

The Connecticut General Assembly

Legislative Commissioners' Office

Edwin J. Maley, Jr.
Commissioner
William A. Hamzy
Commissioner

Louise M. Nadeau
Director



Legislative Office Building
Suite 5500
Hartford, Connecticut
06106-1591
(860) 240-8410
fax (860) 240-8414
e-mail: lco@cga.ct.gov

Memorandum

To: Legislative Regulation Review Committee
From: Legislative Commissioners' Office
Committee Meeting Date: January 22, 2019

Regulation No:	2018-27
Agency:	Department of Consumer Protection
Subject Matter:	Certified Public Accountants
Statutory Authority: (copy attached)	20-280

	Yes or No
Mandatory	N
Federal Requirement	N
Permissive	Y

For the Committee's Information:

Substantive Concerns:

Technical Corrections:

1. On page 1, in the introductory language, "through" should be "to" and "to read" should be inserted after "amended", for proper form.
2. On page 1, in section 20-280-15a(b), in the first line, "of the Regulations of Connecticut State Agencies" should be inserted after "20-280-15c", for proper form. In subsection (e) of said section, in the last line "sec." should be "[sec.] section" for consistency and "(g) and (h)" should be "[(g) and (h)] (e) and (f) of the Regulations of Connecticut State Agencies", for accuracy.
3. On page 2, in section 20-280-15b, in the introductory language, "for purposes of sections 20-280-15a to 20-280-16, inclusive, and sections 20-280-20 to 20-280-28, inclusive, of the Regulations of Connecticut State Agencies" should be inserted after "Statutes", for clarity.
4. On page 2, in section 20-280-15b(1), "and/or" should be "or", for proper form.
5. On page 2, in section 20-280-15b(3), "Attest Services" should be lowercase, "Connecticut General Statutes" should be deleted and "of the Connecticut General Statutes" should be inserted after "20-279b", for proper form.
6. On page 2, in section 20-280-15b(5), "license" should be "licensee", for accuracy.
7. On page 2, in section 20-280-15b(6), "commissioner" should be "Commissioner", for proper form. Similarly, in subdivision (9) of said section, "department" should be "Department", for proper form.
8. On page 2, in the first line of section 20-280-15b(13), "lean" should be "learn", for accuracy. In the third line, "in these regulations, it becomes" should be "specified in 20-280-15a to 20-280-16, inclusive, and sections 20-280-20 to 20-280-28, inclusive, of the Regulations of Connecticut State Agencies, it is", for accuracy. Similarly, in subdivision (14) of said section, "herein" should be "sections 20-280-15a to 20-280-16, inclusive, and sections 20-280-20 to 20-280-28, inclusive, of the Regulations of Connecticut State Agencies", for clarity.
9. On page 2, in section 20-280-15b(15), an underlined comma should be inserted after "presentation", for proper form.
10. On page 2, in section 20-280-15b(19), "the state" should be "this state", for clarity. In the third line of said subdivision, the second comma should be deleted, for proper form.
11. On page 3, in section 20-280-15b(28), in the third line, "must provide" should be "provides", for proper form, and in the fourth line, "must comply" should be "complies", for proper form. In the fourth line, "in these regulations" should be "specified in sections 20-280-15a to 20-280-16, inclusive, and sections 20-280-20 to 20-280-28, inclusive, of the Regulations of Connecticut State Agencies", for clarity.

12. On page 5, in section 20-280-15c(h), "This rule" should be "(1) This [rule] subdivision" and "(2)" should be inserted before "Members", for proper form. In addition, existing subdivisions (1) to (4) should be bracketed and replaced with subparagraphs "(A)" to "(D)", inclusive, respectively, for proper form.

13. On page 6, in section 20-280-15c(i), in the second line, "·" should be "·" for proper form and in subdivision (1) of said subsection, "(i)" and "(ii)" should be "(A)" and "(B)", respectively, for proper form.

14. On page 6, in section 20-280-15c(j)(4), in the third line, "one" should be "the licensee" for clarity and in the last line "rule" should be "subdivision", for accuracy.

15. On page 6, in section 20-280-15c(m), in the fourth line, "the state" should be "this state", for clarity.

16. On page 7, section 20-280-15d should be a separate section of the proposed regulation, using the introductory language "The Regulations of Connecticut State Agencies are amended by adding section 20-280-15d as follows" and the language should not be underlined, for proper form.

17. On page 7, throughout section 20-280-15d, all occurrences of "Board" should be lowercase, for consistency.

18. On page 7, in section 20-280-15d(a)(1), in the last line, "or" should be deleted as unnecessary.

19. On page 7, in sections 20-280-15d(b)(9) and (10), "Regulations" should be "Regulations of Connecticut State Agencies", for proper form.

20. On page 8, in section 20-280-16(c)(2), "section" should be deleted as unnecessary.

21. On page 8, in section 20-280-16(e), "secretary" should be "[secretary] commissioner", for accuracy.

22. On page 8, in section 20-280-16(f), "of the Connecticut General Statutes" should be inserted after "20-280b", for proper form.

23. On page 10, in section 20-280-20(g), the opening bracket should be moved to before "general" and "section 20-281c of the" should be deleted, for proper form. The same change should be made on page 11, in section 20-280-21(3).

24. On page 13, in section 20-280-23(f) and (g), said subsection designators should be "(g)" and "(h)", respectively, for accuracy.

25. On page 14, in section 20-280-23(g)(4)(1) and (2), "(1)" and "(2)" should be "(A)" and "(B)", respectively, for proper form.

26. On page 14, in section 20-280-23(j)(3), the closing bracket after "an" should be moved to after "examination.", for accuracy.
27. On page 15, in section 20-280-24(c)(1), "Board" should be "[Board] board", for consistency. The same change should be made on page 16, in subsection (e)(2), in the next to last line.
28. On page 15, in section 20-280-24(c)(2), the extra space after "board" in the fifth line should be deleted, for proper form.
29. On page 18, section 20-280-24a should be a separate section of the proposed regulation, using the introductory language "The Regulations of Connecticut State Agencies are amended by adding section 20-280-24a as follows" and the language should not be underlined, for proper form.
30. On page 18, in section 20-280-24a(a), "20-279b" should be "20-281n", for accuracy.
31. On page 19, in section 20-280-26(a), "must" should be "shall", in accordance with the committee's directive regarding mandates and in subdivision (1) of said subsection, "Continuing Education Programs" should be lowercase, for proper form.
32. On page 20, in section 20-280-26(a)(1)(D), "subsection (c)" should be "subsection [(c)] (b)", for accuracy.
33. On page 20, in section 20-280-26(a)(4)(A), the two occurrences of "must" should be "shall", in accordance with the committee's directive regarding mandates.
34. On page 21, in section 20-280-26(a)(7)(B), "Board's" should be "board's", for consistency.
35. On page 21, in section 20-280-26(b), "so long as" should be "if", for clarity.
36. On page 21, in section 20-280-26(b)(13), "and" should be inserted after "etc." for proper form and in subdivision (14) of said subsection, "state board of accountancy" should be bracketed and "board" inserted after the closing bracket, for consistency.
37. On page 21, in section 20-280-26(c)(2), the two occurrences of "must" should be "shall", in accordance with the committee's directive regarding mandates.
38. On page 22, in section 20-280-26(d)(4) and (d)(6)(E), the space before "(s)" should be deleted, for proper form.
39. On page 22, in section 20-280-26(e)(1)(A), (2) and (3), "must" should be "shall", in accordance with the committee's directive regarding mandates.
40. On page 22, in section 20-280-26(e)(3) and on page 23 in subsection (e)(7), the occurrences of "can" should be "may", for proper form.

41. On page 23, in section 20-280-26(e)(8)(C), "(b) above" should be "[(b) above] (a) of this section", for accuracy
42. On page 23, in section 20-280-26(e)(10), "must" should be "shall", in accordance with the committee's directive regarding mandates.
43. On pages 23 and 24, in section 20-280-27(a), the brackets around subdivision designators (1) to (6), inclusive, should be deleted as unnecessary.
44. On pages 24 to 28, inclusive, the text of sections 20-280-28 and 20-280-29 should be deleted because said sections are being repealed in section 3 on page 24.

Recommendation:

X	Approval in whole
X	with technical corrections
X	with deletions
	with substitute pages
	Disapproval in whole or in part
	Rejection without prejudice

Reviewed by: Richard Hanratty / Shannon McCarthy

Date: January 10, 2019

Sec. 20-280. Board of Accountancy. Members' terms. Meetings. Seal. Maintenance of registry. Printing of directory. Powers. Regulations. (a) There shall be a State Board of Accountancy which shall consist of nine members, to be appointed by the Governor, all of whom shall be residents of this state, five of whom shall hold current, valid licenses to practice public accountancy and four of whom shall be public members. Any persons serving on the board prior to October 1, 1992, shall continue to serve until a successor is appointed. Whenever an appointment of a licensee to the state board is to be made, the Connecticut Society of Certified Public Accountants shall submit to the Governor the names of five persons qualified for membership on the board and the Governor shall appoint one of such persons to said board, subject to the provisions of section 4-10. The Governor shall select a chairperson pursuant to section 4-9a. The term of each member of the board shall be coterminous with that of the Governor. Vacancies occurring during a term shall be filled by appointment by the Governor for the unexpired portion of the term. Upon the expiration of a member's term of office, such member shall continue to serve until his successor has been appointed. Any member of the board whose license under section 20-281d is revoked or suspended shall automatically cease to be a member of the board. No person who has served two successive complete terms shall be eligible for reappointment to the board. Appointment to fill an unexpired term shall not be considered to be a complete term. Any member who, without just cause, fails to attend fifty per cent of all meetings held during any calendar year shall not be eligible for reappointment.

(b) The board shall meet at such times and places as may be fixed by the board and shall meet at least once in every quarter of a calendar year. A majority of the board members then serving shall constitute a quorum at any meeting duly called. The board shall have a seal which shall be judicially noticed. The board shall maintain a registry of the names and addresses of all licensees and registrants under sections 20-279b to 20-281m, inclusive, and shall have responsibility for the administration and enforcement of said sections.

(c) The Department of Consumer Protection shall provide office space for the board. Members shall not be compensated for their services and, notwithstanding the provisions of section 21a-7, shall not be reimbursed for necessary expenses.

(d) The board shall annually cause to be printed a directory which shall contain the names, arranged alphabetically, of all licensees and registrants under sections 20-279b to 20-281m, inclusive.

(e) Said board shall be within the Department of Consumer Protection.

(f) The board shall have the power to take all action that is necessary and proper to effectuate the purposes of sections 20-279b to 20-281m, inclusive, including the power to issue subpoenas to compel the attendance of witnesses and the production of documents; to

administer oaths; to take testimony and to receive evidence concerning all matters within its jurisdiction. In case of disobedience of a subpoena, the board may invoke the aid of any court of this state in requiring the attendance and testimony of witnesses and the production of documentary evidence. The board, its members, and its agents shall be immune from personal liability for actions taken in good faith in the discharge of the board's responsibilities, and the state shall indemnify and hold harmless the board, its members, and its agents from all costs, damages, and attorneys' fees arising from claims and suits against them with respect to matters to which such immunity applies.

(g) The board may adopt regulations, in accordance with chapter 54, governing its administration and enforcement of sections 20-279b to 20-281m, inclusive, and the conduct of licensees and registrants, including, but not limited to:

- (1) Regulations governing the board's meetings and the conduct of its business;
- (2) Regulations concerning procedures governing the conduct of investigations and hearings by the board;
- (3) Regulations specifying the educational qualifications required for the issuance of certificates under section 20-281c, the experience required for initial issuance of certificates under section 20-281c and the continuing professional education required for renewal of licenses under subsection (e) of section 20-281d;
- (4) Regulations concerning professional conduct directed to controlling the quality and probity of the practice of public accountancy by licensees, and dealing among other things with independence, integrity, objectivity, competence, technical standards, responsibilities to the public and responsibilities to clients;
- (5) Regulations specifying actions and circumstances that shall be deemed to constitute holding oneself out as a licensee in connection with the practice of public accountancy;
- (6) Regulations governing the manner and circumstances of use by holders of certificates who do not also hold licenses under sections 20-279b to 20-281m, inclusive, of the titles "certified public accountant" and "CPA";
- (7) Regulations regarding quality reviews that may be required to be performed under the provisions of sections 20-279b to 20-281m, inclusive;
- (8) Regulations implementing the provisions of section 20-281l, including, but not limited to, specifying the terms of any disclosure required by subsection (d) of said section 20-281l, the manner in which such disclosure is made and any other requirements the board imposes with regard to such disclosure. Such regulations shall require that any

disclosure: (A) Be in writing and signed by the recipient of the product or service; (B) be clear and conspicuous; (C) state the amount of the commission or the basis on which the commission will be calculated; (D) identify the source of the payment of the commission and the relationship between such source and the person receiving payment; and (E) be presented to the client at or prior to the time the recommendation of the product or service is made;

(9) Regulations establishing the due date for any fee charged pursuant to sections 20-281c, 20-281d and 20-281e. Such regulations may establish the amount and due date of a late fee charged for the failure to remit payment of any fee charged pursuant to sections 20-281c, 20-281d and 20-281e; and

(10) Such other regulations as the board may deem necessary or appropriate for implementing the provisions and the purposes of sections 20-279b to 20-281m, inclusive.