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Sequence Number: 05-14-13
 Notice ID(s): 2015-2017
 File Date: 5/23/13

Notice of Rulemaking Hearing

Hearings will be conducted in the manner prescribed by the Uniform Administrative Procedures Act, T.C.A. § 4-5-204. For questions and copies of the notice, contact the person listed below.

Agency/Board/Commission:	Tennessee State Board of Accountancy
Division:	Division of Regulatory Boards, Department of Commerce and Insurance
Contact Person:	Chris Whittaker
Address:	500 James Robertson Parkway, Nashville, TN 37243
Phone:	(615) 741-3072
Email:	Chris.Whittaker@tn.gov

Any Individuals with disabilities who wish to participate in these proceedings (to review these filings) and may require aid to facilitate such participation should contact the following at least 10 days prior to the hearing:

ADA Contact:	Don Coleman
Address:	500 James Robertson Parkway, 5 th Floor; Nashville, TN 37243
Phone:	(615) 741-6500
Email:	Don.Coleman@tn.gov

Hearing Location(s) (for additional locations, copy and paste table)

Address 1:	500 James Robertson Parkway		
Address 2:	1 st Floor, Conference Room 1-A		
City:	Nashville, TN		
Zip:	37243		
Hearing Date :	07/19/13		
Hearing Time:	9:00 A.M.	<input checked="" type="checkbox"/> CST/CDT	<input type="checkbox"/> EST/EDT

Additional Hearing Information:

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Revision Type (check all that apply):

- Amendment
- New
- Repeal

Rule(s) (ALL chapters and rules contained in filing must be listed. If needed, copy and paste additional tables to accommodate more than one chapter. Please enter only **ONE** Rule Number/Rule Title per row.)

Chapter Number	Chapter Title
0020-01	Licensing and Registration Requirements
Rule Number	Rule Title
0020-01-.04	Fees
0020-01-.05	Applications
0020-01-.06	Examinations

Chapter Number	Chapter Title
0020-04	Disciplinary Action and Civil Penalties
Rule Number	Rule Title
0020-04-.03	Grounds for Discipline Against Licensees

Chapter Number	Chapter Title
0020-05	Continuing Education
Rule Number	Rule Title
0020-05-.03	Basic Requirements

Chapter 0020-01
Board of Accountancy, Licensing and Registration Requirements

Amendments

Rule 0020-01-.04(1) Fees is amended by amending subparagraph (c) to read as follows:

- (c) Renewal of certificate or registration One hundred ten dollars (\$110.00) biennially

Authority: T.C.A. §§ 62-1-105 and 62-1-107.

Rule 0020-01-.05 Applications is amended by amending paragraph (3) to read as follows:

- (3) A candidate who fails to appear for the examination shall forfeit all fees charged for both the application and the examination. All applications for initial licensure shall expire one (1) year from the date of the application for initial licensure.

Authority: T.C.A. §§ 62-1-105 and 62-1-106.

Rule 0020-01-.06 Applications is amended by adding a new paragraph (11) to read as follows:

- (11) All CPA Exam scores shall expire ten (10) years after the first passing score is earned. However, upon written request by the applicant, the Board may, in its sole discretion, grant an extension of the score expiration date for good cause shown.

Authority: T.C.A. §§ 62-1-105 and 62-1-106.

Chapter 0020-04
Board of Accountancy, Disciplinary Action and Civil Penalties

Amendments

Rule 0020-04-.03 Grounds for Disciplinary Action Against Licensees is amended by adding a new paragraph (3) to read as follows:

- (3) The Board has no jurisdiction over fee disputes between a licensee and a client. The Board shall not seek to impose discipline against a licensee solely on the basis of a dispute between the licensee and the client regarding payment of fees by the client for professional services rendered by the licensee.

Authority: T.C.A. §§ 62-1-105, 62-1-111, 62-1-113, and 62-1-117.

Chapter 0020-05
Board of Accountancy, Continuing Education

Amendments

Rule 0020-05-.03(3) Basic Requirements is amended by amending subparagraphs (a) and (b) and by adding new subparagraphs (c), (d), (e), and (f) to read as follows:

- (a) For purposes of disciplinary action, the board shall retain jurisdiction over all certificate holders whose license is in inactive status.
- (b) Certificate holders who are granted inactive status by the board shall be required to place the word "inactive" adjacent to their CPA or PA designation when using such designation for any lawful purpose, including, but not limited to use of such designation on any business card, letterhead, resume, or biography.

- (c) A certificate holder who has been granted inactive status may not for compensation perform or offer to perform for the public, including the providing of accounting services from a licensed accounting firm, any of the following services: any accounting or auditing services which involves the issuance of reports on financial statements (including opinions, reviews, compilations, or attest engagements), any consulting engagement which would constitute the attest function, or furnishing advice on tax matters.
- (d) A certificate holder who has been granted inactive status may perform the services set forth in (c) above if: the services are provided without compensation to the certificate holder, if the services are performed solely for the certificate holder's employer and such employer is not a licensed accounting firm, or if the certificate holder does not use the CPA or PA designation in association with his or her name while providing such lawful services.
- (e) A certificate holder who is 65 years old or older and possesses a certificate in inactive status shall not be required to pay the biennial license renewal fee required for licensees as set forth in these rules.
- (f) Certificate holders who are granted inactive status must complete eighty (80) hours of CPE in the areas of accounting, accounting ethics, attest, taxation, or management advisory services during the twenty-four (24) month period preceding the date of their request for reactivation of their license. The CPE hours required to reactivate a license may also be used as credit toward the renewal requirement so long as those hours are completed within the two (2) year window prior to the licensee's next December 31 renewal date.

Authority: T.C.A. §§ 62-1-105, 62-1-107, and 62-1-111.

Rule 0020-05-.03 Basic Requirements is amended by amending paragraph (6) to read as follows:

- (6) An applicant for renewal whose license has expired as set forth in Rule 0020-1-.08(7) shall complete no less than eighty (80) hours of CPE in the areas of accounting, accounting ethics, attest, taxation, or management advisory services during the six (6) month period preceding the date of reapplication. The CPE hours required to reinstate an expired license are considered penalty hours and may not be used to offset the CPE hours required for renewal of a license.

Authority: T.C.A. §§ 62-1-105, 62-1-107, and 62-1-111.

I certify that the information included in this filing is an accurate and complete representation of the intent and scope of rulemaking proposed by the agency.

Date: 5/23/2013

Signature: *Chris Whittaker*

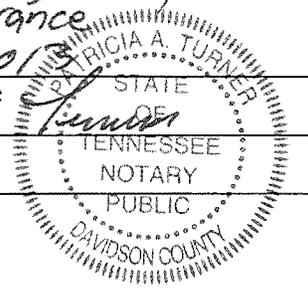
Name of Officer: Chris Whittaker, Esq.

Title of Officer: Asst. General Counsel, Regulatory Boards Division, TN Dept. of Commerce and Insurance

Subscribed and sworn to before me on: May 23, 2013

Notary Public Signature: *Patricia A. Turner*

My commission expires on: 5-15-15



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Filed with the Department of State on: 5/23/13

Tre Hargett
Tre Hargett
Secretary of State

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