



House of Representatives

File No. 812

General Assembly

January Session, 2025

(Reprint of File No. 361)

House Bill No. 7020
As Amended by House Amendment
Schedule "A"

Approved by the Legislative Commissioner
April 30, 2025

AN ACT CONCERNING CERTIFIED PUBLIC ACCOUNTANTS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 20-279b of the general statutes is repealed and the
2 following is substituted in lieu thereof (*Effective October 1, 2025*):

3 As used in this section and sections 20-280 to 20-281n, inclusive, as
4 amended by this act:

5 (1) "Board" means the State Board of Accountancy established by
6 section 20-280, as amended by this act;

7 (2) "Certificate" means a "certified public accountant" certificate
8 issued either prior to October 1, 1992, or pursuant to section 20-281c, as
9 amended by this act, or a "certified public accountant" certificate issued
10 after examination pursuant to the laws of any other state;

11 (3) "Firm" means any person, proprietorship, partnership,
12 corporation, limited liability company or association and any other legal

13 entity which practices public accountancy;

14 (4) "License" means a public accountancy license issued pursuant to
15 section 20-281b or 20-281d;

16 (5) "Licensee" means the holder of a certificate issued pursuant to
17 section 20-281c, as amended by this act, the holder of a license issued
18 pursuant to section 20-281b or 20-281d or a holder of a permit to practice
19 public accountancy issued pursuant to sections 20-281b and 20-281e;

20 (6) "Permit" means a permit to practice public accountancy issued to
21 a firm pursuant to section 20-281e;

22 (7) "Practicing public accountancy" means performing for the public
23 or offering to perform for the public for a fee by a person or firm holding
24 himself, herself or itself out to the public as a licensee one or more kinds
25 of services involving the use of accounting or auditing skills, including,
26 but not limited to, the issuance of reports or of one or more kinds of
27 management advisory, financial advisory or consulting services, or the
28 preparation of tax returns or the furnishing of advice on tax matters;

29 (8) "Quality review" means any study, appraisal or review of one or
30 more aspects of the professional work of a person or firm which
31 practices public accountancy by a person or persons who holds or hold
32 licenses under section 20-281b or 20-281d or their equivalent under the
33 laws of any other state and who are not affiliated with the person or firm
34 being reviewed;

35 (9) "Registration" means the process by which the holder of a
36 certificate may register his or her certificate annually and pay a fee of
37 twenty dollars in lieu of an annual renewal of a license and be entitled
38 to use the abbreviation "CPA" and the title "certified public accountant"
39 under conditions and in the manner prescribed by the board by
40 regulation;

41 (10) "Profession" means the profession of public accountancy;

42 (11) "Report" means, in reference to any attest or compilation service,

43 any opinion, writing or other form of language that (A) expresses or
44 implies assurance as to the reliability of the attested information or
45 compiled financial statements, and (B) contains or is accompanied by a
46 statement that expresses or implies that the person or firm issuing such
47 opinion, writing or other language has special knowledge or
48 competence in accounting or auditing, which expression or implication
49 arises from, among other things, the use of names or titles by the issuer
50 indicating that the person or firm is an accountant or auditor or from the
51 language of the report itself. "Report" includes any form of language that
52 disclaims an opinion when such form of language is conventionally
53 understood to imply any positive assurance as to the reliability of the
54 attested information or compiled financial statements referred to or
55 special competence on the part of the person or firm issuing such
56 language, including any other form of language that is conventionally
57 understood to imply such assurance or special knowledge or
58 competence;

59 (12) "AICPA" means the American Institute of Certified Public
60 Accountants;

61 (13) "Attest" means the provision of any of the following services:

62 (A) Any audit or other engagement to be performed in accordance
63 with the Statements on Auditing Standards (SAS);

64 (B) Any review of a financial statement to be performed in accordance
65 with the Statements on Standards for Accounting and Review Services
66 (SSARS);

67 (C) Any examination of prospective financial information to be
68 performed in accordance with the Statements on Standards for
69 Attestation Engagements (SSAE);

70 (D) Any engagement to be performed in accordance with the
71 Auditing Standards of the PCAOB; and

72 (E) Any examination, review or agreed upon procedures engagement

73 to be performed in accordance with the Statements on Standards for
74 Attestation Engagements (SSAE), other than an examination as
75 described in subparagraph (C) of this subdivision;

76 (14) "Compilation" means the provision of a service to be performed
77 in accordance with Statements on Standards for Accounting and Review
78 Services (SSARS) that is presented in the form of financial statements
79 that is the representation of management without undertaking to
80 express any assurance on the statements;

81 (15) "Home office" means the location specified by the client as the
82 address to which a service described in section 20-281n, as amended by
83 this act, is directed;

84 [(16) "NASBA" means the National Association of State Boards of
85 Accountancy;]

86 [(17)] ~~(16)~~ "PCAOB" means the Public Company Accounting
87 Oversight Board;

88 [(18)] ~~(17)~~ "Practice privilege" means the privilege for a person or firm
89 to practice public accountancy described in, and subject to the
90 conditions contained in, sections 20-281e and 20-281n, ~~[;]~~ as amended by
91 this act; and

92 [(19)] ~~(18)~~ "Principal place of business" means the office location
93 designated by an individual or firm for purposes of sections 20-281e and
94 20-281n, as amended by this act. [;]

95 [(20) "Substantial equivalency" is a determination by the board of
96 accountancy or its designee that the education, examination and
97 experience requirements contained in the statutes and administrative
98 rules of another jurisdiction are comparable to, or exceed, the education,
99 examination and experience requirements contained in the Uniform
100 Accountancy Act or that an individual certified public accountant's
101 education, examination and experience qualifications are comparable
102 to, or exceed, the education, examination and experience requirements

103 contained in the Uniform Accountancy Act.]

104 Sec. 2. Subsection (g) of section 20-280 of the general statutes is
105 repealed and the following is substituted in lieu thereof (*Effective October*
106 *1, 2025*):

107 (g) The board may adopt regulations, in accordance with chapter 54,
108 governing its administration and enforcement of sections 20-279b to 20-
109 281m, inclusive, as amended by this act, and the conduct of licensees
110 and registrants, including, but not limited to:

111 (1) Regulations governing the board's meetings and the conduct of its
112 business;

113 (2) Regulations concerning procedures governing the conduct of
114 investigations and hearings by the board;

115 (3) Regulations [specifying] implementing the [educational
116 qualifications required] education requirements established for the
117 issuance of certificates under section 20-281c, as amended by this act,
118 implementing the experience [required] requirements established for
119 initial issuance of certificates under section 20-281c, as amended by this
120 act, and specifying the continuing professional education required for
121 renewal of licenses under subsection (e) of section 20-281d;

122 (4) Regulations concerning professional conduct directed to
123 controlling the quality and probity of the practice of public accountancy
124 by licensees, and dealing among other things with independence,
125 integrity, objectivity, competence, technical standards, responsibilities
126 to the public and responsibilities to clients;

127 (5) Regulations specifying actions and circumstances that shall be
128 deemed to constitute holding oneself out as a licensee in connection
129 with the practice of public accountancy;

130 (6) Regulations governing the manner and circumstances of use by
131 holders of certificates who do not also hold licenses under sections 20-
132 279b to 20-281m, inclusive, as amended by this act, of the titles "certified

133 public accountant" and "CPA";

134 (7) Regulations regarding quality reviews that may be required to be
135 performed under the provisions of sections 20-279b to 20-281m,
136 inclusive, as amended by this act;

137 (8) Regulations implementing the provisions of section 20-281l,
138 including, but not limited to, specifying the terms of any disclosure
139 required by subsection (d) of said section 20-281l, the manner in which
140 such disclosure is made and any other requirements the board imposes
141 with regard to such disclosure. Such regulations shall require that any
142 disclosure: (A) Be in writing and signed by the recipient of the product
143 or service; (B) be clear and conspicuous; (C) state the amount of the
144 commission or the basis on which the commission will be calculated; (D)
145 identify the source of the payment of the commission and the
146 relationship between such source and the person receiving payment;
147 and (E) be presented to the client at or prior to the time the
148 recommendation of the product or service is made;

149 (9) Regulations establishing the due date for any fee charged
150 pursuant to sections 20-281c, as amended by this act, 20-281d and 20-
151 281e. Such regulations may establish the amount and due date of a late
152 fee charged for the failure to remit payment of any fee charged pursuant
153 to sections 20-281c, as amended by this act, 20-281d and 20-281e; and

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

157 Sec. 3. Section 20-281c of the general statutes is repealed and the
158 following is substituted in lieu thereof (*Effective October 1, 2025*):

159 (a) The board shall grant the certificate of "certified public
160 accountant" to any person who meets the [good character,] education,
161 experience and examination requirements of subsections (b) to (e),
162 inclusive, of this section and upon the payment of a fee of one hundred
163 fifty dollars.

164 [(b) Good character for purposes of this section means lack of a
165 history of dishonest or felonious acts. The board may refuse to grant a
166 certificate on the grounds of failure to satisfy this requirement only if
167 there is a substantial connection between the lack of good character of
168 the applicant and the professional responsibilities of a licensee and if the
169 finding by the board of lack of good character is supported by clear and
170 convincing evidence, and when based upon the prior conviction of a
171 crime, is in accordance with the provisions of section 46a-80. When an
172 applicant is found to be unqualified for a certificate because of a finding
173 of lack of good character, the board shall furnish the applicant a
174 statement containing the findings of the board and a complete record of
175 the evidence upon which the determination was based.]

176 [(c)] (b) (1) An applicant may apply to take the examination if such
177 person, at the time of the examination, has completed not less than one
178 hundred twenty semester hours of education, as determined by the
179 board by regulation to be appropriate. [The educational]

180 (2) (A) Except as provided in subparagraph (B) of this subdivision,
181 the education requirements for a certificate shall be prescribed in
182 regulations to be adopted by the board as follows:

183 [(1)] (i) Until December 31, 1999, a baccalaureate degree or its
184 equivalent conferred by a college or university acceptable to the board,
185 with an accounting concentration or its equivalent as determined by the
186 board by regulation to be appropriate; or

187 [(2)] (ii) After January 1, 2000, but before October 1, 2025, at least one
188 hundred fifty semester hours of college education including a
189 baccalaureate or higher degree conferred by a college or university
190 acceptable to the board. The total educational program shall include an
191 accounting concentration or its equivalent [,] as determined by the
192 board by regulation to be appropriate.

193 (B) On and after October 1, 2025, the education requirements for a
194 certificate shall be as follows:

195 (i) A baccalaureate degree or its equivalent conferred by a college or
196 university acceptable to the board, with an accounting concentration or
197 its equivalent as determined by the board by regulation to be
198 appropriate;

199 (ii) A baccalaureate degree conferred, and an additional thirty
200 semester hours of college education provided, by a college or university
201 acceptable to the board. The total educational program shall include an
202 accounting concentration or its equivalent as determined by the board
203 by regulation to be appropriate; or

204 (iii) A post-baccalaureate degree conferred by a college or university
205 acceptable to the board, with an accounting concentration or its
206 equivalent as determined by the board by regulation to be appropriate.

207 ~~[(d)]~~ (c) The board may charge each applicant a fee, in an amount
208 prescribed by the board by regulation, for each section of the
209 examination or reexamination taken by the applicant, or the board may
210 authorize a third party administering the examination to charge each
211 applicant a fee for each section of the examination or reexamination
212 taken by the applicant.

213 ~~[(e)]~~ (d) The board shall allow an applicant who applies to take the
214 examination on or after October 1, 2023, to receive credit for each section
215 of the examination that such applicant passes in any sitting for such
216 examination, provided such applicant passes all sections of the
217 examination within a thirty-month period. The board may, in its
218 discretion, extend the thirty-month period for reasons related to health,
219 military service or other individual hardship.

220 ~~[(f) The]~~ (e) (1) Prior to October 1, 2025, the experience requirement
221 for a certificate shall be as prescribed by the board by regulation.

222 (2) On and after October 1, 2025, the experience requirement for a
223 certificate shall be as follows:

224 (A) Two years if the applicant is applying for a certificate based on

225 the education requirement established in subparagraph (B)(i) of
226 subdivision (2) of subsection (b) of this section; or

227 (B) One year if the applicant is applying for a certificate based on the
228 education requirement established in subparagraph (B)(ii) or (B)(iii) of
229 subdivision (2) of subsection (b) of this section.

230 ~~[(g)]~~ (f) The holder of a certificate may register his or her certificate
231 annually and pay a fee of forty dollars in lieu of an annual renewal of a
232 license and such registration shall entitle the registrant to use the
233 abbreviation "CPA" and the title "certified public accountant" under
234 conditions and in the manner prescribed by the board by regulation.

235 Sec. 4. Section 20-281n of the general statutes is repealed and the
236 following is substituted in lieu thereof (*Effective October 1, 2025*):

237 [(a) Any individual whose principal place of business is not in this
238 state shall be presumed to have qualifications substantially equivalent
239 to this state's requirements and shall qualify for a practice privilege and
240 have all the privileges of licensees of this state without the need to obtain
241 a license pursuant to section 20-281d if:

242 (1) Such individual holds a valid license as a Certified Public
243 Accountant from any state which the NASBA National Qualification
244 Appraisal Service has verified to be in substantial equivalence with the
245 CPA licensure requirements of the AICPA/NASBA Uniform
246 Accountancy Act; or

247 (2) Such individual holds a valid license as a Certified Public
248 Accountant from any state which the NASBA National Qualification
249 Appraisal Service has not verified to be in substantial equivalence with
250 the CPA licensure requirements of the AICPA/NASBA Uniform
251 Accountancy Act and the individual obtains from the NASBA National
252 Qualification Appraisal Service verification that such individual's CPA
253 qualifications are substantially equivalent to the CPA licensure
254 requirements of the AICPA/NASBA Uniform Accountancy Act. Any
255 individual who passed the Uniform CPA Examination and holds a valid

256 license issued by any other state prior to January 1, 2012, may be exempt
257 from the education requirement in the Uniform Accountancy Act for
258 purposes of this subdivision.]

259 (a) (1) Any individual whose principal place of business is not in this
260 state shall qualify for a practice privilege and have all of the privileges
261 of licensees of this state, without the need to obtain a license pursuant
262 to section 20-281d, if (A) such individual is the holder of a valid Certified
263 Public Accountant license that is in good standing and was issued by
264 another state, and (B) such individual meets the education, experience
265 and examination requirements of subsections (b) to (e), inclusive, of
266 section 20-281c, as amended by this act.

267 (2) Notwithstanding the provisions of subdivision (1) of this
268 subsection, an individual shall qualify for a practice privilege and have
269 all of the privileges of licensees of this state, without the need to obtain
270 a license pursuant to section 20-281d, if (A) such individual passed the
271 Uniform CPA Examination on or before September 30, 2025, and (B) on
272 September 30, 2025, such individual is the holder of a valid Certified
273 Public Accountant license that is in good standing and was issued by
274 another state.

275 (b) Notwithstanding any provision of the general statutes, any
276 individual who qualifies for [a practice privilege] the privileges afforded
277 under this section may offer or render professional services, whether in
278 person or by mail, telephone or electronic means, based on [a practice
279 privilege] such privileges, and no notice, fee or other submission shall
280 be required of any such individual. Such individual shall be subject to
281 the requirements in subsection (c) of this section.

282 (c) Any individual licensee of another state exercising the [privilege]
283 privileges afforded under this section and the firm that employs such
284 licensee shall consent, as a condition of the grant of such [privilege]
285 privileges:

286 (1) To the personal and subject matter jurisdiction and disciplinary
287 authority of the board;

288 (2) To comply with any applicable provision of state law and the
289 board's rules;

290 (3) That in the event the license from the state of such individual's
291 principal place of business is no longer valid, such individual shall cease
292 offering or rendering professional services in this state individually and
293 on behalf of a firm; and

294 (4) To the appointment of the state board that issued such license as
295 the agent upon whom process may be served in any action or
296 proceeding by the board against such licensee.

297 (d) Any individual who qualifies for [practice] the privileges afforded
298 under this section who, for any entity with its home office in this state,
299 performs any of the following services: (1) Any financial statement audit
300 or other engagement to be performed in accordance with Statements on
301 Auditing Standards; (2) any review of a financial statement to be
302 performed in accordance with the Statements on Standards for
303 Accounting and Review Services; (3) any examination of prospective
304 financial information, review or agreed upon procedures engagement
305 to be performed in accordance with Statements on Standards for
306 Attestation Engagements; or (4) any engagement to be performed in
307 accordance with PCAOB Auditing Standards, may only provide such
308 services through a firm that has obtained a permit issued under section
309 20-281e.

310 (e) Any licensee of this state that offers or renders services or uses
311 their CPA title in another state shall be subject to disciplinary action in
312 this state for an act committed in another state for which the licensee
313 would be subject to discipline for an act committed in the other state.
314 Notwithstanding the provisions of section 20-280c, the board shall
315 investigate any complaint made by the board of accountancy of another
316 state against any such licensee.

317 [(f) In determining substantial equivalency pursuant to this section,
318 the board shall take into account the qualifications of such person
319 without regard to the sequence in which experience, education or

320 examination requirements were attained.]

This act shall take effect as follows and shall amend the following sections:		
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Section 1	<i>October 1, 2025</i>	20-279b
Sec. 2	<i>October 1, 2025</i>	20-280(g)
Sec. 3	<i>October 1, 2025</i>	20-281c
Sec. 4	<i>October 1, 2025</i>	20-281n

The following Fiscal Impact Statement and Bill Analysis are prepared for the benefit of the members of the General Assembly, solely for purposes of information, summarization and explanation and do not represent the intent of the General Assembly or either chamber thereof for any purpose. In general, fiscal impacts are based upon a variety of informational sources, including the analyst's professional knowledge. Whenever applicable, agency data is consulted as part of the analysis, however final products do not necessarily reflect an assessment from any specific department.

OFA Fiscal Note

State Impact:

Agency Affected	Fund-Effect	FY 26 \$	FY 27 \$
Resources of the General Fund	GF - Potential Revenue Gain	See Below	See Below

Note: GF=General Fund

Municipal Impact: None

Explanation

The bill adds new ways to satisfy the educational and experience requirements for a certified public accountant (CPA) license resulting in a potential revenue gain to the state to the extent additional licenses are applied for¹.

House "A" strikes the underlying bill and its associated fiscal impact resulting in the impact described above.

The Out Years

The annualized ongoing fiscal impact identified above would continue into the future subject to the number of licenses applied for.

¹The CPA license has a \$150 application fee and a \$565 annual renewal fee. In FY 24 there were over 4,700 CPA licenses issued.

OLR Bill Analysis**HB 7020 (as amended by House "A")******AN ACT CONCERNING CERTIFIED PUBLIC ACCOUNTANTS.*****SUMMARY**

This bill makes a number of changes to requirements for certified public accountants (CPAs). It eliminates good character requirements, modifies the educational requirements needed to become certified, and alters the amount of experience required to obtain a CPA certificate. The bill also alters the requirements for granting a practice privilege to a person with a principal place of business outside the state, which permits the person to act as a CPA in Connecticut without obtaining a Connecticut CPA certificate.

Finally, the bill makes technical and conforming changes.

*House Amendment "A" (1) eliminates the good character requirement for CPA applicants; (2) makes changes to the education and experience requirements for CPA applicants and specifies that these provisions apply beginning October 1, 2025; and (3) modifies the circumstances when the board grants practice privileges to out-of-state practitioners, including eliminating good character requirements and adding a provision on those who pass the Uniform CPA Examination and hold a license in another state by September 30, 2025.

EFFECTIVE DATE: October 1, 2025

CPA REQUIREMENTS

Currently, the State Board of Accountancy can issue a certificate of CPA to someone who meets good character, education, experience, and examination requirements.

Good Character

The bill eliminates the authority of the board to deny a CPA certificate based on good character when there is clear and convincing evidence of a substantial connection between a person's prior dishonest act or felony and a CPA's professional responsibilities (under current law, the board must consider certain factors before denying a certificate based on a felony conviction and must provide a denied applicant with its findings and evidence).

Existing law still permits the board to deny an application based on, among other reasons, a felony conviction or crime of dishonesty or fraud (after considering certain factors) (CGS § 20-281a(a)(8)).

Education

Under current law, to satisfy the education requirement, a person must (1) complete at least 150 semester hours of college education including a bachelor's degree or higher from a college or university acceptable to the board and (2) have an accounting or equivalent concentration, as determined by the board in a regulation.

The bill instead requires, beginning October 1, 2025, the applicant to have, from a college or university acceptable to the board, an appropriate accounting concentration or equivalent, as determined by the board in its regulations, and a (1) bachelor's degree, (2) bachelor's degree plus an additional 30 college semester hours, or (3) post-baccalaureate degree. The bill limits the board's authority to adopt regulations on education requirements to implementing the bill's requirements, rather than allowing the regulations to specify these requirements.

Experience

Current law allows the board to adopt regulations to set the experience requirements for CPAs and the board's regulations require two years of experience. Beginning October 1, 2025, the bill retains the two-year requirement for those who satisfy the education requirement with a bachelor's degree, but reduces it to one year for those who have

completed 30 additional college semester hours or hold a post-baccalaureate degree as described above.

The bill limits the board's authority to adopt regulations on experience requirements to implementing the bill's requirements, rather than allowing the regulations to specify these requirements.

PRACTICE PRIVILEGES

The bill changes how a person with a principal place of business outside the state qualifies for a practice privilege in Connecticut that permits the person to act as a CPA without obtaining a Connecticut license.

Currently, a person generally qualifies for practice privileges (with certain exceptions for those licensed prior to January 1, 2012) if he or she holds a CPA license from another state and the National Association of State Boards of Accountancy (NASBA) verifies that:

1. the other state's licensure requirements are substantially equivalent to those in the Uniform Accountancy Act (an act developed by NASBA and the American Institute of Certified Public Accountants) or
2. the person's qualifications are substantially equivalent to those in the act.

The bill eliminates these provisions and instead qualifies a person for practice privileges if he or she:

1. holds a CPA license in good standing from another state and meets the education, experience, and examination requirements applicable to Connecticut licensees or
2. passes the Uniform CPA Examination not later than September 30, 2025, and holds a CPA license in good standing from another state by that date.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 22 Nay 0 (03/12/2025)