



SENATOR

JOHN M. W. MOORLACH

THIRTY-SEVENTH SENATE DISTRICT

FACT SHEET

Senate Bill 1159 (to be amended) – CPA Designation

CURRENT LAW

Current law requires that the holder of an inactive Certified Public Accountant (CPA) license must place the term “inactive” or “retired” immediately after their CPA designation, e.g. John Q. Public, CPA (Inactive).

BILL SUMMARY

Senate Bill 1159 exempts inactive CPAs who are members of the California State Legislature or the United States Congress from placing the words “inactive” or “retired” after their designation.

This bill clarifies that members may not engage in the practice of public accountancy while their license is inactive, regardless of the exemption defined in this bill.

To practice once again as a CPA, a member must convert to an active license by complying with all regulations, including continuing professional education (CPE) / continuing education (CE), required by the California Board of Accountancy (CBA).

This bill would only currently affect one inactive CPA in the Legislature and one in Congress; and this change only affects these members while they are in the tenure of their office.

In no way does this bill waive, exempt, or affect any CBA CE requirements.

Currently, attorneys in the state legislature are exempted from the CE requirements by the State Bar. CPAs are required to obtain 80 hours of CE every two years and have no similar exemption. Those who become inactive can only use the CPA trademark with the qualifier of “Inactive”. This is not a preferred method of informing the public of a hard earned and highly recognized license.

ISSUE BACKGROUND

According to the CBA, an inactive CPA license is current; however, the licensee is not required to meet the CE requirements and is not permitted to engage in the practice of public accountancy.

Maintaining 80 hours of CE requirements every two years on top of the other requirements needed to be a legislator creates a disincentive for those who would like to serve in the Legislature or Congress. By exempting the term “inactive”, SB 1159 may increase much needed CPA representation in the Legislature and Congress.

The public will still have the ability to perform a license check through the CBA, and members will still be required to fill out the annual license renewal, and indicate an inactive license.

SB 1159 serves in the best interest of the public by increasing the likelihood of CPAs contributing their knowledge and expertise in the Legislature or Congress, while giving ample protections to the public.

On January 18, 2018, the CBA voted to support the language that will be amended into SB 1159.

SUPPORT

- See above

CONTACT

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