a person holding a valid license issued under section 12230 or 12231 or a corresponding provision of prior law or the laws of another state. [PL 2009, c. 242, §21 (AMD).]

**5. Fees.**

[PL 2007, c. 402, Pt. Z, §17 (RP).]

**6. Change in composition.** A licensed firm shall notify the board in writing, within 30 days after its occurrence, of any change in the identities of partners, officers or shareholders who work regularly within this State, any change in the number or location of offices within this State or any change in the identity of the persons in charge of those offices.

[PL 2009, c. 242, §21 (AMD).]

**7. Adjudicatory hearing.**

[PL 2007, c. 402, Pt. Z, §17 (RP).]

**8. Peer review for certified public accountancy firms.** As a condition to the granting or renewal of licenses to certified public accountancy firms, each applicant that provides an attest service other than compilations must successfully participate in an approved peer review program. Participation in such a program is governed by the following.

A. A peer review must be completed within 18 months after the initial granting of the license. The firm must undergo a peer review every 3 years for as long as it provides an attest service other than compilations. [PL 2015, c. 110, §10 (AMD).]

B. A certified public accountancy firm that does not provide an attest service other than compilations is not required to undergo a peer review if the firm annually confirms in writing to the board that it does not provide an attest service other than compilations. A certified public accountancy firm that subsequently provides an attest service other than compilations must undergo a peer review within 18 months after the fiscal year end of the first attest services engagement other than compilations that it accepts. [PL 2015, c. 110, §10 (AMD).]

The board is authorized to adopt rules to carry out the intent of this subsection. Rules adopted pursuant to this subsection are routine technical rules pursuant to Title 5, chapter 375, subchapter 2-A.

[PL 2015, c. 110, §10 (AMD).]

**SECTION HISTORY**

PL 1987, c. 489, §2 (NEW). PL 1999, c. 200, §1 (AMD). PL 1999, c. 619, §§2,3 (AMD). PL 2001, c. 260, §F2 (AMD). PL 2003, c. 344, §D22 (AMD). PL 2005, c. 347, §D5 (AMD). PL 2007, c. 384, §§11-13 (AMD). PL 2007, c. 402, Pt. Z, §17 (AMD). PL 2007, c. 695, Pt. A, §38 (RPR). PL 2009, c. 242, §21 (AMD). PL 2015, c. 110, §§8-10 (AMD). PL 2021, c. 68, §2 (AMD).

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