Senate Engrossed House Bill

FILED
MICHELE REAGAN
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CHAPTER 207

HOUSE BILL 2218

AN ACT

AMENDING SECTIONS 32-701, 32-721, 32-723, 32-725, 32-730.01, 32-730.02, 32-730.03, 32-730.04 AND 32-731, ARIZONA REVISED STATUTES; REPEALING SECTIONS 32-732, 32-734 AND 32-735, ARIZONA REVISED STATUTES; AMENDING SECTIONS 32-741, 32-741.01, 32-741.03, 32-741.04, 32-742 AND 32-744, ARIZONA REVISED STATUTES; RELATING TO CERTIFIED PUBLIC ACCOUNTANTS.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

Section 1. Section 32-701, Arizona Revised Statutes, is amended to read:

32-701. Definitions

In this chapter, unless the context otherwise requires:

1. "Accounting services" means services that are commonly and historically performed by accountants, including recording or summarizing financial transactions, bookkeeping, analyzing or verifying financial information, auditing, reviewing or compiling financial statements, reporting financial results, financial planning, providing attestation or tax or consulting services.

2. "Accredited institution" means any public or private regionally or nationally accredited college or university that is accredited by an organization recognized by the council for higher education accreditation or its successor agency.

3. "Attest services" means the following services that are rendered by the holder of a certificate issued by the board:

(a) Audits or other engagements to be performed in accordance with the statements on auditing standards adopted by the American institute of certified public accountants.

(b) Reviews of financial statements to be performed in accordance with the statements on standards for accounting and review services adopted by the American institute of certified public accountants.

(c) Any examination of prospective financial information to be performed in accordance with the statements on standards for attestation engagements adopted by the American institute of certified public accountants.

(d) Any engagement to be performed in accordance with the standards of the public company accounting oversight board or its successor.

(e) Any examination, review or agreed on procedure engagement to be performed in accordance with the statements on standards for attestation engagements adopted by the American institute of certified public accountants, other than an examination described in subdivision (c) of this paragraph.

4. "Attestation" or "attest function" means the issuance by a registrant of a written communication that expresses a conclusion about the reliability of a written assertion that is the responsibility of another party.

5. "Board" means the Arizona state board of accountancy established by section 32-702.

6. "Certified public accountant" means an individual who has been issued a certificate of authority by the board to practice as a certified public accountant or who meets the limited reciprocity privilege requirements pursuant to section 32-725.

7. "Client" means a person or entity, other than one's employer, for whom accounting services are provided.

8. "Consulting services" includes management advisory services, litigation support services, valuation services and other services that require the use of technical skills, education, observation, experience and knowledge to develop an analytical approach to process and to present findings, conclusions or recommendations.

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

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

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

(b) Restrictions on the scope of the registrant's accounting practice, including, without limitation, restriction of audit or attest function practice, restriction of tax practice or restriction of consulting services.

(c) Pre-issuance and post-issuance peer review.

(d) Professional education requirements.

(e) A decree of censure.

(f) Probation requirements best adapted to protect the public welfare.

(g) Reimbursement of the board's costs of investigations and proceedings initiated under this chapter, INCLUDING ATTORNEY FEES.

(h) A requirement for restitution payments to accounting services clients or to other persons suffering economic loss resulting from violations of this chapter or rules adopted pursuant to this chapter.

11. "Employer" means a person or entity that hires an individual to perform a service and that directs and controls the manner in which the service is performed.

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

13. "Financial statements":

(a) Means statements and footnotes related to statements that purport to show a financial position or changes in a financial position in conformity with generally accepted accounting principles or other comprehensive basis of accounting.

(b) Includes balance sheets, statements of income, statements of retained earnings, statements of cash flows, statements of changes in an owner's equity and other commonly used or recognized summaries of financial information.

(c) Does not include tax returns or information contained in tax returns.

14. "Firm" means a business organization that is engaged in the practice of public accounting and that is established under the laws of any state or foreign country, including a sole practitioner, partnership, professional corporation, professional limited liability company, limited liability company, limited liability partnership or any other entity recognized by the board that has met the applicable requirements contained in ~~sections~~ SECTION 32-731 ~~and 32-732~~.

15. "Good cause" means factors that temporarily prevent a registrant from satisfying a particular requirement in a specific instance as determined by the board and may include:

(a) A disability.

(b) An illness.

(c) A physical or mental condition.

(d) Military service.

(e) Financial hardship.

(f) A natural disaster.

(g) Any condition or circumstance that the board deems relevant.

16. "Jurisdiction" means, for the purposes of examination, certification or limited reciprocity privilege, the fifty states of the United States, the District of Columbia, the United States Virgin Islands, Guam, ~~or~~ the Commonwealth of the northern Mariana Islands OR THE COMMONWEALTH OF PUERTO RICO.

17. "Letter of concern" means an advisory letter to notify a registrant that, while the evidence does not warrant disciplinary action, the board believes that the registrant should modify or eliminate certain practices and that continuation of the activities that led to the evidence being submitted to the board may result in board action against the registrant. A letter of concern is not a disciplinary action.

18. "Limited reciprocity privilege" means the permission to practice as a certified public accountant in this state pursuant to section 32-725 for an individual whose principal place of business is outside of this state.

19. "Management advisory services" means advisory services consisting of the development of findings, conclusions or recommendations for the recipient's consideration and decision making.

20. "Practice of accounting" means providing accounting services for a client or an employer.

21. "Practice of public accounting" means providing accounting services for a client but does not include providing accounting services, other than attest services or compilation services, for a nonprofit entity or a family member without an expectation of and without receiving compensation.

22. "Principal place of business" means the office designated by the individual or firm as the principal location for the practice of accounting.

23. "Public accountant" means an individual who has been issued a certificate of authority by the board to practice as a public accountant.

24. "Registrant" means any certified public accountant, public accountant or firm that is registered with the board.

25. "Related courses" means:

(a) Business administration.

(b) Statistics.

(c) Computer science, information systems or data processing.

(d) Economics.

(e) Finance.

(f) Management.

(g) Business law.

(h) College algebra or more advanced mathematics.

(i) Advanced written communication.

(j) Advanced oral communication.

(k) Ethics.

(l) Marketing.

(m) Other courses closely related to the subject of accounting and satisfactory to the board.

Sec. 2. Section 32-721, Arizona Revised Statutes, is amended to read:

32-721. Certified public accountants; qualifications

A. The board shall issue a certificate of certified public accountant to any individual who complies with all of the following:

1. Meets the requirements of section 41-1080.

2. Is at least eighteen years of age.

3. Is of good moral character.

4. Has not engaged in any conduct that would constitute grounds for revocation or suspension of a certificate or other disciplinary action pursuant to section 32-741.

5. Meets the requirements of subsection B, C or D of this section.

B. If the applicant passes the uniform certified public accountant examination and has never been certified, registered or licensed as a certified public accountant in this state or another jurisdiction, the applicant must comply with both of the following:

1. Have had at least two thousand hours of paid or unpaid experience, either before or after passing all sections of the ~~examination for~~ UNIFORM certified public accountant EXAMINATION, that has exposed the applicant to and provided the applicant with experience in the practice of accounting. The applicant's experience must be sufficient to demonstrate the applicant's ability for critical inquiry and analysis of financial accounting information, including balance sheets, income statements, cash flow statements and tax returns and the applicant's ability to communicate, either orally or in writing, on the results of an inquiry or analysis of that information to an employer, client or third party.

2. Present satisfactory evidence that the person has successfully obtained a baccalaureate degree or higher degree from an accredited institution or a college or university that maintains standards comparable to those of an accredited institution and that the applicant has completed at least one hundred fifty semester hours of education of which:

(a) At least thirty-six semester hours are nonduplicative accounting courses of which at least thirty semester hours are ~~upper division~~ UPPER-LEVEL courses.

(b) At least thirty semester hours are related courses.

C. If the applicant passes the uniform certified public accountant examination OR THE INTERNATIONAL QUALIFICATION EXAMINATION and has a certificate, registration or license to practice as a certified public accountant in another jurisdiction and the applicant has never had a certificate issued by the board expire or be relinquished or revoked, at least one of the following shall apply:

1. The certificate, registration or license is issued by a jurisdiction whose requirements are determined by the board to be substantially equivalent to the requirements prescribed in subsection B of this section.

2. The applicant has a baccalaureate degree or its equivalent or a higher degree from an accredited institution or a college or university that maintains standards comparable to those of an accredited institution and either of the following applies:

(a) The applicant has been employed as a certified public accountant in the practice of accounting for at least three years and has completed at least one hundred fifty semester hours of education that includes both of the following:

(i) At least twenty-four semester hours of nonduplicative accounting courses, of which twelve semester hours are ~~upper division~~ UPPER-LEVEL courses.

(ii) At least eighteen semester hours in related courses.

(b) The applicant has been employed as a certified public accountant in the practice of accounting for at least five of the ten preceding years and has completed both of the following:

(i) At least twenty-four semester hours of nonduplicative accounting courses, of which twelve semester hours are ~~upper division~~ UPPER-LEVEL courses.

(ii) At least eighteen semester hours in related courses.

3. The applicant has been employed as a certified public accountant in the practice of accounting for at least ten of the fifteen preceding years.

D. If an applicant passes the international uniform certified public accountant qualification examination of the American institute of certified public accountants, all of the following apply:

1. The applicant's country has a mutual recognition agreement with the national association of state boards of accountancy that has been adopted by the board.

2. The board recognizes that the applicant's qualifications are substantially equivalent to the qualifications of certified public accountants in the United States in the areas of education, examination and experience.

Sec. 3. Section 32-723, Arizona Revised Statutes, is amended to read:

32-723. Uniform certified public accountant examination; qualifications

A. A person shall not be permitted to take the uniform certified public accountant examination unless the person presents satisfactory evidence that the person has successfully obtained a baccalaureate degree or a higher degree from an accredited institution or a college or university that maintains standards comparable to those of an accredited institution. The evidence must show both of the following:

1. At least twenty-four semester hours of nonduplicative accounting courses of which twelve semester hours are ~~upper division~~ UPPER-LEVEL courses.

2. At least eighteen semester hours in related courses.

B. The board may contract with a public or private entity for the administration of the examination. The examination may be conducted under a uniform examination system.

C. Within a reasonable time after the examination the board or its contracted agent shall notify each candidate of the candidate's grade. Any candidate may request a grade review or an appeal by submitting a uniform certified public accountant examination score review or appeal form to the BOARD OR THE board's contracted agent.

Sec. 4. Section 32-725, Arizona Revised Statutes, is amended to read:

32-725. Limited reciprocity privilege; qualifications

A. The limited reciprocity privilege may be exercised by an individual who is not a resident of this state and who meets the requirements of this section.

B. To qualify to exercise the limited reciprocity privilege, an individual must:

1. Have a principal place of business that is not in this state.

2. Not be the subject of suspension or revocation of a certificate as provided by section 32-741 or relinquishment of a certificate as provided by section 32-741.04.

3. Hold a valid registration, certificate or license as a certified public accountant issued by another ~~state~~ JURISDICTION and either of the following must apply:

(a) The other ~~state~~ JURISDICTION requires as a condition of licensure that an individual has all of the following:

(i) At least one hundred fifty semester hours of college education, including a baccalaureate degree or a higher degree that is conferred by an accredited institution or a college or university that maintains standards that are comparable to those of an accredited institution.

(ii) A passing grade on the uniform certified public accountant examination.

(iii) At least one year of experience in the practice of accounting that has been verified.

(b) The individual meets the qualifications prescribed in section 32-721, subsection C.

C. An individual qualifying for limited reciprocity privilege under this section is considered to have qualifications that are substantially equivalent to the requirements prescribed pursuant to this chapter and has all of the privileges of registrants, certificate holders or licensees in this state without obtaining a registration, certificate or license under this chapter.

D. An individual qualifying for limited reciprocity privilege under this section may use the title "CPA" or "certified public accountant" and may offer or practice accounting in person or by mail, telephone or electronic means. No notice, fee or other submission is required. The individual is subject to the requirements prescribed in subsection E of this section.

E. Each individual who holds a registration, certificate or license issued by another ~~state~~ JURISDICTION and who exercises the limited reciprocity privilege and each partnership, corporation or other entity engaging in the practice of accounting as provided by this section, as a condition of exercising the privilege provided by this section:

1. Shall:

(a) Comply with article 3 of this chapter and rules adopted pursuant to article 3 of this chapter. In any investigation or other proceedings conducted pursuant to article 3 of this chapter, an individual claiming permission to practice as a certified public accountant in this state under the limited reciprocity privilege has the burden of demonstrating that the applicable requirements of subsection B of this section have been satisfied.

(b) Cease the offering or practicing of accounting in person or by mail, telephone or electronic means in this state if the individual no longer satisfies the requirements of subsection B of this section or the partnership, corporation or other entity no longer satisfies the requirements of subsection G of this section.

2. Is subject to:

(a) The personal and subject matter jurisdiction of the board and the power of the board to investigate complaints and take disciplinary action.

(b) Service by either of the following:

(i) The appointment of the state board that issued the registration, certificate or license to the individual as agent, on whom process may be served in any action or proceeding against the person by the board.

(ii) Directly on the person.

F. Any individual who holds a valid registration, certificate or license as a certified public accountant issued by another ~~state~~ JURISDICTION or a foreign country, whose principal place of business is not in this state and who does not otherwise qualify under this section for limited reciprocity privilege may enter this state and provide services if the services are limited to the following:

1. Expert witness services.

2. Teaching or lecturing.

3. Other services as determined by the board.

G. A partnership, corporation or other entity formed under the laws of another ~~state or United States territory~~ JURISDICTION relating to the practice of accounting in that ~~state or United States territory~~ JURISDICTION may use the title "certified public accountant" or "CPA" in this state and may engage in the practice of accounting in this state, including the provision of attest services, without having to register as a firm if all of the following apply:

1. The partnership, corporation or other entity is owned by or employs an individual who is a limited reciprocity privilege holder pursuant to this section.

2. The partnership, corporation or other entity is in good standing in its principal place of business under the laws of that jurisdiction relating to the practice of accounting.

3. The principal place of business of the limited reciprocity privilege holder is a recognized place of business for the practice of accounting by the partnership, corporation or other entity.

4. The partnership, corporation or other entity does not have an office in this state and does not represent that it has an office in this state.

5. The partnership, corporation or other entity holds an active permit or registration as a certified public accountant firm in another ~~state or United States territory~~ JURISDICTION.

6. The practice of accounting is performed by or under the direct supervision of an individual who is qualified for the limited reciprocity privilege under this section.

Sec. 5. Section 32-730.01, Arizona Revised Statutes, is amended to read:

32-730.01. <u>Inactive status; reactivation; exception</u>

A. A registrant who is not actively engaged in the practice of accounting in this state for a fee or other compensation may request that the registrant's certificate be placed on inactive status by meeting the requirements for inactive status and completing the forms prescribed by the board. A registrant whose certificate is under a disciplinary order by the board, EXCEPT FOR SUSPENSION FOR NONREGISTRATION PURSUANT TO SECTION

32-741.01, or against whom disciplinary proceedings have been initiated may not place or maintain a certificate on inactive status.

B. A registrant whose certificate is on inactive status:

1. Shall continue to register once every two years with the board and pay fifty ~~per cent~~ PERCENT of the registration fee and one hundred ~~per cent~~ PERCENT of any applicable late fee pursuant to section 32-729.

2. Shall not engage in the practice of accounting in this state for a fee or other compensation while the registrant's certificate remains on inactive status.

3. In this state shall not assume or use the title or designation of "certified public accountant" or "public accountant" or the abbreviation "C.P.A.", "CPA", "P.A." or "PA" while the registrant's certificate remains on inactive status unless accompanied by the word "inactive".

C. A registrant may request that the registrant's certificate be reactivated if the certificate has been inactive for six years or less and if the registrant meets all of the following requirements:

1. Files an application for renewal on the form prescribed by the board and pays the registration fee pursuant to section 32-729.

2. Submits proof that the registrant has satisfied continuing professional education requirements as prescribed by the board.

3. Affirms that the registrant has not engaged in any conduct that would constitute grounds for revocation or suspension of a certificate pursuant to section 32-741.

D. A registrant may reactivate an inactive certificate pursuant to subsection C of this section only once.

E. A certificate expires if it has been inactive for more than six years.

F. Subsections D and E of this section do not apply if inactive status is approved by the board for good cause based on a registrant's disability.

Sec. 6. Section 32-730.02, Arizona Revised Statutes, is amended to read:

32-730.02. <u>Canceled status; reinstatement</u>

A. A registrant may cancel a certificate or registration by submitting a written request on a form prescribed by the board. A registrant whose certificate or registration is under a disciplinary order by the board, EXCEPT FOR SUSPENSION FOR NONREGISTRATION PURSUANT TO SECTION 32-741.01, or against whom disciplinary proceedings have been initiated may not cancel the certificate or registration.

B. An individual whose certificate has been canceled shall not assume or use the title or designation of "certified public accountant" or "public accountant" or the abbreviation "C.P.A.", "CPA", "P.A." or "PA" while the certificate remains on canceled status unless the individual qualifies for limited reciprocity privilege pursuant to section 32-725.

C. An individual whose certificate has been canceled and who does not qualify for certification by reciprocity pursuant to section 32-721,

subsection C may apply for reinstatement and the board may reinstate the certificate if the individual meets all of the following requirements:

1. Files an application for reinstatement on the form prescribed by the board and pays the reinstatement application fee pursuant to section 32-729.

2. Submits proof that the individual has satisfied continuing professional education requirements as prescribed by the board.

3. Affirms that the individual has not engaged in any conduct that would constitute grounds for revocation or suspension of a certificate pursuant to section 32-741.

4. On board approval of reinstatement, pays the registration fee pursuant to section 32-729.

D. A FIRM WHOSE REGISTRATION HAS BEEN CANCELED MAY APPLY FOR REINSTATEMENT AND THE BOARD MAY REINSTATE THE FIRM'S REGISTRATION WITH A NEW EFFECTIVE DATE OF THE FIRM'S FORMATION IF THE FIRM MEETS BOTH OF THE FOLLOWING REQUIREMENTS:

1. FILES AN APPLICATION ON A FORM PRESCRIBED BY THE BOARD AND PAYS THE REGISTRATION FEE PURSUANT TO SECTION 32-729.

2. MEETS THE REQUIREMENTS OF SECTION 32-731.

Sec. 7. Section 32-730.03, Arizona Revised Statutes, is amended to read:

32-730.03. Expired status; reinstatement

A. A registrant's certificate OR REGISTRATION is expired if the registrant fails to reinstate the certificate OR REGISTRATION within twelve months after it has been suspended pursuant to section 32-741.01 or 32-741.02 or fails to reinstate a certificate that has been on inactive status pursuant to section 32-730.01 for more than six years.

B. An individual whose certificate has expired shall not assume or use the title or designation of "certified public accountant" or "public accountant" or the abbreviation "C.P.A.", "CPA", "P.A." or "PA" while the certificate remains on expired status unless the individual qualifies for limited reciprocity privilege pursuant to section 32-725.

C. An individual whose certificate has expired may apply for reinstatement and the board may reinstate the certificate if the individual meets all of the following requirements:

1. Files an application for reinstatement on a form prescribed by the board and pays the reinstatement application fee pursuant to section 32-729.

2. Submits proof that the individual has satisfied continuing professional education requirements as prescribed by the board.

3. Affirms that the individual has not engaged in any conduct that would constitute grounds for revocation or suspension of a certificate pursuant to section 32-741.

4. On board approval of reinstatement, pays the registration fee pursuant to section 32-729.

D. A FIRM WHOSE REGISTRATION HAS EXPIRED MAY APPLY FOR REINSTATEMENT AND THE BOARD MAY REINSTATE THE FIRM'S REGISTRATION WITH A NEW EFFECTIVE DATE OF THE FIRM'S FORMATION IF THE FIRM MEETS BOTH OF THE FOLLOWING REQUIREMENTS:

1. FILES AN APPLICATION ON A FORM PRESCRIBED BY THE BOARD AND PAYS THE REGISTRATION FEE PURSUANT TO SECTION 32-729.

2. MEETS THE REQUIREMENTS OF SECTION 32-731.

Sec. 8. Section 32-730.04, Arizona Revised Statutes, is amended to read:

32-730.04. Retired status; reactivation

A. A registrant who is at least fifty-five years of age, who has been a certified public accountant or public accountant in one or more jurisdictions for at least twenty years and who is not actively engaged in the practice of accounting for a fee or other compensation may request that the registrant's certificate be placed on retired status by submitting a request on a form approved by the board. A registrant whose certificate is under a disciplinary order by the board EXCEPT FOR SUSPENSION FOR NONREGISTRATION PURSUANT TO SECTION 32-741.01 or against whom disciplinary proceedings have been initiated may not place or maintain a certificate on retired status.

B. A registrant whose certificate is on retired status:

1. Shall continue to register once every two years with the board and pay a registration fee and all of an applicable late fee as prescribed by section 32-729.

2. Shall not engage in the practice of accounting for a fee or other compensation while the registrant's certificate remains on retired status.

3. Shall not assume or use the title or designation of "certified public accountant" or "public accountant" or the abbreviation "C.P.A.", "CPA", "P.A." or "PA" unless accompanied by the word "retired" or the abbreviation "RET" while the registrant's certificate remains on retired status.

C. A registrant may request that the registrant's certificate be reactivated if the registrant meets all of the following requirements:

1. Files an application for renewal on the form prescribed by the board and pays the registration fee pursuant to section 32-729.

2. Submits proof that the registrant has satisfied continuing professional education requirements as prescribed by the board.

3. Affirms that the registrant has not engaged in any conduct that would constitute grounds for revocation or suspension of a certificate pursuant to section 32-741.

Sec. 9. Section 32-731, Arizona Revised Statutes, is amended to read:

32-731. Certified public accountant partnership; qualifications; definitions

A. Except as provided in section 32-725, subsection G, once every two years a partnership engaged in this state in the practice of accounting by certified public accountants OR PUBLIC ACCOUNTANTS shall pay the registration

fee pursuant to section 32-729 and register with the board as a partnership of certified public accountants and shall meet the following requirements:

1. At least one partner shall be a resident and a full-time practicing certified public accountant in good standing in this state.

2. At least fifty-one ~~per cent~~ PERCENT of the ownership of the partnership, in terms of direct and indirect financial interests and voting rights, must belong to holders in good standing of certificates or licenses to practice accounting as certified public accountants OR PUBLIC ACCOUNTANTS in any ~~state or foreign country~~ JURISDICTION. Only certified public accountants OR PUBLIC ACCOUNTANTS whose qualifications are considered to be substantially equivalent, as provided by section 32-721, subsections C and D, may be considered as meeting the requirement prescribed by this paragraph.

B. A partnership registered with the board pursuant to this section may include owners who are not certified pursuant to this chapter if all of the following apply:

1. The partnership designates an individual who is certified pursuant to this chapter and who is responsible for the proper registration of the firm.

2. All noncertified partners actively participate in the management of the partnership or a directly affiliated entity that has been approved by the board. For the purposes of this paragraph:

(a) A partner actively participates if all of the following occur:

(i) The partner performs at least five hundred hours of ~~professional~~ ACCOUNTING services for the public accounting partnership during the calendar year.

(ii) The ~~professional~~ ACCOUNTING services performed constitute the partner's principal occupation.

(iii) The partner's interest in the public accounting partnership reverts to the partnership if the partner stops performing services for the partnership.

(b) "Directly affiliated entity" means a firm in which each owner of an equity interest in the entity actively participates in the business of providing services to the firm's clients.

3. Any partner who is ultimately responsible for supervising attest services in this state or the partner who signs any reports related to attest services on behalf of the partnership in this state shall be certified pursuant to this chapter OR QUALIFIED TO EXERCISE THE LIMITED RECIPROCITY PRIVILEGE PURSUANT TO SECTION 32-725, SUBSECTION G and shall meet the experience requirements for carrying out these functions adopted by the board in its rules.

4. The partnership complies with other requirements imposed by the board in its rules.

C. Application for registration pursuant to this section shall be made on affidavit of a partner of the partnership who is a certified public accountant OR PUBLIC ACCOUNTANT in good standing in this state. The board in

each case shall determine whether the applicant is eligible for registration. A partnership that is registered pursuant to this section may use the words "certified public accountants" or the abbreviation "C.P.A.'s" or "CPA's" OR THE WORDS "PUBLIC ACCOUNTANTS" OR THE ABBREVIATION "P.A.'S" OR "PA'S" in connection with its partnership name as provided for by the board in its rules. Partnerships registered pursuant to this chapter may provide attest services. ~~Notification shall be given to the board within one month of the termination of any partnership, or of the admission to or withdrawal of an Arizona partner from any partnership registered pursuant to this section.~~

D. A partnership that applies for an initial registration or a renewal pursuant to this section shall list in its application all ~~states~~ JURISDICTIONS in which the partnership has applied for or holds a registration, license or permit as a certified public accountant partnership and shall list any past denials, revocations or suspensions of registrations, licenses or permits by any other ~~state~~ JURISDICTION.

E. EXCEPT AS PROVIDED IN SUBSECTION F OF THIS SECTION, an applicant for registration or a partnership registered pursuant to this section shall notify the board in writing within one month OF ANY OF THE FOLLOWING:

1. THE TERMINATION OF ANY PARTNERSHIP.

2. THE ADMISSION OF A PARTNER TO A PARTNERSHIP THAT IS REGISTERED PURSUANT TO THIS SECTION IF THE PARTNER IS A CERTIFIED PUBLIC ACCOUNTANT OR A PUBLIC ACCOUNTANT.

3. THE WITHDRAWAL OF A PARTNER FROM A PARTNERSHIP THAT IS REGISTERED PURSUANT TO THIS SECTION IF THE PARTNER IS A CERTIFIED PUBLIC ACCOUNTANT OR A PUBLIC ACCOUNTANT.

4. A CHANGE OF A PARTNER'S RESIDENCE FROM THIS STATE TO ANOTHER JURISDICTION OR FROM ANOTHER JURISDICTION TO THIS STATE IF THE PARTNER IS IN A PARTNERSHIP THAT IS REGISTERED PURSUANT TO THIS SECTION AND THE PARTNER WAS A CERTIFIED PUBLIC ACCOUNTANT OR A PUBLIC ACCOUNTANT.

5. THE DEATH OF A PERSON WHO IS A PARTNER IN A PARTNERSHIP THAT IS REGISTERED PURSUANT TO THIS SECTION AND WHO WAS A CERTIFIED PUBLIC ACCOUNTANT OR A PUBLIC ACCOUNTANT.

6. ANY CHANGE BY ANY JURISDICTION IN THE CERTIFICATE OR LICENSE STATUS OF A CERTIFIED PUBLIC ACCOUNTANT OR A PUBLIC ACCOUNTANT OWNER OF THE PARTNERSHIP THAT PREVENTS THE CERTIFICATE OR LICENSE FROM BEING IN GOOD STANDING OR THAT PREVENTS THE RIGHT OF THE CERTIFIED PUBLIC ACCOUNTANT OR A PUBLIC ACCOUNTANT TO PRACTICE ACCOUNTING AS A CERTIFIED PUBLIC ACCOUNTANT OR A PUBLIC ACCOUNTANT IN THAT JURISDICTION.

7. ~~of any change of partners whose principal place of business is in this state,~~ Any change in the number or location of offices of the partnership in this state~~,~~ AND any change in the identity of the individuals in charge of the partnership's offices in this state ~~and any issuance, denial, revocation or suspension of a registration, license or permit by any other state~~.

~~F. A partnership that fails to comply with this section due to changes in the ownership of the firm or personnel after receiving or renewing the registration must take corrective action to comply with this section as quickly as possible. The board may grant a reasonable period of time for the firm to take these corrective actions. A failure to comply with these requirements is grounds for suspension or revocation of the partnership registration.~~

F. IF A PARTNERSHIP FAILS TO COMPLY WITH SUBSECTION E OF THIS SECTION, THE BOARD MAY GRANT A REASONABLE PERIOD OF TIME FOR THE PARTNERSHIP TO TAKE CORRECTIVE ACTION.

G. PROFESSIONAL CORPORATIONS COMPOSED OF CERTIFIED PUBLIC ACCOUNTANTS OR PUBLIC ACCOUNTANTS SHALL MEET THE REQUIREMENTS OF TITLE 10, CHAPTER 20 AND ANY ADDITIONAL NONCONFLICTING REQUIREMENTS CONTAINED IN THIS SECTION.

H. LIMITED LIABILITY COMPANIES, PROFESSIONAL LIMITED LIABILITY COMPANIES AND LIMITED LIABILITY PARTNERSHIPS COMPOSED OF CERTIFIED PUBLIC ACCOUNTANTS OR PUBLIC ACCOUNTANTS SHALL MEET THE REQUIREMENTS OF TITLE 29, CHAPTERS 4 OR 5 AND ANY ADDITIONAL NONCONFLICTING REQUIREMENTS CONTAINED IN THIS SECTION.

I. FOR THE PURPOSES OF THIS SECTION:

1. "PARTNER" INCLUDES ANY SHAREHOLDER OF A PROFESSIONAL CORPORATION AND ANY MEMBER OF A LIMITED LIABILITY COMPANY OR PROFESSIONAL LIMITED LIABILITY COMPANY.

2. "PARTNERSHIP" INCLUDES A PROFESSIONAL CORPORATION, A LIMITED LIABILITY COMPANY AND A PROFESSIONAL LIMITED LIABILITY COMPANY.

Sec. 10. Repeal

Sections 32-732, 32-734 and 32-735, Arizona Revised Statutes, are repealed.

Sec. 11. Section 32-741, Arizona Revised Statutes, is amended to read:

32-741. Revocation or suspension of certificate; disciplinary action; letter of concern

A. After notice and an opportunity for a hearing, the board may revoke or suspend any certificate granted under this chapter and may take disciplinary action concerning the holder of any certificate for any of the following causes:

1. Conviction of a felony under the laws of any ~~state~~ JURISDICTION or of the United States if civil rights have not been restored pursuant to title 13, chapter 9 or other applicable recognized judicial or gubernatorial order.

2. Conviction of any crime that has a reasonable relationship to the practice of accounting by a certified public accountant or by a public accountant, including crimes involving accounting or tax violations, dishonesty, fraud, misrepresentation, embezzlement, theft, forgery, perjury or breach of fiduciary duty, regardless of whether civil rights have been restored.

3. Fraud or deceit in obtaining a certificate as a certified public accountant or in obtaining a certificate as a public accountant under this chapter.

4. Dishonesty, fraud or gross or continuing negligence in the practice of accounting.

5. Discipline to the holder of any certificate or other authority to practice or refusal to renew the certificate or other authority to practice as a certified public accountant by any other ~~state~~ JURISDICTION or foreign country for any cause other than failure to pay license or registration fees.

6. Violation of any of the provisions of this chapter, of title 44, chapter 12, article 13 or of any fraud provisions of the federal securities laws.

7. Final judgment in a civil action if the court makes findings of accounting violations, dishonesty, fraud, misrepresentation or breach of fiduciary duty.

8. Final judgment or order in a civil action or administrative proceeding if the court or agency makes findings of violations of any fraud provisions of the laws of ~~this state~~ ANY JURISDICTION or federal securities laws.

9. Violation of any decision, order or rule issued or adopted by the board.

10. Suspension or revocation for cause of the right to practice before the federal securities exchange commission or any other governmental body or agency or the public company accounting oversight board or its successor.

11. Offering or accepting commissions or contingency fees for services rendered for clients for whom the attest function is also offered or rendered in the performance of the practice of accounting unless:

(a) The fee is fixed by a court or another public authority.

(b) In a tax matter, the fee is determined based on the results of a judicial proceeding or the finding of a governmental agency.

12. Failing to disclose to a client that the registrant has received or expects to receive a commission from a third party for any engagement, services or product sales involving services other than the attest function.

13. Making any false or misleading statement or verification in support of an application for a certificate, registration or permit filed by another person.

14. Making a false or misleading statement:

(a) To the board or its designated agent.

(b) On a form required by the board.

(c) In written correspondence to the board.

15. Failing to respond in writing or furnish information in a timely manner to the board or its designated agent, if the information is legally requested by the board and is in the registrant's possession or control.

B. Pursuant to title 41, chapter 6, article 10, the board may summarily suspend the certificate of any certified public accountant or public accountant pending proceedings for revocation or other disciplinary action on the receipt of either of the following:

1. A notice of conviction of any crime that has a reasonable relationship to the practice of accounting, including crimes involving accounting or tax violations, dishonesty, fraud, misrepresentation, embezzlement, theft, forgery, perjury or breach of fiduciary duty or of any felony.

2. A final judgment or order in a civil action or administrative proceeding in which the court or agency made findings of violations of any fraud provisions of the laws of ~~this state~~ ANY JURISDICTION or federal securities laws.

C. The board may take disciplinary action against a holder of a certificate issued pursuant to this chapter who is practicing accounting even if the person is not representing to the public that the person is a certified public accountant or a public accountant and even if the person is practicing accounting in a firm that is not registered by the board.

D. The board may issue a letter of concern if, in the opinion of the board, there is insufficient evidence to support disciplinary action against the registrant, but the board believes, as a result of information ascertained during an investigation, that continuation of the activities that led to the investigation may result in future board action against the registrant. A registrant may file a response with the board within thirty days after receipt of a letter of concern. Letters of concern issued by the board and records kept by the board in connection with investigations leading to letters of concern are confidential and are not public records.

Sec. 12. Section 32-741.01, Arizona Revised Statutes, is amended to read:

32-741.01. <u>Suspension for nonregistration; expiration of certificate or registration</u>

A. The certificate OR REGISTRATION of any registrant who fails to timely register and pay the biennial registration fee as required by section 32-729 is automatically suspended without prior notice or a hearing.

B. A registrant whose certificate OR REGISTRATION is suspended shall not assume or use the title or designation of "certified public accountant" or "public accountant" or the abbreviation "C.P.A.", "CPA", "P.A." or "PA" while the registrant's certificate remains on suspended status.

C. A suspension under this section ~~is not a disciplinary order and~~ is vacated when the board has determined that the registrant has paid all past due fees and has satisfied all other requirements for renewal.

D. If the registrant fails to renew the registrant's CERTIFICATE OR registration within twelve months after the date of suspension, the certificate OR REGISTRATION expires.

Sec. 13. Section 32-741.03, Arizona Revised Statutes, is amended to read:

32-741.03. Revoked certificate; qualifications for new certificate

A. If the board revokes the certificate of an individual registrant, the individual shall return the certificate to the board. If the individual is unable to return the certificate, the individual must sign and submit to the board an affidavit on a form prescribed by the board stating that the individual is unable to return the certificate to the board.

B. An individual whose certificate has been revoked shall not assume or use the title or designation of "certified public accountant" or "public accountant" or the abbreviation "C.P.A.", "CPA", "P.A." or "PA".

C. Except as otherwise provided in this subsection, the board shall not issue a certificate to an individual whose certificate has been revoked until five years after the effective date of revocation. If the revocation is based only on section 32-741, subsection A, paragraph 1 or 2 and the criminal conviction is ultimately reversed on appeal, the board shall enter an order vacating the revocation.

D. An individual whose certificate has been revoked may apply for and the board may issue a new certificate if the individual does all of the following:

1. Files an application for reinstatement on a form prescribed by the board and pays the reinstatement application fee pursuant to section 32-729.

2. Demonstrates through substantial evidence presented to the board that the individual is completely rehabilitated with respect to the conduct that was the basis of the revocation of the certificate. Demonstration of rehabilitation shall include evidence of the following:

(a) The individual has not engaged in any conduct during the revocation period that, if the individual had been registered during the period, would have constituted a basis for revocation or suspension pursuant to section 32-741.

(b) With respect to any criminal conviction that constitutes any part of the basis for the previous revocation, civil rights have been fully restored pursuant to statute or an applicable recognized judicial or gubernatorial order.

(c) THE INDIVIDUAL HAS MADE restitution ~~has been made~~ as ordered by the board or by a court of competent jurisdiction as a result of the individual's violation of this chapter or rules adopted pursuant to this chapter.

(d) THE INDIVIDUAL HAS ADDRESSED OR REMEDIED ANY COMPLAINTS, INVESTIGATIONS OR BOARD-ORDERED REQUIREMENTS THAT ARE PENDING OR OUTSTANDING AT THE TIME OF REVOCATION.

~~(d)~~ (e) Other evidence of rehabilitation that the board deems appropriate.

3. Submits proof that the individual has satisfied continuing professional education requirements as prescribed by the board.

4. If not waived by the board, presents satisfactory evidence from an accredited institution or a college or university that maintains standards comparable to those of an accredited institution that the individual has completed at least one hundred fifty semester hours of education as follows:

(a) At least thirty-six semester hours are accounting courses of which at least thirty semester hours are upper-level courses.

(b) At least thirty semester hours are related courses.

5. If prescribed by the board, presents evidence that the individual has retaken and passed the uniform certified public accountant examination.

6. On board approval of reinstatement, pays the registration fee pursuant to section 32-729.

Sec. 14. Section 32-741.04, Arizona Revised Statutes, is amended to read:

32-741.04. Relinquishment of certificate with disciplinary proceedings pending; qualifications for new certificate

A. A certified public accountant or public accountant may relinquish the individual's certificate pending or in lieu of an investigation or disciplinary proceedings or while under a disciplinary order. The board shall consider a relinquishment tendered by a certified public accountant or public accountant pursuant to this section and shall determine whether to accept the relinquishment. The board shall issue an order documenting its decision.

B. An individual whose certificate has been relinquished shall not assume or use the title or designation of "certified public accountant" or "public accountant" or the abbreviation "C.P.A.", "CPA", "P.A." or "PA".

C. An individual who relinquishes a certificate pursuant to this section may apply for reinstatement and the board may issue a new certificate if the individual does all of the following:

1. Files an application for reinstatement on the form prescribed by the board and pays the reinstatement application fee pursuant to section 32-729.

2. Demonstrates through substantial evidence presented to the board that the individual is completely rehabilitated with respect to the conduct that was pending at the time of relinquishment. Demonstration of rehabilitation shall include evidence of the following:

(a) The individual has not engaged in any conduct during the relinquishment period that, if the individual had been registered during the period, would have constituted a basis for revocation or suspension pursuant to section 32-741.

(b) With respect to any criminal conviction that constitutes any part of the basis for the relinquishment, civil rights have been fully restored pursuant to statute or an applicable recognized judicial or gubernatorial order.

(c) The individual has addressed or ~~redeemed~~ REMEDIED any complaints, investigations or ~~any board order~~ BOARD-ORDERED requirements that are pending or outstanding at the time of relinquishment.

(d) THE INDIVIDUAL HAS MADE RESTITUTION AS ORDERED BY THE BOARD OR BY A COURT OF COMPETENT JURISDICTION AS A RESULT OF THE INDIVIDUAL'S VIOLATION OF THIS CHAPTER OR RULES ADOPTED PURSUANT TO THIS CHAPTER.

~~(d)~~ (e) Other evidence of rehabilitation that the board deems appropriate.

3. Submits proof that the individual has satisfied continuing education requirements as prescribed by the board.

4. If not waived by the board, presents satisfactory evidence from an accredited institution or a college or university that maintains standards comparable to those of an accredited institution that the individual has completed at least one hundred fifty semester hours of education as follows:

(a) At least thirty-six semester hours are accounting courses of which at least thirty semester hours are upper-level courses.

(b) At least thirty semester hours are related courses.

5. If prescribed by the board, presents evidence that the individual has retaken and passed the uniform certified public accountant examination.

6. On board approval of reinstatement, pays the registration fee pursuant to section 32-729.

D. If the board accepts the relinquishment of a certificate of a certified public accountant or public accountant, the person shall return the certificate to the board and shall attach to the certificate a document that is signed and dated and that is in substantially the following form:

> I, <u>(insert name of registrant)</u>, acknowledge that disciplinary proceedings have been initiated against me pursuant to title 32, chapter 6, article 3, Arizona Revised Statutes, and I relinquish my right to practice accounting as a <u>(insert either "certified public accountant" or "public accountant")</u> in the state of Arizona. I understand that if I choose to apply for a new certificate, I must meet all requirements for certification pursuant to section 32-741.04, Arizona Revised Statutes. I further understand that, in deciding whether to issue a new certificate to me, the board will consider all disciplinary actions currently pending against me and any other matters it determines to be appropriate.

Sec. 15. Section 32-742, Arizona Revised Statutes, is amended to read:

32-742. Revocation or suspension of firm's registration; failure to renew or reinstate; reinstatement; relinquishment

A. After notice and an opportunity for a hearing, the board shall revoke a firm's registration to practice public accounting if at any time it does not have all the qualifications prescribed by this chapter.

B. After notice and an opportunity for a hearing, the board may revoke or suspend a firm's registration to practice public accounting ~~and~~ OR may ~~additionally~~ take disciplinary action concerning the registrant for any of the causes enumerated in section 32-741, subsection A or for any of the following additional causes:

1. The revocation or suspension of any certificate issued by the board of any partner, shareholder, member, manager, officer, director, agent or employee of the firm.

2. The cancellation, revocation, suspension or refusal to renew the authority of the firm or any Arizona partner, shareholder, member, manager, officer, director, agent or employee to practice public accounting in any ~~other state~~ JURISDICTION for any cause other than failure to pay a registration fee in the ~~other state~~ JURISDICTION.

3. THE FAILURE TO COMPLY WITH SECTION 32-731, SUBSECTION E.

~~C. The board shall suspend, without notice or hearing, the registration to practice public accounting of any firm that fails to register as required by section 32-730 and pay the registration fee as required by section 32-729. Terms of a suspension issued under this subsection shall include a provision that the suspension shall be vacated when the registrant has paid all past due fees and penalties. If the firm fails to reinstate its registration within twelve months after the date of suspension, the registration expires.~~

~~D. A firm whose registration has expired for failure to renew may apply for reinstatement. The board may reinstate the registration if the firm meets all of the following requirements:~~

~~1. Files an application on a form prescribed by the board.~~

~~2. Has not engaged in any conduct that would constitute grounds for revocation or suspension of a registration pursuant to section 32-741.~~

~~3. On board approval of reinstatement, pays the registration fee pursuant to section 32-729.~~

C. A FIRM MAY RELINQUISH ITS REGISTRATION PENDING OR IN LIEU OF AN INVESTIGATION OR A DISCIPLINARY PROCEEDING OR WHILE UNDER A DISCIPLINARY ORDER. THE BOARD SHALL CONSIDER A RELINQUISHMENT TENDERED BY THE FIRM PURSUANT TO THIS SECTION AND MAY DETERMINE WHETHER TO ACCEPT THE RELINQUISHMENT. THE BOARD SHALL ISSUE AN ORDER DOCUMENTING ITS DECISION.

D. A FIRM WHOSE REGISTRATION HAS BEEN RELINQUISHED SHALL NOT ASSUME OR USE THE TITLE OR DESIGNATION "CERTIFIED PUBLIC ACCOUNTANT" OR "PUBLIC ACCOUNTANT" OR THE ABBREVIATION "C.P.A.", "CPA", "P.A." OR "PA".

E. A FIRM WHOSE REGISTRATION HAS BEEN RELINQUISHED PURSUANT TO THIS SECTION MAY APPLY FOR REINSTATEMENT, AND THE BOARD MAY ISSUE A NEW REGISTRATION IF THE FIRM DOES ALL OF THE FOLLOWING:

1. FILES AN APPLICATION FOR REINSTATEMENT ON THE FORM PRESCRIBED BY THE BOARD AND PAYS THE REGISTRATION FEE PURSUANT TO SECTION 32-729, PARAGRAPH 4.

2. DEMONSTRATES THROUGH SUBSTANTIAL EVIDENCE PRESENTED TO THE BOARD THAT THE FIRM IS COMPLETELY REHABILITATED WITH RESPECT TO THE CONDUCT THAT WAS PENDING AT THE TIME OF RELINQUISHMENT. DEMONSTRATION OF REHABILITATION INCLUDES EVIDENCE OF THE FOLLOWING:

(a) THE FIRM OR ANY PARTNER OF THE FIRM HAS NOT ENGAGED IN ANY CONDUCT DURING THE RELINQUISHMENT PERIOD THAT, IF THE FIRM OR PARTNER OF THE FIRM HAD BEEN REGISTERED DURING THAT PERIOD, WOULD HAVE CONSTITUTED A BASIS FOR REVOCATION OR SUSPENSION PURSUANT TO SECTION 32-741.

(b) THE FIRM HAS ADDRESSED OR REMEDIED ANY COMPLAINTS, INVESTIGATIONS OR BOARD-ORDERED REQUIREMENTS THAT ARE PENDING OR OUTSTANDING AT THE TIME OF RELINQUISHMENT.

(c) OTHER EVIDENCE OF REHABILITATION THAT THE BOARD DEEMS APPROPRIATE.

3. MEETS ALL OF THE REQUIREMENTS FOR REGISTRATION PURSUANT TO THIS CHAPTER.

F. IF THE BOARD ACCEPTS THE RELINQUISHMENT OF A REGISTRATION OF A FIRM, BEFORE THE RELINQUISHMENT MAY TAKE EFFECT, THE FIRM SHALL SUBMIT A DOCUMENT THAT IS SIGNED AND DATED AND THAT IS IN SUBSTANTIALLY THE FOLLOWING FORM:

> I, <u>(INSERT NAME OF REGISTRANT ACTING ON BEHALF OF THE FIRM)</u>, ACKNOWLEDGE THAT DISCIPLINARY PROCEEDINGS HAVE BEEN INITIATED AGAINST (INSERT NAME OF FIRM) PURSUANT TO TITLE 32, CHAPTER 6, ARTICLE 3, ARIZONA REVISED STATUTES, AND THE FIRM RELINQUISHES ITS RIGHT TO PRACTICE ACCOUNTING AS A CERTIFIED PUBLIC ACCOUNTING FIRM IN THE STATE OF ARIZONA. I UNDERSTAND THAT IF THE FIRM APPLIES FOR A NEW REGISTRATION, IT MUST MEET ALL REQUIREMENTS FOR REGISTRATION PURSUANT TO SECTION 32-742, ARIZONA REVISED STATUTES. I FURTHER UNDERSTAND THAT, IN DECIDING WHETHER TO ISSUE A NEW REGISTRATION TO THE FIRM, THE BOARD WILL CONSIDER ALL DISCIPLINARY ACTIONS CURRENTLY PENDING AGAINST THE FIRM AND ANY OTHER MATTERS IT DETERMINES TO BE APPROPRIATE.
>
> DATED THIS ____ DAY OF _____, 20___.
>
> BY: <u>(INSERT NAME OF FIRM, NAME OF INDIVIDUAL SIGNING ON BEHALF OF FIRM, AND THAT INDIVIDUAL'S POSITION IN FIRM)</u>

Sec. 16. Section 32-744, Arizona Revised Statutes, is amended to read:

32-744. <u>Ownership and custody of working papers and records</u>

A. All statements, records, schedules, working papers and memoranda prepared by a registrant or a partner, shareholder, officer, director, member, manager or employee of a registrant incidental to or in the course of

rendering professional services to a client while a registrant are and shall remain the property of the registrant, except:

1. In the case of an express agreement between the registrant and the client to the contrary.

2. The reports submitted by the registrant to the client.

3. Records that are part of the client's records.

B. Without the consent of the client or the client's personal representative or assignee, no statement, record, schedule, working paper or memorandum may be sold, transferred or bequeathed to anyone other than surviving partners, stockholders or members or new partners, new stockholders, new members of the firm or any combined or merged firm or successor in interest to the firm.

C. On request with reasonable notice, a registrant shall timely furnish to a client or former client:

1. A copy of the registrant's working papers, to the extent that the working papers include records that would ordinarily constitute part of the client's records and are not otherwise available to the client.

2. Any accounting or other records belonging to, or obtained from or on behalf of, the client that the registrant removed from the client's premises or received for the client's account. The registrant may make and retain copies of these documents if they form the basis for work done by the registrant.

D. A registrant or firm shall maintain all records pertaining to any legal action initiated against the registrant or firm for a period of three years after the resolution of the action. On request, the registrant or firm shall timely furnish all records pertaining to the legal action to the board. For the purposes of this subsection, "legal action" means any civil or criminal lawsuit or state, UNITED STATES TERRITORY or federal administrative proceeding where the allegations against the registrant or firm are violations of accounting or auditing standards or that result from negligence, gross negligence or reckless conduct, dishonesty, fraud, misrepresentation, breach of fiduciary duty or the suspension or revocation of the right to practice before the federal securities and exchange commission, the internal revenue service or any other state, UNITED STATES TERRITORY or federal agency.

E. Except as provided in subsection D OF THIS SECTION, this section does not require a registrant to keep any work paper beyond the period prescribed by any other applicable statute.

APPROVED BY THE GOVERNOR APRIL 6, 2015.

FILED IN THE OFFICE OF THE SECRETARY OF STATE APRIL 7, 2015.

Passed the House February 12, 2015

by the following vote: 58 Ayes,

0 Nays, 2 Not Voting

Speaker of the House

Pro Tempore

Jim Drake

Chief Clerk of the House

Passed the Senate March 30, 2015

by the following vote: 28 Ayes,

1 Nays, 1 Not Voting

President of the Senate

Secretary of the Senate

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill received by the Governor this

_____ day of _____, 20_____

at _____ o'clock _____M.

_____
Secretary to the Governor

Approved this _____day of

_____

at _____o'clock_____M.

_____
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill received by the Secretary of State

this _____ day of _____, 20_____

at _____ o'clock _____M.

_____
Secretary of State

H.B. 2218

HOUSE CONCURS IN SENATE
AMENDMENTS AND FINAL PASSAGE

March 31, 20 15,

by the following vote: 58 Ayes,

2 Nays, 0 Not Voting

Speaker of the House

Jim Drake
Chief Clerk of the House

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF GOVERNOR

This Bill was received by the Governor this

31st day of March, 20 15,

at 3:16 o'clock P. M.

Justin Lyman
Secretary to the Governor

Approved this 6th day of

April, 20 15,

at 1:19 o'clock P M.

Doug A. Ducey
Governor of Arizona

EXECUTIVE DEPARTMENT OF ARIZONA
OFFICE OF SECRETARY OF STATE

This Bill was received by the Secretary of State

this 7th day of April, 20 15,

at 8:30 o'clock A M.

Michele Reagan
Secretary of State

H.B. 2218