

FILED

State of Arizona
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1996

Jane Dee Hull
Secretary of State

CHAPTER 106

SENATE BILL 1052

AN ACT

AMENDING SECTIONS 29-841 AND 32-701.01, ARIZONA REVISED STATUTES; RELATING TO PROFESSIONAL LIMITED LIABILITY COMPANIES.

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1: Section 29-841, Arizona Revised Statutes, is amended to
3 read:

4 29-841. Definitions

5 In this article, unless the context otherwise requires:

6 1. "Board" means an agency organized pursuant to the law of any state
7 or foreign country having jurisdiction to grant a license to perform a
8 category of professional service.

9 2. "License" means a license, certificate of registration or any other
10 evidence of the satisfaction of the requirements of a board for the practice
11 of a professional service.

12 3. "Licensed person" means an individual who is duly licensed by at
13 least one board to provide at least one of the categories of professional
14 service rendered by the professional limited liability company. The term
15 shall also include a professional corporation as defined in section 10-902
16 or a professional limited liability company, qualified to perform at least
17 one of the categories of professional services rendered by the professional
18 limited liability company.

19 4. "Professional limited liability company" means a limited liability
20 company organized under ~~this chapter~~ THE LAWS OF ANY STATE OR FOREIGN COUNTRY
21 for purposes that include rendering one or more categories of professional
22 services.

1 5. "Professional service" shall have the same meaning as set forth in
2 section ~~10-2202~~ 10-2201.

3 Sec. 2. Section 32-701.01, Arizona Revised Statutes, is amended to
4 read:

5 32-701.01. Definitions

6 In this chapter, unless the context otherwise requires:

7 1. "Attest function engagement" means an engagement in which the
8 registrant is engaged to issue or issues a written communication that
9 expresses a conclusion about the reliability of a written assertion that is
10 the responsibility of another party.

11 2. "Board" means the board of accountancy established by section
12 32-701.

13 3. "Conviction" means a judgment of conviction by any state or federal
14 court of competent jurisdiction in a criminal cause, regardless of whether
15 an appeal is pending or could be taken, and includes any judgment or order
16 based on a plea of no contest.

17 4. "Disciplinary action" means any other regulatory sanctions imposed
18 by the board in combination with, or as an alternative to, revocation or
19 suspension of a certificate or registration, including:

20 (a) Imposition of an administrative penalty in an amount not to exceed
21 two thousand dollars for each violation of this chapter or rules adopted
22 pursuant to this chapter.

23 (b) Imposition of restrictions on the scope of registrants' accounting
24 practice, including, without limitation, restriction of audit or attest
25 function practice, restriction of tax practice, or restriction of management
26 advisory practice.

27 (c) Imposition of peer review and professional education requirements.

28 (d) Imposition of probation requirements best adapted to protect the
29 public welfare including a requirement for restitution payments to accounting
30 services clients or to other persons suffering economic loss resulting from
31 violations of this chapter or rules adopted pursuant to this chapter.

32 5. "Federal securities laws" means the securities act of 1933, the
33 securities exchange act of 1934, the public utility holding company act of
34 1935 and the investment company act of 1940, as amended.

35 6. "Firm" means a business organization established under the laws of
36 any state as a sole practitioner, partnership, professional corporation or
37 professional limited liability company. A FIRM ALSO INCLUDES A LIMITED
38 LIABILITY COMPANY ESTABLISHED UNDER THE LAWS OF ANY STATE OR FOREIGN COUNTRY,
39 IN WHICH EACH MEMBER OF THE COMPANY IS A CERTIFIED PUBLIC ACCOUNTANT OR
40 PUBLIC ACCOUNTANT IN GOOD STANDING IN ANY STATE OR FOREIGN COUNTRY, ORGANIZED
41 FOR THE PURPOSE OF RENDERING ACCOUNTING SERVICES AND HAS MET THE REQUIREMENTS
42 OF TITLE 29, CHAPTER 4 AND ANY ADDITIONAL NONCONFLICTING REQUIREMENTS
43 CONTAINED IN SECTIONS 32-731 AND 32-732.

1 7. "Practice of accounting as a certified public accountant or as a
2 public accountant" means the provision of any accounting services, including
3 recording and summarizing of financial transactions, analyzing and verifying
4 financial information, reporting of financial results to an employer, clients
5 or other parties and the rendering of tax and management advisory services
6 to an employer, clients or other parties.

APPROVED BY THE GOVERNOR APRIL 9, 1996

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