

**State of California
Office of Administrative Law**

In re:
Board of Accountancy

Regulatory Action:

Title 16, California Code of Regulations

Adopt sections:

Amend sections: 15.1, 16, 19, 20

Repeal sections:

**NOTICE OF APPROVAL OF CHANGES
WITHOUT REGULATORY EFFECT**

**California Code of Regulations, Title 1,
Section 100**

OAL Matter Number: 2019-1212-01

OAL Matter Type: Nonsubstantive (N)

The California Board of Accountancy proposes, as a non-substantive change, to update six forms to comply with Assembly Bill 1521 (Stats. 2019, Ch. 359) which requires if an applicant has a valid email address, the applicant shall provide that email address to the Board.

OAL approves this change without regulatory effect as meeting the requirements of California Code of Regulations, title 1, section 100.

Date: January 23, 2020


Amy R. Gowan
Attorney

For: Kenneth J. Pogue
Director

Original: Patti Bowers, Executive Officer

Copy: Peter Renevitz

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NOTICE PUBLICATION/REGULATION SUBMISSION

(See instructions on reverse)

For use by Secretary of State only

STD. 400 (REV. 01-2013)

OAL FILE NUMBERS	NOTICE FILE NUMBER Z-	REGULATORY ACTION NUMBER 2019-1212-01N	EMERGENCY NUMBER
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For use by Office of Administrative Law (OAL) only

ENDORSED - FILED
in the office of the Secretary of State
of the State of California

JAN 23 2020
3:11 PM

2019 DEC 12 A 9:22
OFFICE OF
ADMINISTRATIVE LAW

NOTICE

REGULATIONS

AGENCY WITH RULEMAKING AUTHORITY
California Board of Accountancy

AGENCY FILE NUMBER (if any)

A. PUBLICATION OF NOTICE (Complete for publication in Notice Register)

1. SUBJECT OF NOTICE Applicant and Licensee Email Requirement		TITLE(S) 16	FIRST SECTION AFFECTED 15.1	2. REQUESTED PUBLICATION DATE
3. NOTICE TYPE <input type="checkbox"/> Notice re Proposed Regulatory Action <input type="checkbox"/> Other		4. AGENCY CONTACT PERSON	TELEPHONE NUMBER	FAX NUMBER (Optional)
OAL USE ONLY	ACTION ON PROPOSED NOTICE <input type="checkbox"/> Approved as Submitted <input type="checkbox"/> Approved as Modified <input type="checkbox"/> Disapproved/Withdrawn		NOTICE REGISTER NUMBER	PUBLICATION DATE

B. SUBMISSION OF REGULATIONS (Complete when submitting regulations)

1a. SUBJECT OF REGULATION(S) Licensee Applications	1b. ALL PREVIOUS RELATED OAL REGULATORY ACTION NUMBER(S)
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2. SPECIFY CALIFORNIA CODE OF REGULATIONS TITLE(S) AND SECTION(S) (Including title 26, if toxics related)

SECTION(S) AFFECTED (List all section number(s) individually. Attach additional sheet if needed.)	ADOPT
	AMEND 15.1, 16, 19, 20
	REPEAL
TITLE(S) 16	

3. TYPE OF FILING

<input type="checkbox"/> Regular Rulemaking (Gov. Code §11346)	<input type="checkbox"/> Certificate of Compliance: The agency officer named below certifies that this agency complied with the provisions of Gov. Code §§11346.2-11347.3 either before the emergency regulation was adopted or within the time period required by statute.	<input type="checkbox"/> Emergency Readopt (Gov. Code, §11346.1(h))	<input checked="" type="checkbox"/> Changes Without Regulatory Effect (Cal. Code Regs., title 1, §100)
<input type="checkbox"/> Resubmittal of disapproved or withdrawn nonemergency filing (Gov. Code §§11349.3, 11349.4)	<input type="checkbox"/> Resubmittal of disapproved or withdrawn emergency filing (Gov. Code, §11346.1)	<input type="checkbox"/> File & Print	<input type="checkbox"/> Print Only
<input type="checkbox"/> Emergency (Gov. Code, §11346.1(b))		<input type="checkbox"/> Other (Specify) _____	

4. ALL BEGINNING AND ENDING DATES OF AVAILABILITY OF MODIFIED REGULATIONS AND/OR MATERIAL ADDED TO THE RULEMAKING FILE (Cal. Code Regs. title 1, §44 and Gov. Code §11347.1)

5. EFFECTIVE DATE OF CHANGES (Gov. Code, §§ 11343.4, 11346.1(d); Cal. Code Regs., title 1, §100)

<input type="checkbox"/> Effective January 1, April 1, July 1, or October 1 (Gov. Code §11343.4(a))	<input type="checkbox"/> Effective on filing with Secretary of State	<input checked="" type="checkbox"/> \$100 Changes Without Regulatory Effect	<input type="checkbox"/> Effective other (Specify) _____
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6. CHECK IF THESE REGULATIONS REQUIRE NOTICE TO, OR REVIEW, CONSULTATION, APPROVAL OR CONCURRENCE BY, ANOTHER AGENCY OR ENTITY

<input type="checkbox"/> Department of Finance (Form STD. 399) (SAM §6660)	<input type="checkbox"/> Fair Political Practices Commission	<input type="checkbox"/> State Fire Marshal
<input type="checkbox"/> Other (Specify) _____		

7. CONTACT PERSON Peter Renevitz	TELEPHONE NUMBER 916-561-1742	FAX NUMBER (Optional)	E-MAIL ADDRESS (Optional) peter.renevitz@cba.ca.gov
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8. I certify that the attached copy of the regulation(s) is a true and correct copy of the regulation(s) identified on this form, that the information specified on this form is true and correct, and that I am the head of the agency taking this action, or a designee of the head of the agency, and am authorized to make this certification.

SIGNATURE OF AGENCY HEAD OR DESIGNEE 	DATE 12-11-2019
TYPED NAME AND TITLE OF SIGNATORY Patti Bowers, Executive Officer	

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ENDORSED APPROVED

JAN 23 2020

Office of Administrative Law



California Board of Accountancy
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California Board of Accountancy

Title 16, California Code of Regulations, Section 15.1, 16, 19, and 20

Explanatory Statement

Pursuant to Title 1, Division 1, Chapter 1, Article 2, Section 100(b)(3) of the California Code of Regulations (CCR), the California Board of Accountancy (CBA) hereby submits this written statement explaining why the proposed amendments to Sections¹ 15.1, 16, 19, and 20 of Article 3, Division 1, Title 16 of the CCR do not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any CCR provision:

The changes make regulatory provisions consistent with a changed California statute. The regulatory provisions are inconsistent with and superseded by statute, specifically those in Assembly Bill 1521 (Chapter 359, Statutes of 2019) (AB 1521), and the CBA has no discretion to adopt a change which differs in substance from the one chosen as follows:

CBA Form 11R-48 (11/17), incorporated by reference into Section 15.1 regarding applying to have a license placed in a retired status, and Form 11R-49 (11/17), incorporated by reference into Section 16 regarding applying for military inactive status, indicate that providing an email address is “optional.” Assembly Bill 1521 (Chapter 359, Statutes of 2019) (AB 1521) amended Business and Professions Code (BPC) sections 5070.1 and 5070.2 to require applicants for placement of a license in a retired status and a military retired status to provide a valid email address to the CBA if they have one. The CBA proposes to update the forms to conform with AB 1521 by removing the word “optional” from the request for an email address and update the forms’ revision dates.

CBA Forms PP-10 (11/17), PP-11 (11/17), and PP-15 (11/17), incorporated by reference into Section 19, and PP-13 (11/17), incorporated by reference into Section 20, request an individual or firm who is, or intends to, practice public accountancy in California pursuant to a practice privilege, to provide a business email address. AB 1521 amended sections 5096 and 5096.12 to require individuals submitting a notification to the CBA pursuant to BPC 5096(f) or (i),

¹ All section references are to title 16 of the California Code of Regulations, unless otherwise indicated.

and firms registering with the CBA for a practice privilege to provide a valid email address to the CBA if they have one; AB 1521 does not require the email address to be a business email address. The CBA proposes to delete the qualifying word "business" from the request for an email address and update the forms' revision dates.



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Proposed Regulatory Text

Section 15.1 – Application for Retired Status.

- (a) To be eligible for a license in a retired status, a licensee of the Board shall submit a completed application to the Board on Form 11R-48 (44/17 12/19) which is hereby incorporated by reference.
- (b) A licensee applying to have his or her license placed in a retired status shall have held a license as a certified public accountant or public accountant in the United States or its territories for a minimum of twenty total years; and during those twenty years, from the Board for a minimum of five years in an active status. Failure to meet the requirements of this Article and Section 5070.1 of the Business and Professions Code is grounds for denial of the application.
- (c) In order to place a license in a retired status, an applicant shall pay the application fee required by Section 70(i)(1).

NOTE: Authority cited: Sections 5010 and 5070.1, Business and Professions Code.
Reference: Section 5070.1, Business and Professions Code.



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Proposed Regulatory Text

Section 16 – Military Inactive Status.

Beginning January 1, 2014, a licensee engaged in active duty as a member of the California National Guard or the United States Armed Forces may apply to have his or her license placed in, and renewed in, a military inactive status by completing the Application for Military Inactive Status (Form 11R-49 (~~11/17~~ 12/19)), which is hereby incorporated by reference. Along with the Application for Military Inactive Status (Form 11 R-49 (~~11/17~~ 12/19)), a licensee shall submit sufficient evidence that he or she is engaged in active duty as a member of the California National Guard or the United States Armed Forces.

NOTE: Authority cited: Sections 5010 and 5070.2, Business and Professions Code.
Reference: Sections 5070.2 and 5070.5, Business and Professions Code.



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Proposed Regulatory Text

Section 19 – Practice Privilege Forms for Individuals.

(a) An individual who is required to provide notification to the Board pursuant to Section 5096(i)(1) of the Business and Professions Code shall do so on the Practice Privilege Pre-Notification of Listed Events Form (PP-10 (~~44/47~~ 12/19), which is hereby incorporated by reference.

(b) An individual who is required to provide notification to the Board pursuant to Section 5096(f) of the Business and Professions Code shall do so on the Notification of Cessation of Practice Privilege Form (PP-11 (~~44/47~~ 12/19), which is hereby incorporated by reference.

(c) An individual applying for reinstatement of a practice privilege under Section 5096.2(c) of the Business and Professions Code shall do so on the Application for Reinstatement of Practice Privilege (PP-12 (11/17), which is hereby incorporated by reference.

(d) An individual who is required to provide notification to the Board pursuant to Section 5096(e)(10) of the Business and Professions Code shall do so on the Practice Privilege Notification of Pending Criminal Charges (PP-15 (~~44/47~~ 12/19) form, which is hereby incorporated by reference.

NOTE: Authority cited: Sections 5010 and 5096.9, Business and Professions Code.
Reference: Sections 5096 and 5096.2, Business and Professions Code.



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Proposed Regulatory Text

Section 20 – Registration Forms for Out-of-State Accounting Firms.

(a) An out-of-state accounting firm organized and authorized to practice public accountancy under the laws of another state, as specified in Business and Professions Code Sections 5070 and 5035.3, that performs services pursuant to Business and Professions Code Section 5096.12(c), which requires the accounting firm to register with the Board, shall do so on the Out-of-State Accounting Firm Registration Form (PP-13 (9/18 12/19)), which is hereby incorporated by reference.

(b) (1) An out-of-state accounting firm registered by the Board pursuant to subdivision (a) shall renew its registration on the last day of the month in which the registration was initially approved by the Board every second year.

(2) The out-of-state accounting firm shall provide the following information at the time of renewal:

(A) Current contact information;

(B) Current license information from all states in which the firm is licensed including license number, expiration date and any enforcement actions taken against the license including the following:

(i) Pending disciplinary action such as an accusation filed;

(ii) Revocation or suspension, including stayed revocation or stayed suspension;

(iii) Probation or other limitation on practice ordered by a state board of accountancy, including any interim suspension order;

(iv) Temporary restraining order or other restriction on practice ordered by a court;

(v) Public letter of reprimand issued;

(vi) Infraction, citation, or fine imposed; or,

(vii) Any other enforcement related orders of a state board of accountancy; and

(C) An update of the ownership information that was originally reported on the Out-of-State Accounting Firm Registration Form (PP-13 (9/18 12/19)).

(3) An expired registration may be renewed at any time within five years after its expiration upon providing the information required in paragraph (2). A registration that is not renewed within five years following its expiration may not be renewed, and the registration shall be canceled immediately upon expiration of the five-year period. An out-of-state accounting firm with a registration that has cancelled pursuant to this paragraph may re-register pursuant to subdivision (a).

(c)(1) Each registered out-of-state accounting firm shall notify the Board of any change in its address of record within 30 days after the change. If the address of record is a

post office box or mail drop, the change of address notification shall include the street address of the firm.

(2) Each registered out-of-state accounting firm shall notify the Board of any change in its ownership, as reported on the Out-of-State Accounting Firm Registration Form (PP-13 (~~9/18~~ 12/19)), within 30 days after the change.

(3) For purposes of this section "registered firm" includes any firm registered by the Board pursuant to this section even if the registration is suspended or otherwise subject to disciplinary action, provided the registration is not expired, canceled or revoked.

(4) All notifications required under this subdivision shall be in writing and shall be signed by an individual authorized by the registered firm to submit such notifications along with the individual's printed name and title, and a certification that the information is true and correct to the best of the individual's knowledge.

NOTE: Authority cited: Sections 5010 and 5096.9, Business and Professions Code.
Reference: Section 5096.12, Business and Professions Code.