

HOUSE JUDICIARY COMMITTEE SUBSTITUTE FOR  
HOUSE COMMERCE AND ECONOMIC DEVELOPMENT  
COMMITTEE SUBSTITUTE FOR  
HOUSE BILL 296

57TH LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 2025

AN ACT

RELATING TO THE 1999 PUBLIC ACCOUNTANCY ACT; AMENDING  
DEFINITIONS; CHANGING QUALIFICATIONS FOR CERTIFICATION;  
REQUIRING PRACTITIONERS FROM OTHER STATES AND JURISDICTIONS TO  
HAVE LICENSE REQUIREMENTS THAT ARE COMPARABLE TO OR EXCEED NEW  
MEXICO'S REQUIREMENTS.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

SECTION 1. Section 61-28B-3 NMSA 1978 (being Laws 1999,  
Chapter 179, Section 3, as amended) is amended to read:

"61-28B-3. DEFINITIONS.--As used in the 1999 Public  
Accountancy Act:

A. "accounting experience" means providing service  
or advice involving the use of accounting, attest, management  
advisory, financial advisory, tax or consulting skills as

1 verified by a certified public accountant who meets  
2 requirements prescribed by the board; provided that experience  
3 gained through employment in government, industry, academia or  
4 public practice shall be accepted;

5 [A-] B. "attest" means to provide the following  
6 services:

7 (1) an audit or other engagement performed in  
8 accordance with the statements on auditing standards;

9 (2) a review of a financial statement  
10 performed in accordance with the statement on standards for  
11 accounting and review services;

12 (3) an engagement performed in accordance with  
13 the statements on standards for attestation engagements adopted  
14 by the board; and

15 (4) an engagement to be performed in  
16 accordance with the auditing standards of the public company  
17 accounting oversight board;

18 [B-] C. "board" means the New Mexico public  
19 accountancy board;

20 [C-] D. "certificate" means the legal recognition  
21 issued to identify a certified public accountant or a  
22 registered public accountant pursuant to the 1999 Public  
23 Accountancy Act or prior law;

24 [D-] E. "certified public accountant" means a  
25 person certified by this state or by another state to practice

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1 public accountancy and use the designation;

2 F. "comparable licensure requirements" means  
3 requirements that are comparable to or exceed the education,  
4 examination and accounting experience requirements of Paragraph  
5 (1) of Subsection A of Section 61-28B-26 NMSA 1978, as  
6 determined by the board;

7 [~~E.~~] G. "compilation" means a service provided to  
8 management, applying accounting and financial reporting  
9 expertise, in the presentation of financial statements and  
10 reports without undertaking to obtain or provide assurance that  
11 there are no material modifications that should be made to the  
12 financial statements or reports to be in accordance with the  
13 applicable financial reporting framework;

14 [~~F.~~] H. "contingent fee" means a fee established  
15 for the performance of a service pursuant to an arrangement in  
16 which no fee will be charged unless a specific finding or  
17 result is attained or upon which the amount of the fee is  
18 dependent upon a finding or result. "Contingent fee" does not  
19 mean a fee set by the court or a public authority on a tax  
20 matter;

21 [~~G.~~] I. "director" means the executive director of  
22 the board;

23 [~~H.~~] J. "firm" means a sole proprietorship,  
24 professional corporation, partnership, limited liability  
25 company, limited liability partnership or other legal business

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1 entity that practices public accountancy;

2           ~~[F.]~~ K. "licensee" means a person, certified public  
3 accountant, certified public accountant firm, registered public  
4 accountant or registered public accountant firm authorized to  
5 do business in New Mexico pursuant to the provisions of the  
6 1999 Public Accountancy Act or prior law;

7           ~~[J.]~~ L. "peer review" means a study, appraisal or  
8 review of one or more aspects of the professional work of a  
9 firm by a certified public accountant who is not affiliated  
10 with the firm being reviewed;

11           ~~[K.]~~ M. "permit" means the annual authority granted  
12 to practice as a certified public accountant firm or a  
13 registered public accountant firm;

14           ~~[L.]~~ N. "practice" means performing or offering to  
15 perform public accountancy for a client or potential client by  
16 a person who makes a representation to the public as being a  
17 permit holder or registered firm;

18           ~~[M.]~~ O. "public accountancy" means the performance  
19 of one or more kinds of services involving accounting or  
20 auditing skills, including the issuance of reports on financial  
21 statements, the performance of one or more kinds of management,  
22 financial advisory or consulting services, the preparation of  
23 tax returns or the furnishing of advice on tax matters;

24           ~~[N.]~~ P. "registered public accountant" means a  
25 person who is registered by the board to practice public

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1 accountancy and use the designation; and

2 [0.] Q. "report" means a written communication  
3 issued by an accountant or an accountant firm that:

4 (1) when used in reference to an audit, review  
5 or examination service, expresses or disclaims an opinion or a  
6 conclusion as to whether subject matter is presented in  
7 accordance with specified criteria; and

8 (2) when used in reference to a compilation,  
9 agreed-upon procedures service or other service that is not an  
10 audit, review or examination service, includes a statement or  
11 implication that the accountant or accountant firm that issued  
12 the report has special knowledge or competence in accounting or  
13 attest services such as by the use of names or titles  
14 indicating that the person or firm is an accountant or an  
15 accountant firm or by the contents of the report itself. [~~and~~

16 P. ~~"substantial equivalency" means a determination~~  
17 ~~by the board that the education, examination and experience~~  
18 ~~requirements for certification of another jurisdiction are~~  
19 ~~comparable to or exceed the requirements of Paragraph (1) of~~  
20 ~~Subsection A of Section 61-28B-26 NMSA 1978]"~~

21 SECTION 2. Section 61-28B-8 NMSA 1978 (being Laws 1999,  
22 Chapter 179, Section 8, as amended) is amended to read:

23 "61-28B-8. QUALIFICATIONS FOR A CERTIFICATE AS A  
24 CERTIFIED PUBLIC ACCOUNTANT.--

25 A. An applicant for a certificate shall complete

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1 the application form provided by the board and demonstrate to  
2 the board's satisfaction that the applicant:

3 (1) is of good moral character and lacks a  
4 history of dishonest or felonious acts; and

5 (2) meets the education, accounting experience  
6 and examination requirements of the board.

7 B. The board may refuse to grant a certificate on  
8 the ground that the applicant failed to satisfy the requirement  
9 of good moral character.

10 C. The education requirement for examination shall  
11 be: ~~[a baccalaureate degree or its equivalent conferred by a  
12 college or university acceptable to the board, with thirty  
13 semester hours in accounting or the equivalent as determined by  
14 the board. An applicant for a certificate shall have at least  
15 one hundred fifty semester hours of college education or its  
16 equivalent earned at a college or university acceptable to the  
17 board]~~

18 (1) a baccalaureate degree or its equivalent  
19 from a college or university acceptable to the board plus  
20 completion of an additional thirty semester hours of higher  
21 education in accounting or business;

22 (2) a baccalaureate degree from a college or  
23 university acceptable to the board with a concentration in  
24 accounting or business; or

25 (3) a master's degree from a college or

1 university acceptable to the board with a concentration in  
2 accounting or business.

3 D. The education and accounting experience  
4 requirement for a certificate shall be:

5 (1) a baccalaureate degree or its equivalent  
6 from a college or university acceptable to the board plus  
7 completion of an additional thirty semester hours of higher  
8 education in accounting or business and evidence of at least  
9 one year of accounting experience;

10 (2) a baccalaureate degree from a college or  
11 university acceptable to the board with a concentration in  
12 accounting or business and evidence of at least two years of  
13 accounting experience; or

14 (3) a master's degree from a college or  
15 university acceptable to the board with a concentration in  
16 accounting or business and evidence of at least one year of  
17 accounting experience.

18 ~~[D.]~~ E. The examination for certification shall be  
19 offered continuously via a computer-based testing system at a  
20 designated testing center and shall test an applicant's  
21 knowledge of the subjects of accounting and auditing and other  
22 related subjects as prescribed by the board. The board shall  
23 prescribe the method of applying for the examination and the  
24 dissemination of scores, and it shall rely on the American  
25 institute of certified public accountants for the grading of

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1 the examination. The board may use all or any part of the  
2 uniform certified public accountant examination services of the  
3 national association of state boards of accountancy to perform  
4 administrative services with respect to the examination. The  
5 board or its designee shall report all eligibility and score  
6 data to the national candidate database, and it shall, to the  
7 extent possible, provide that the passing scores are uniform  
8 with passing scores of other states.

9 [E-] F. An applicant must pass all sections of the  
10 examination to qualify for a certificate. A passing scaled  
11 score for each section shall be seventy-five percent. Sections  
12 may be taken individually and in any order. Credit for any  
13 section passed shall be valid for [~~eighteen~~] thirty months from  
14 the date the passing score is released to the applicant,  
15 without having to attain a minimum score on any failed test  
16 section and without regard to whether the applicant has taken  
17 other test sections. An applicant must pass all four test  
18 sections within a continuous [~~eighteen-month~~] thirty-month  
19 period, which begins on the date that the first passing scores  
20 are released to the applicant. If all four test sections are  
21 not passed within the continuous [~~eighteen-month~~] thirty-month  
22 period, credit for any test section passed outside the  
23 [~~eighteen-month~~] thirty-month period will expire, and that test  
24 section must be retaken.

25 [F-] G. An applicant shall be given credit for



1 examination sections passed in another state if such credit  
2 would have been given in New Mexico.

3 ~~[G.]~~ H. The board may waive or defer requirements  
4 of this section regarding the circumstances in which sections  
5 of the examination must be passed, upon a showing that, by  
6 reason of circumstances beyond the applicant's control, the  
7 applicant was unable to meet the requirement.

8 ~~[H. An applicant for initial issuance of a  
9 certified public accountant certificate shall show that the  
10 applicant has had at least one year of experience. This  
11 experience shall include providing service or advice involving  
12 the use of accounting, attest, management advisory, financial  
13 advisory, tax or consulting skills as verified by a certified  
14 public accountant who meets requirements prescribed by the  
15 board. The experience is acceptable if it was gained through  
16 employment in government, industry, academia or public  
17 practice.]"~~

18 **SECTION 3.** Section 61-28B-9 NMSA 1978 (being Laws 1999,  
19 Chapter 179, Section 9, as amended) is amended to read:

20 "61-28B-9. ISSUANCE AND RENEWAL OF CERTIFICATE--  
21 MAINTENANCE OF COMPETENCY--NONRESIDENT MAINTENANCE OF  
22 COMPETENCY REQUIREMENTS.--

23 A. The board shall grant or renew a certificate  
24 upon application and demonstration that the applicant's  
25 qualifications are in accordance with the 1999 Public

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1 Accountancy Act [~~or that they are eligible under the~~  
2 ~~substantial equivalency standard provided in that act~~].

3 B. The board may establish by rule for the issuance  
4 of annual certificates and may prescribe the expiration date of  
5 certificates. Failure to pay the renewal fee shall be cause  
6 for the board to withhold renewal of a certificate without  
7 prior hearing pursuant to the provisions of the Uniform  
8 Licensing Act. If the renewal fee and delinquency fee are not  
9 paid within ninety days after the expiration date of the  
10 license, the certificate shall be subject to cancellation. A  
11 certificate holder whose certificate has been canceled for  
12 failure to pay the annual renewal fee may secure reinstatement  
13 of the certificate only upon application and payment of the  
14 renewal fee and reinstatement fee and upon approval by the  
15 board.

16 C. The board shall grant or deny an application for  
17 certification no later than one hundred twenty days after the  
18 complete application is filed.

19 D. If an applicant appeals the decision of the  
20 board to deny a certificate, the board may issue a provisional  
21 certificate for no longer than ninety days while the board  
22 reconsiders its decision.

23 E. To renew a certificate, a certificate holder  
24 shall provide satisfactory proof to the board of continuing  
25 professional education that is designed to maintain competency.

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1 Continuing professional education courses shall comply with  
2 board rules. The board may create an exception to the  
3 requirement to maintain continuing professional education for  
4 certificate holders who do not provide services to the public.  
5 A certificate holder granted such an exception must place the  
6 word "inactive" or "retired" adjacent to the certificate  
7 holder's certified public accountant title or registered public  
8 accountant title on a business card, letterhead or other  
9 document or device, except for a board-issued certificate.

10 F. A nonresident certificate holder seeking to  
11 renew a certificate shall be determined to have met the  
12 continuing professional education requirement in this state if  
13 the nonresident has met the continuing professional education  
14 requirement in the state where the nonresident's principal  
15 place of business is located; provided that:

16 (1) the nonresident signs a statement on the  
17 renewal application that the nonresident has met the continuing  
18 professional education requirement in the state where the  
19 nonresident's principal place of business is located; and

20 (2) the state where the nonresident's  
21 principal place of business is located requires continuing  
22 professional education.

23 G. An applicant for initial issuance or renewal of  
24 a certificate pursuant to this section shall list all foreign  
25 and domestic jurisdictions in which the applicant has applied

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1 for or holds a designation to practice public accountancy. The  
2 applicant shall also list any past denial, revocation or  
3 suspension of a certificate, license or permit. An applicant  
4 or certificate holder shall notify the board in writing, within  
5 thirty days of the occurrence of any issuance, denial,  
6 revocation or suspension of a designation or commencement of a  
7 disciplinary or enforcement action by any jurisdiction."

8 SECTION 4. Section 61-28B-11 NMSA 1978 (being Laws 1999,  
9 Chapter 179, Section 11, as amended) is amended to read:

10 "61-28B-11. CERTIFICATES ISSUED TO HOLDERS OF A  
11 CERTIFICATE, LICENSE OR PERMIT ISSUED BY ANOTHER STATE--  
12 EXCEPTION.--

13 A. The board may issue a certificate to a holder of  
14 a certificate, license or permit issued by another state upon a  
15 showing that the applicant:

16 (1) passed the examination required for  
17 issuance of the applicant's certificate with [~~grades~~] scores  
18 that would have been passing grades at the time in New Mexico;

19 (2) passed the examination upon which the  
20 applicant's out-of-state certificate was based and has [~~two~~  
21 ~~years of~~] met the accounting experience [~~acceptable to the~~  
22 ~~board or meets equivalent requirements prescribed by board~~  
23 ~~rule~~] requirements within the ten years immediately preceding  
24 the application; and

25 (3) if the applicant's certificate, license or

1 permit was issued more than four years prior to application,  
 2 has fulfilled the board's requirements of continuing  
 3 professional education.

4 ~~[B. A person licensed by another state who wishes  
 5 to establish a principal place of business in New Mexico shall  
 6 apply to the board for a certificate prior to establishing the  
 7 business. The board may issue a certificate to the person if  
 8 the person provides proof from a board-approved national  
 9 qualification appraisal service that the person's certified  
 10 public accountant qualifications are substantially equivalent  
 11 to the certified public accountant certification requirements  
 12 of Paragraph (1) of Subsection A of Section 61-28B-26 NMSA  
 13 1978.]~~

14 B. An individual shall be granted the privilege to  
 15 perform, or offer to perform, services without notice to the  
 16 board or being certified, if the individual holds a valid  
 17 license or permit in good standing as a certified public  
 18 accountant or its equivalent issued by another jurisdiction in  
 19 the United States; provided that the licensee, at the time of  
 20 licensure, was required to provide evidence of having  
 21 successfully completed a qualifying exam in accordance with the  
 22 requirements of the licensing jurisdiction.

23 C. The board may issue a certificate to a holder of  
 24 a ~~[substantially equivalent]~~ foreign designation with  
 25 comparable licensure requirements as determined by the board to

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1 be comparable to or to exceed the education, examination and  
2 accounting experience requirements of Paragraph (1) of  
3 Subsection A of Section 61-28B-26 NMSA 1978; provided that:

4 (1) the foreign authority that granted the  
5 designation makes similar provision to allow a person who holds  
6 a valid certificate issued by New Mexico to obtain such foreign  
7 authority's comparable designation;

8 (2) the foreign designation:

9 (a) was duly issued by a foreign  
10 authority that regulates the practice of public accountancy and  
11 the foreign designation has not expired or been revoked or  
12 suspended;

13 (b) entitles the holder to issue reports  
14 upon financial statements; and

15 (c) was issued upon the basis of  
16 educational, examination and accounting experience requirements  
17 established by the foreign authority or by law; and

18 (3) the applicant:

19 (a) received the designation based on  
20 ~~[educational and examination standards substantially equivalent~~  
21 ~~to those in effect in New Mexico]~~ comparable licensure  
22 requirements at the time the foreign designation was granted;

23 (b) completed an accounting experience  
24 requirement in the jurisdiction that granted the foreign  
25 designation that ~~[is substantially equivalent to the~~

1 ~~requirement provided for in the 1999 Public Accountancy Act]~~  
2 has comparable licensure requirements or has completed four  
3 years of professional accounting experience in New Mexico [~~or~~  
4 ~~meets equivalent requirements prescribed by the board within~~  
5 ~~the ten years immediately preceding the application~~]; and

6 (c) passed a uniform qualifying  
7 examination on national standards and an examination on the  
8 laws, rules and code of ethical conduct in effect in New Mexico  
9 that is acceptable to the board.

10 D. An applicant for initial issuance or renewal of  
11 a certificate pursuant to this section shall list all foreign  
12 and domestic jurisdictions in which the applicant has applied  
13 for or holds a designation to practice public accountancy. The  
14 applicant shall also list any past denial, revocation or  
15 suspension of a certificate, license or permit. An applicant  
16 or certificate holder shall notify the board in writing, within  
17 thirty days of the occurrence of any issuance, denial,  
18 revocation or suspension of a designation or commencement of a  
19 disciplinary or enforcement action by any jurisdiction.

20 E. The board has the sole authority to interpret  
21 the application of the provisions of this section."

22 SECTION 5. Section 61-28B-13 NMSA 1978 (being Laws 1999,  
23 Chapter 179, Section 13, as amended) is amended to read:

24 "61-28B-13. FIRM PERMITS TO PRACTICE, ATTEST EXPERIENCE,  
25 PEER REVIEW.--

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1           A. The board may grant or renew a permit to  
2 practice as a certified public accountant firm to an applicant  
3 that demonstrates its qualifications in accordance with this  
4 section.

5           B. A permit issued pursuant to this section shall  
6 be required for the following:

7                   (1) a firm with an office in New Mexico  
8 performing attest services as defined by the 1999 Public  
9 Accountancy Act;

10                   (2) a firm with an office in New Mexico that  
11 uses the title "CPA" or "CPA firm"; or

12                   (3) a firm that does not have an office in New  
13 Mexico but offers or renders attest services for a client in  
14 New Mexico, except as provided in Subsection C of this section.

15           C. A firm that does not have an office in New  
16 Mexico may offer or render attest services for a client in New  
17 Mexico and may use the title "CPA" or "CPA firm" without a  
18 permit issued pursuant to this section only if:

19                   (1) the firm offers or renders the services  
20 through ~~[a person with practice privileges under Section~~  
21 ~~61-28B-26 NMSA 1978; provided that the firm can lawfully~~  
22 ~~perform the services in the state where the person's primary~~  
23 ~~place of business is located]~~ an individual that:

24                           (a) holds a valid license or permit in  
25 good standing as a certified public accountant or equivalent

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1 issued by another jurisdiction in the United States if, at the  
2 time of licensure, the individual showed evidence of having  
3 successfully completed a qualifying exam in accordance with the  
4 licensing jurisdiction; and

5 (b) consents to the disciplinary  
6 authority of the board;

7 (2) the firm meets the requirements of  
8 Paragraph (1) of Subsection H of this section; and

9 (3) the firm meets the requirements of  
10 Subsection L of this section.

11 D. A firm not subject to the requirements of  
12 Subsection B or C of this section may perform other nonattest  
13 professional services while using the title "CPA" or "CPA firm"  
14 in New Mexico without a permit issued pursuant to this section  
15 only if:

16 (1) the firm performs services through a  
17 person with practice privileges pursuant to Section 61-28B-26  
18 NMSA 1978; and

19 (2) the firm can lawfully perform services in  
20 the state that is the firm's principal place of business.

21 E. Permits shall be issued and renewed for periods  
22 of not more than two years, expiring on June 30 of the year of  
23 expiration. Failure to pay the renewal fee shall be cause for  
24 the board to withhold renewal of a permit without prior hearing  
25 pursuant to the provisions of the Uniform Licensing Act. If

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1 the renewal fee and delinquency fee are not paid within ninety  
2 days after the expiration of the permit, the permit shall be  
3 subject to cancellation. A firm whose permit has been canceled  
4 for failure to pay the annual renewal fee may secure  
5 reinstatement of the permit upon application and payment of the  
6 renewal fee and upon approval by the board.

7 F. The board shall grant or deny an application for  
8 a permit no later than ninety days after the complete  
9 application is filed.

10 G. If an applicant appeals the decision of the  
11 board to deny a permit, the board may issue a provisional  
12 permit for no longer than ninety days while the board  
13 reconsiders its decision.

14 H. An applicant for initial issuance or renewal of  
15 a permit shall demonstrate that:

16 (1) a simple majority of the ownership of the  
17 firm, in terms of financial interests, profits, losses,  
18 dividends, distributions, options, redemptions and voting  
19 rights of all partners, officers, shareholders, members or  
20 managers, belongs to holders of a certificate who are licensed  
21 in some state. A partner, officer, shareholder, member or  
22 manager, whose principal place of business is in New Mexico,  
23 and who performs professional services in New Mexico, must hold  
24 a valid certificate. The firm and all owners must comply with  
25 the 1999 Public Accountancy Act. A person with practice

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1 privileges pursuant to Section 61-28B-26 NMSA 1978 who performs  
2 services for which a permit is required pursuant to this  
3 section shall not be required to obtain a certificate from New  
4 Mexico pursuant to Section 61-28B-9 NMSA 1978. A firm may  
5 include owners who are not certificate holders; provided that:

6 (a) the firm designates a New Mexico  
7 certificate holder, or in the case of a firm that must have a  
8 permit, a licensee of another state who meets the requirements  
9 of Subsection A of Section 61-28B-26 NMSA 1978, who is  
10 responsible for the proper registration of the firm and  
11 identifies that person to the board;

12 (b) all owners who are not certificate  
13 holders are active participants in the certified public  
14 accountant firm or registered public accountant firm or  
15 affiliated entities; and

16 (c) the firm complies with the 1999  
17 Public Accountancy Act; and

18 (2) a certificate holder, or a person  
19 qualifying for practice privileges pursuant to Section  
20 61-28B-26 NMSA 1978, who is responsible for supervising attest  
21 services or signs or authorizes someone to sign the  
22 accountant's report on behalf of the firm meets the accounting  
23 experience requirements set out in the professional standards  
24 for such services.

25 I. An applicant for initial issuance or renewal of

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1 a permit shall be required to register each office of the firm  
2 within New Mexico with the board and to show that all attest  
3 services rendered in this state are under the charge of a  
4 person holding a valid certificate issued pursuant to the 1999  
5 Public Accountancy Act or the corresponding provision of prior  
6 law or by some other state.

7 J. An applicant for initial issuance or renewal of  
8 a permit shall list all foreign and domestic jurisdictions in  
9 which it has applied for or holds permits as a certified public  
10 accountant firm and list any past denial, revocation or  
11 suspension of a permit by any jurisdiction. Each permit holder  
12 or applicant shall notify the board in writing, within thirty  
13 days of the occurrence of a change in the identities of  
14 partners, officers, shareholders, members or managers whose  
15 principal place of business is in this state, a change in the  
16 number or location of offices within this state, a change in  
17 the identity of the persons in charge of such offices and any  
18 issuance, denial, revocation or suspension of a permit by  
19 another jurisdiction.

20 K. A firm that falls out of compliance with the  
21 provisions of the 1999 Public Accountancy Act due to changes in  
22 firm ownership or personnel shall take corrective action to  
23 bring the firm back into compliance as quickly as possible.  
24 The board may grant a six-month period for a firm to take the  
25 corrective action. Failure to bring the firm back into

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underscoring material = new  
~~[bracketed material] = delete~~

1 compliance within six months shall result in the suspension or  
2 revocation of the firm permit.

3 L. As a condition to permit renewal, the board  
4 shall require the applicant to undergo a peer review conducted  
5 in accordance with board rules. The review shall include a  
6 verification that a person in the firm, or a person qualifying  
7 for practice privileges pursuant to Section 61-28B-26 NMSA  
8 1978, who is responsible for supervising attest services and  
9 signs or authorizes someone to sign the accountant's report on  
10 behalf of the firm meets the accounting experience requirements  
11 set out in the professional standards for the services as  
12 required by the board.

13 M. If a partner, shareholder or member is a legal  
14 business entity, that legal business entity must be a firm.

15 N. Attest services may only be provided by a  
16 certificate holder or a member of a firm that satisfies the  
17 requirements of this section and Sections 61-28B-8 and  
18 61-28B-13 NMSA 1978. Attest services may not be performed by a  
19 certificate holder who is a member of a firm that does not meet  
20 the certificate holder's ownership requirements set forth in  
21 this section."

22 **SECTION 6.** Section 61-28B-17 NMSA 1978 (being Laws 1999,  
23 Chapter 179, Section 17, as amended) is amended to read:

24 "61-28B-17. ENFORCEMENT--UNLAWFUL ACTS.--

25 A. Except as otherwise provided in the 1999 Public

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1 Accountancy Act, it is unlawful for a person to engage in  
2 practice in New Mexico unless the person is a licensee.

3 B. Except as otherwise provided in the 1999 Public  
4 Accountancy Act, no person shall issue a report or financial  
5 statement for a person or a governmental unit or issue a report  
6 using any form of language conventionally used respecting an  
7 audit or review of financial statements, unless the person  
8 holds a current license or permit. The state auditor and the  
9 state auditor's auditing staff are considered to be in the  
10 practice of public accountancy.

11 C. With the exception of persons cited in Section  
12 61-28B-18 NMSA 1978, a person who prepares a financial  
13 accounting and related statements and who is not the holder of  
14 a certificate or a permit under the provisions of that act  
15 shall use the following statement in the transmittal letter:  
16 "I (we) have prepared the accompanying financial statements of  
17 (name of entity) as of (time period) and for the (time period)  
18 ending (date). This presentation is limited to preparing in  
19 the form of financial statements information that is the  
20 representation of management (owners). I (we) have not audited  
21 or reviewed the accompanying financial statements and  
22 accordingly do not express an opinion or any other form of  
23 assurance on them."

24 D. No person shall indicate by title, designation,  
25 abbreviation, sign, card or device that the person is a

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1 certified public accountant or a registered public accountant  
2 unless the person is currently certified by the board pursuant  
3 to the 1999 Public Accountancy Act or is a firm currently  
4 permitted by the board pursuant to that act. Unless the person  
5 is a holder of a current certificate or permit, no person shall  
6 use any title, initials or designation intended to or  
7 substantially likely to indicate to the public that the person  
8 is a certified public accountant or registered public  
9 accountant.

10 E. No person shall engage in practice unless the  
11 person:

12 (1) [~~the person~~] holds a valid certificate or  
13 current permit; [~~or~~]

14 (2) [~~the person~~] is an employee supervised by  
15 a licensee pursuant to Section 61-28B-18 NMSA 1978 and not a  
16 partner, officer, shareholder or member of a firm; or

17 (3) is exempt from licensure pursuant to  
18 Subparagraph (a) of Paragraph (1) of Subsection C of Section  
19 61-28B-13 NMSA 1978.

20 F. No person or firm holding a certificate or  
21 permit shall engage in practice using a professional or firm  
22 name or designation that is misleading about the legal form of  
23 the firm; provided, however, that names of one or more former  
24 partners, shareholders or members may be included in the name  
25 of a firm or its successors.

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1           G. No person shall sell, offer to sell or  
2 fraudulently obtain or furnish any certificate or permit nor  
3 shall the person fraudulently register as a certified public  
4 accountant or registered public accountant or practice in this  
5 state without being granted a certificate or permit as provided  
6 in the 1999 Public Accountancy Act.

7           H. A licensee or the licensee's firm shall not  
8 receive a commission to recommend or refer a product or service  
9 to a client or to recommend to anyone else a product or service  
10 to be supplied by a client during the period the licensee or  
11 the licensee's firm is engaged to perform the following  
12 services for that client and during the period covered by any  
13 historical financial statements involved in the services:

14                   (1) an audit or review of a financial  
15 statement;

16                   (2) a compilation of a financial statement  
17 when the licensee expects or might reasonably expect that a  
18 third party will use the financial statement, and the  
19 compilation report does not disclose the lack of independence  
20 by the licensee; or

21                   (3) an examination of prospective financial  
22 information.

23           I. A licensee or the licensee's firm that is not  
24 prohibited from receiving a commission by Subsection H of this  
25 section and that is paid or expects to be paid a commission

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1 shall disclose that fact in writing to the person for whom the  
2 licensee or the licensee's firm performs a service or refers or  
3 recommends a product or service. A licensee or firm that  
4 accepts or pays a referral fee for a service or to obtain a  
5 client shall disclose such acceptance or payment to the client  
6 in writing.

7 J. A licensee or the licensee's firm shall not  
8 charge or receive a contingent fee for a client for whom the  
9 licensee or the licensee's firm performs the following  
10 services:

11 (1) an audit or review of a financial  
12 statement;

13 (2) a compilation of a financial statement  
14 when the licensee expects or reasonably might expect that a  
15 third party will use the financial statement and the  
16 compilation report does not disclose a lack of independence;

17 (3) an examination of prospective financial  
18 information; or

19 (4) preparation of an original or amended tax  
20 return or claim for tax refund, except in the case of federal,  
21 state or other taxes in which the findings are those of the tax  
22 authorities and not those of the licensee or in the case of  
23 professional services for which fees are to be fixed by courts  
24 or other public authorities and that are therefore  
25 indeterminate in amount at the time the professional services

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1 are undertaken.

2 K. No licensee shall sign or certify any financial  
3 statements if the licensee knows the same to be materially  
4 false or fraudulent.

5 L. For the purposes of this section, a person with  
6 practice privileges pursuant to Section 61-28B-26 NMSA 1978  
7 shall be [~~substantially equivalent~~] deemed to have comparable  
8 licensure requirements to a certificate holder pursuant to  
9 Section 61-28B-9 NMSA 1978. Terms or references that refer to  
10 a certificate holder pursuant to Section 61-28B-9 NMSA 1978  
11 shall include a person with practice privileges pursuant to  
12 Section 61-28B-26 NMSA 1978.

13 M. For the purposes of this section, a firm  
14 practicing under Subsection C or D of Section 61-28B-13 NMSA  
15 1978 may perform the services specified by the applicable  
16 provisions of the 1999 Public Accountancy Act and may use the  
17 terms "CPA" or "CPA firm" without obtaining a permit. Terms or  
18 references that refer to a firm holding a permit pursuant to  
19 Subsection B of Section 61-28B-13 NMSA 1978 shall include a  
20 firm practicing pursuant to Subsection C or D of Section  
21 61-28B-13 NMSA 1978."

22 SECTION 7. Section 61-28B-26 NMSA 1978 (being Laws 1999,  
23 Chapter 179, Section 26, as amended) is amended to read:

24 "61-28B-26. PRACTICE PRIVILEGE AND DISCIPLINE FOR A  
25 CERTIFICATE HOLDER FROM [~~A STATE WHOSE ACCOUNTANCY STATUTE IS~~

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1 ~~SUBSTANTIALLY EQUIVALENT] ANOTHER STATE OR JURISDICTION--~~  
 2 ~~REQUIREMENTS.--~~

3           A. Except as provided in Subsection D of this  
 4 section, a person whose principal place of business is not in  
 5 New Mexico shall be presumed to have ~~[qualifications~~  
 6 ~~substantially similar to New Mexico's requirements]~~ met  
 7 comparable licensure requirements and may exercise all the  
 8 practice privileges of certificate holders of New Mexico  
 9 without the need to obtain a certificate pursuant to Section  
 10 61-28B-9 NMSA 1978 if the person:

11                   (1) holds a valid license as a certified  
 12 public accountant from any state that requires, as a condition  
 13 of licensure, that a person

14                               ~~[(a) have at least one hundred fifty~~  
 15 ~~semester hours of college education including a baccalaureate~~  
 16 ~~or higher degree conferred by a college or university~~  
 17 ~~acceptable to the board;~~

18                                       ~~(b) achieve a passing grade on the~~  
 19 ~~uniform certified public accountant examination; and~~

20                                       ~~(c) possess at least one year of~~  
 21 ~~experience, including providing any type of service or advice~~  
 22 ~~involving the use of accounting, attest, compilation,~~  
 23 ~~management advisory, financial advisory, tax or consulting~~  
 24 ~~skills, which may be obtained through government, industry,~~  
 25 ~~academic or public practice, all of which can be verified by a~~

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1 ~~licensee]~~ meet the education and accounting experience  
2 requirements pursuant to Subsection D of Section 61-28B-8 NMSA  
3 1978; or

4 (2) holds a valid license or permit in good  
5 standing as a certified public accountant or its equivalent  
6 ~~from [any state that does not meet the requirements of~~  
7 ~~Paragraph (1) of Subsection A of this section, but the person's~~  
8 ~~certified public accountant qualifications are substantially~~  
9 ~~equivalent to those requirements. A person who passed the~~  
10 ~~uniform certified public accountant examination and holds a~~  
11 ~~valid license issued by any other state prior to January 1,~~  
12 ~~2012 may be exempt from the education requirement in~~  
13 ~~Subparagraph (a) of Paragraph (1) of this subsection]~~ a  
14 jurisdiction in the United States; provided that the licensee,  
15 at the time of licensure, was required to provide evidence of  
16 having successfully completed a qualifying exam in accordance  
17 with the requirements of the licensing jurisdiction and the  
18 education and accounting experience requirements pursuant to  
19 Subsection D of Section 61-28B-8 NMSA 1978.

20 B. Notwithstanding any other provision of law, a  
21 person who qualifies for the practice privilege pursuant to  
22 this section may offer or render professional services whether  
23 in person or by mail, telephone or electronic means, and no  
24 notice, fee or other submission shall be required of the  
25 person.

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1 C. A person licensed in another state exercising  
2 the practice privilege afforded pursuant to this section shall  
3 consent, as a condition of exercising the practice privilege:

4 (1) to submit to the personal and subject-  
5 matter jurisdiction and disciplinary authority of the board;

6 (2) to comply with the 1999 Public Accountancy  
7 Act and the rules adopted by the board;

8 (3) to cease offering or rendering  
9 professional attest services in New Mexico in the event the  
10 license from the state of the person's principal place of  
11 business is no longer valid; and

12 (4) to the appointment of the state board that  
13 issued the license as agent upon whom process may be served in  
14 any action or proceeding by the New Mexico public accountancy  
15 board against the licensee.

16 D. A person who qualifies for the practice  
17 privileges pursuant to this section and who performs an attest  
18 service shall meet the requirements of Section 61-28B-11 NMSA  
19 1978.

20 E. A certificate or permit holder of New Mexico  
21 that offers or renders an attest service or uses its certified  
22 public accountant title in another state shall be subject to  
23 disciplinary action in New Mexico for an act committed in  
24 another state for which it would be subject to discipline in  
25 the other state. The board shall investigate any complaint

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1 made by the board of accountancy in another state in accordance  
2 with the provisions of the 1999 Public Accountancy Act."

3 SECTION 8. Section 61-28B-27 NMSA 1978 (being Laws 1999,  
4 Chapter 179, Section 27, as amended) is amended to read:

5 "61-28B-27. FEES.--Except as provided in Section 61-1-34  
6 NMSA 1978 and Subsection B of Section 61-28B-11 NMSA 1978, the  
7 board may collect from certificate holders, permit holders,  
8 applicants and others the following fees:

9 A. for examination, a fee not to exceed four  
10 hundred dollars (\$400) per examination section;

11 B. for certificate issuance or renewal, a fee not  
12 to exceed one hundred seventy-five dollars (\$175) per year;  
13 provided, however, that the board may charge a biennial fee of  
14 not more than twice the annual fee;

15 C. for firm permits, a fee not to exceed one  
16 hundred dollars (\$100) per year; provided, however, that the  
17 board may charge a biennial fee of not more than twice the  
18 annual fee;

19 D. for incomplete or delinquent continuing  
20 education reports, certificate or permit renewals, a fee not to  
21 exceed one hundred dollars (\$100) each;

22 E. for preparing and providing licensure and  
23 examination information to others, a fee not to exceed seventy-  
24 five dollars (\$75.00) per report;

25 F. reasonable administrative fees for such services

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1 as research, record copies, duplicate or replacement  
2 certificates or permits;

3 G. a fee for fingerprinting and background check  
4 for an applicant for certification not to exceed one hundred  
5 dollars (\$100);

6 H. for certificate reinstatement, a fee not to  
7 exceed one hundred seventy-five dollars (\$175), plus past due  
8 fees and penalties;

9 I. for waiver to comply with continuing  
10 professional education requirements, a fee not to exceed  
11 seventy-five dollars (\$75.00) per application; and

12 J. for reentry into active certificate status and  
13 to comply with continuing education, a fee not to exceed  
14 seventy-five dollars (\$75.00) per application."

15 SECTION 9. EFFECTIVE DATE.--The effective date of the  
16 provisions of this act is January 1, 2026.

underscoring material = new  
~~[bracketed material] = delete~~