

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

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

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

11 "61-28B-3. DEFINITIONS.--As used in the 1999 Public
12 Accountancy Act:

13 A. "accounting experience" means providing service
14 or advice involving the use of accounting, attest, management
15 advisory, financial advisory, tax or consulting skills as
16 verified by a certified public accountant who meets
17 requirements prescribed by the board; provided that
18 experience gained through employment in government, industry,
19 academia or public practice shall be accepted;

20 B. "attest" means to provide the following
21 services:

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

24 (2) a review of a financial statement
25 performed in accordance with the statement on standards for

1 accounting and review services;

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

5 (4) an engagement to be performed in
6 accordance with the auditing standards of the public company
7 accounting oversight board;

8 C. "board" means the New Mexico public accountancy
9 board;

10 D. "certificate" means the legal recognition
11 issued to identify a certified public accountant or a
12 registered public accountant pursuant to the 1999 Public
13 Accountancy Act or prior law;

14 E. "certified public accountant" means a person
15 certified by this state or by another state to practice
16 public accountancy and use the designation;

17 F. "comparable licensure requirements" means
18 requirements that are comparable to or exceed the education,
19 examination and accounting experience requirements of
20 Paragraph (1) of Subsection A of Section 61-28B-26 NMSA 1978,
21 as determined by the board;

22 G. "compilation" means a service provided to
23 management, applying accounting and financial reporting
24 expertise, in the presentation of financial statements and
25 reports without undertaking to obtain or provide assurance

1 that there are no material modifications that should be made
2 to the financial statements or reports to be in accordance
3 with the applicable financial reporting framework;

4 H. "contingent fee" means a fee established for
5 the performance of a service pursuant to an arrangement in
6 which no fee will be charged unless a specific finding or
7 result is attained or upon which the amount of the fee is
8 dependent upon a finding or result. "Contingent fee" does
9 not mean a fee set by the court or a public authority on a
10 tax matter;

11 I. "director" means the executive director of the
12 board;

13 J. "firm" means a sole proprietorship,
14 professional corporation, partnership, limited liability
15 company, limited liability partnership or other legal
16 business entity that practices public accountancy;

17 K. "licensee" means a person, certified public
18 accountant, certified public accountant firm, registered
19 public accountant or registered public accountant firm
20 authorized to do business in New Mexico pursuant to the
21 provisions of the 1999 Public Accountancy Act or prior law;

22 L. "peer review" means a study, appraisal or
23 review of one or more aspects of the professional work of a
24 firm by a certified public accountant who is not affiliated
25 with the firm being reviewed;

1 M. "permit" means the annual authority granted to
2 practice as a certified public accountant firm or a
3 registered public accountant firm;

4 N. "practice" means performing or offering to
5 perform public accountancy for a client or potential client
6 by a person who makes a representation to the public as being
7 a permit holder or registered firm;

8 O. "public accountancy" means the performance of
9 one or more kinds of services involving accounting or
10 auditing skills, including the issuance of reports on
11 financial statements, the performance of one or more kinds of
12 management, financial advisory or consulting services, the
13 preparation of tax returns or the furnishing of advice on tax
14 matters;

15 P. "registered public accountant" means a person
16 who is registered by the board to practice public accountancy
17 and use the designation; and

18 Q. "report" means a written communication issued
19 by an accountant or an accountant firm that:

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

24 (2) when used in reference to a compilation,
25 agreed-upon procedures service or other service that is not

1 an audit, review or examination service, includes a statement
2 or implication that the accountant or accountant firm that
3 issued the report has special knowledge or competence in
4 accounting or attest services such as by the use of names or
5 titles indicating that the person or firm is an accountant or
6 an accountant firm or by the contents of the report itself."

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

9 "61-28B-8. QUALIFICATIONS FOR A CERTIFICATE AS A
10 CERTIFIED PUBLIC ACCOUNTANT.--

11 A. An applicant for a certificate shall complete
12 the application form provided by the board and demonstrate to
13 the board's satisfaction that the applicant:

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

16 (2) meets the education, accounting
17 experience and examination requirements of the board.

18 B. The board may refuse to grant a certificate on
19 the ground that the applicant failed to satisfy the
20 requirement of good moral character.

21 C. The education requirement for examination shall
22 be:

23 (1) a baccalaureate degree or its equivalent
24 from a college or university acceptable to the board plus
25 completion of an additional thirty semester hours of higher

1 education in accounting or business;

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

5 (3) a master's degree from a college or
6 university acceptable to the board with a concentration in
7 accounting or business.

8 D. The education and accounting experience
9 requirement for a certificate shall be:

10 (1) a baccalaureate degree or its equivalent
11 from a college or university acceptable to the board plus
12 completion of an additional thirty semester hours of higher
13 education in accounting or business and evidence of at least
14 one year of accounting experience;

15 (2) a baccalaureate degree from a college or
16 university acceptable to the board with a concentration in
17 accounting or business and evidence of at least two years of
18 accounting experience; or

19 (3) a master's degree from a college or
20 university acceptable to the board with a concentration in
21 accounting or business and evidence of at least one year of
22 accounting experience.

23 E. The examination for certification shall be
24 offered continuously via a computer-based testing system at a
25 designated testing center and shall test an applicant's

1 knowledge of the subjects of accounting and auditing and
2 other related subjects as prescribed by the board. The board
3 shall prescribe the method of applying for the examination
4 and the dissemination of scores, and it shall rely on the
5 American institute of certified public accountants for the
6 grading of the examination. The board may use all or any
7 part of the uniform certified public accountant examination
8 services of the national association of state boards of
9 accountancy to perform administrative services with respect
10 to the examination. The board or its designee shall report
11 all eligibility and score data to the national candidate
12 database, and it shall, to the extent possible, provide that
13 the passing scores are uniform with passing scores of other
14 states.

15 F. An applicant must pass all sections of the
16 examination to qualify for a certificate. A passing scaled
17 score for each section shall be seventy-five percent.
18 Sections may be taken individually and in any order. Credit
19 for any section passed shall be valid for thirty months from
20 the date the passing score is released to the applicant,
21 without having to attain a minimum score on any failed test
22 section and without regard to whether the applicant has taken
23 other test sections. An applicant must pass all four test
24 sections within a continuous thirty-month period, which
25 begins on the date that the first passing scores are released

1 to the applicant. If all four test sections are not passed
2 within the continuous thirty-month period, credit for any
3 test section passed outside the thirty-month period will
4 expire, and that test section must be retaken.

5 G. An applicant shall be given credit for
6 examination sections passed in another state if such credit
7 would have been given in New Mexico.

8 H. The board may waive or defer requirements of
9 this section regarding the circumstances in which sections of
10 the examination must be passed, upon a showing that, by
11 reason of circumstances beyond the applicant's control, the
12 applicant was unable to meet the requirement."

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

15 "61-28B-9. ISSUANCE AND RENEWAL OF CERTIFICATE--
16 MAINTENANCE OF COMPETENCY--NONRESIDENT MAINTENANCE OF
17 COMPETENCY REQUIREMENTS.--

18 A. The board shall grant or renew a certificate
19 upon application and demonstration that the applicant's
20 qualifications are in accordance with the 1999 Public
21 Accountancy Act.

22 B. The board may establish by rule for the
23 issuance of annual certificates and may prescribe the
24 expiration date of certificates. Failure to pay the renewal
25 fee shall be cause for the board to withhold renewal of a

1 certificate without prior hearing pursuant to the provisions
2 of the Uniform Licensing Act. If the renewal fee and
3 delinquency fee are not paid within ninety days after the
4 expiration date of the license, the certificate shall be
5 subject to cancellation. A certificate holder whose
6 certificate has been canceled for failure to pay the annual
7 renewal fee may secure reinstatement of the certificate only
8 upon application and payment of the renewal fee and
9 reinstatement fee and upon approval by the board.

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

13 D. If an applicant appeals the decision of the
14 board to deny a certificate, the board may issue a
15 provisional certificate for no longer than ninety days while
16 the board reconsiders its decision.

17 E. To renew a certificate, a certificate holder
18 shall provide satisfactory proof to the board of continuing
19 professional education that is designed to maintain
20 competency. Continuing professional education courses shall
21 comply with board rules. The board may create an exception
22 to the requirement to maintain continuing professional
23 education for certificate holders who do not provide services
24 to the public. A certificate holder granted such an
25 exception must place the word "inactive" or "retired"

1 adjacent to the certificate holder's certified public
2 accountant title or registered public accountant title on a
3 business card, letterhead or other document or device, except
4 for a board-issued certificate.

5 F. A nonresident certificate holder seeking to
6 renew a certificate shall be determined to have met the
7 continuing professional education requirement in this state
8 if the nonresident has met the continuing professional
9 education requirement in the state where the nonresident's
10 principal place of business is located; provided that:

11 (1) the nonresident signs a statement on the
12 renewal application that the nonresident has met the
13 continuing professional education requirement in the state
14 where the nonresident's principal place of business is
15 located; and

16 (2) the state where the nonresident's
17 principal place of business is located requires continuing
18 professional education.

19 G. An applicant for initial issuance or renewal of
20 a certificate pursuant to this section shall list all foreign
21 and domestic jurisdictions in which the applicant has applied
22 for or holds a designation to practice public accountancy.
23 The applicant shall also list any past denial, revocation or
24 suspension of a certificate, license or permit. An applicant
25 or certificate holder shall notify the board in writing,

1 within thirty days of the occurrence of any issuance, denial,
2 revocation or suspension of a designation or commencement of
3 a disciplinary or enforcement action by any jurisdiction."

4 SECTION 4. Section 61-28B-11 NMSA 1978 (being Laws
5 1999, Chapter 179, Section 11, as amended) is amended to
6 read:

7 "61-28B-11. CERTIFICATES ISSUED TO HOLDERS OF A
8 CERTIFICATE, LICENSE OR PERMIT ISSUED BY ANOTHER STATE--
9 EXCEPTION.--

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

13 (1) passed the examination required for
14 issuance of the applicant's certificate with scores that
15 would have been passing grades at the time in New Mexico;

16 (2) passed the examination upon which the
17 applicant's out-of-state certificate was based and has met
18 the accounting experience requirements within the ten years
19 immediately preceding the application; and

20 (3) if the applicant's certificate, license
21 or permit was issued more than four years prior to
22 application, has fulfilled the board's requirements of
23 continuing professional education.

24 B. An individual shall be granted the privilege to
25 perform, or offer to perform, services without notice to the

1 board or being certified, if the individual holds a valid
2 license or permit in good standing as a certified public
3 accountant or its equivalent issued by another jurisdiction
4 in the United States; provided that the licensee, at the time
5 of licensure, was required to provide evidence of having
6 successfully completed a qualifying exam in accordance with
7 the requirements of the licensing jurisdiction.

8 C. The board may issue a certificate to a holder
9 of a foreign designation with comparable licensure
10 requirements as determined by the board to be comparable to
11 or to exceed the education, examination and accounting
12 experience requirements of Paragraph (1) of Subsection A of
13 Section 61-28B-26 NMSA 1978; provided that:

14 (1) the foreign authority that granted the
15 designation makes similar provision to allow a person who
16 holds a valid certificate issued by New Mexico to obtain such
17 foreign authority's comparable designation;

18 (2) the foreign designation:

19 (a) was duly issued by a foreign
20 authority that regulates the practice of public accountancy
21 and the foreign designation has not expired or been revoked
22 or suspended;

23 (b) entitles the holder to issue
24 reports upon financial statements; and

25 (c) was issued upon the basis of

1 educational, examination and accounting experience
2 requirements established by the foreign authority or by law;
3 and

4 (3) the applicant:

5 (a) received the designation based on
6 comparable licensure requirements at the time the foreign
7 designation was granted;

8 (b) completed an accounting experience
9 requirement in the jurisdiction that granted the foreign
10 designation that has comparable licensure requirements or has
11 completed four years of professional accounting experience in
12 New Mexico; and

13 (c) passed a uniform qualifying
14 examination on national standards and an examination on the
15 laws, rules and code of ethical conduct in effect in New
16 Mexico that is acceptable to the board.

17 D. An applicant for initial issuance or renewal of
18 a certificate pursuant to this section shall list all foreign
19 and domestic jurisdictions in which the applicant has applied
20 for or holds a designation to practice public accountancy.

21 The applicant shall also list any past denial, revocation or
22 suspension of a certificate, license or permit. An applicant
23 or certificate holder shall notify the board in writing,
24 within thirty days of the occurrence of any issuance, denial,
25 revocation or suspension of a designation or commencement of

1 a disciplinary or enforcement action by any jurisdiction.

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

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

7 "61-28B-13. FIRM PERMITS TO PRACTICE, ATTEST
8 EXPERIENCE, PEER REVIEW.--

9 A. The board may grant or renew a permit to
10 practice as a certified public accountant firm to an
11 applicant that demonstrates its qualifications in accordance
12 with this section.

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

15 (1) a firm with an office in New Mexico
16 performing attest services as defined by the 1999 Public
17 Accountancy Act;

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

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

24 C. A firm that does not have an office in New
25 Mexico may offer or render attest services for a client in

1 New Mexico and may use the title "CPA" or "CPA firm" without
2 a permit issued pursuant to this section only if:

3 (1) the firm offers or renders the services
4 through an individual that:

5 (a) holds a valid license or permit in
6 good standing as a certified public accountant or equivalent
7 issued by another jurisdiction in the United States if, at
8 the time of licensure, the individual showed evidence of
9 having successfully completed a qualifying exam in accordance
10 with the licensing jurisdiction; and

11 (b) consents to the disciplinary
12 authority of the board;

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

15 (3) the firm meets the requirements of
16 Subsection L of this section.

17 D. A firm not subject to the requirements of
18 Subsection B or C of this section may perform other nonattest
19 professional services while using the title "CPA" or "CPA
20 firm" in New Mexico without a permit issued pursuant to this
21 section only if:

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

25 (2) the firm can lawfully perform services

1 in the state that is the firm's principal place of business.

2 E. Permits shall be issued and renewed for periods
3 of not more than two years, expiring on June 30 of the year
4 of expiration. Failure to pay the renewal fee shall be cause
5 for the board to withhold renewal of a permit without prior
6 hearing pursuant to the provisions of the Uniform Licensing
7 Act. If the renewal fee and delinquency fee are not paid
8 within ninety days after the expiration of the permit, the
9 permit shall be subject to cancellation. A firm whose permit
10 has been canceled for failure to pay the annual renewal fee
11 may secure reinstatement of the permit upon application and
12 payment of the renewal fee and upon approval by the board.

13 F. The board shall grant or deny an application
14 for a permit no later than ninety days after the complete
15 application is filed.

16 G. If an applicant appeals the decision of the
17 board to deny a permit, the board may issue a provisional
18 permit for no longer than ninety days while the board
19 reconsiders its decision.

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

22 (1) a simple majority of the ownership of
23 the firm, in terms of financial interests, profits, losses,
24 dividends, distributions, options, redemptions and voting
25 rights of all partners, officers, shareholders, members or

1 managers, belongs to holders of a certificate who are
2 licensed in some state. A partner, officer, shareholder,
3 member or manager, whose principal place of business is in
4 New Mexico, and who performs professional services in New
5 Mexico, must hold a valid certificate. The firm and all
6 owners must comply with the 1999 Public Accountancy Act. A
7 person with practice privileges pursuant to Section 61-28B-26
8 NMSA 1978 who performs services for which a permit is
9 required pursuant to this section shall not be required to
10 obtain a certificate from New Mexico pursuant to Section
11 61-28B-9 NMSA 1978. A firm may include owners who are not
12 certificate holders; provided that:

13 (a) the firm designates a New Mexico
14 certificate holder, or in the case of a firm that must have a
15 permit, a licensee of another state who meets the
16 requirements of Subsection A of Section 61-28B-26 NMSA 1978,
17 who is responsible for the proper registration of the firm
18 and identifies that person to the board;

19 (b) all owners who are not certificate
20 holders are active participants in the certified public
21 accountant firm or registered public accountant firm or
22 affiliated entities; and

23 (c) the firm complies with the 1999
24 Public Accountancy Act; and

25 (2) a certificate holder, or a person

1 qualifying for practice privileges pursuant to Section
2 61-28B-26 NMSA 1978, who is responsible for supervising
3 attest services or signs or authorizes someone to sign the
4 accountant's report on behalf of the firm meets the
5 accounting experience requirements set out in the
6 professional standards for such services.

7 I. An applicant for initial issuance or renewal of
8 a permit shall be required to register each office of the
9 firm within New Mexico with the board and to show that all
10 attest services rendered in this state are under the charge
11 of a person holding a valid certificate issued pursuant to
12 the 1999 Public Accountancy Act or the corresponding
13 provision of prior law or by some other state.

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

1 a permit by another jurisdiction.

2 K. A firm that falls out of compliance with the
3 provisions of the 1999 Public Accountancy Act due to changes
4 in firm ownership or personnel shall take corrective action
5 to bring the firm back into compliance as quickly as
6 possible. The board may grant a six-month period for a firm
7 to take the corrective action. Failure to bring the firm
8 back into compliance within six months shall result in the
9 suspension or revocation of the firm permit.

10 L. As a condition to permit renewal, the board
11 shall require the applicant to undergo a peer review
12 conducted in accordance with board rules. The review shall
13 include a verification that a person in the firm, or a person
14 qualifying for practice privileges pursuant to Section
15 61-28B-26 NMSA 1978, who is responsible for supervising
16 attest services and signs or authorizes someone to sign the
17 accountant's report on behalf of the firm meets the
18 accounting experience requirements set out in the
19 professional standards for the services as required by the
20 board.

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

23 N. Attest services may only be provided by a
24 certificate holder or a member of a firm that satisfies the
25 requirements of this section and Sections 61-28B-8 and

1 61-28B-13 NMSA 1978. Attest services may not be performed by
2 a certificate holder who is a member of a firm that does not
3 meet the certificate holder's ownership requirements set
4 forth in this section."

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

8 "61-28B-17. ENFORCEMENT--UNLAWFUL ACTS.--

9 A. Except as otherwise provided in the 1999 Public
10 Accountancy Act, it is unlawful for a person to engage in
11 practice in New Mexico unless the person is a licensee.

12 B. Except as otherwise provided in the 1999 Public
13 Accountancy Act, no person shall issue a report or financial
14 statement for a person or a governmental unit or issue a
15 report using any form of language conventionally used
16 respecting an audit or review of financial statements, unless
17 the person holds a current license or permit. The state
18 auditor and the state auditor's auditing staff are considered
19 to be in the practice of public accountancy.

20 C. With the exception of persons cited in Section
21 61-28B-18 NMSA 1978, a person who prepares a financial
22 accounting and related statements and who is not the holder
23 of a certificate or a permit under the provisions of that act
24 shall use the following statement in the transmittal letter:

25 "I (we) have prepared the accompanying financial statements

1 of (name of entity) as of (time period) and for the (time
2 period) ending (date). This presentation is limited to
3 preparing in the form of financial statements information
4 that is the representation of management (owners). I (we)
5 have not audited or reviewed the accompanying financial
6 statements and accordingly do not express an opinion or any
7 other form of assurance on them."

8 D. No person shall indicate by title, designation,
9 abbreviation, sign, card or device that the person is a
10 certified public accountant or a registered public accountant
11 unless the person is currently certified by the board
12 pursuant to the 1999 Public Accountancy Act or is a firm
13 currently permitted by the board pursuant to that act.
14 Unless the person is a holder of a current certificate or
15 permit, no person shall use any title, initials or
16 designation intended to or substantially likely to indicate
17 to the public that the person is a certified public
18 accountant or registered public accountant.

19 E. No person shall engage in practice unless the
20 person:

21 (1) holds a valid certificate or current
22 permit;

23 (2) is an employee supervised by a licensee
24 pursuant to Section 61-28B-18 NMSA 1978 and not a partner,
25 officer, shareholder or member of a firm; or

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

4 F. No person or firm holding a certificate or
5 permit shall engage in practice using a professional or firm
6 name or designation that is misleading about the legal form
7 of the firm; provided, however, that names of one or more
8 former partners, shareholders or members may be included in
9 the name of a firm or its successors.

10 G. No person shall sell, offer to sell or
11 fraudulently obtain or furnish any certificate or permit nor
12 shall the person fraudulently register as a certified public
13 accountant or registered public accountant or practice in
14 this state without being granted a certificate or permit as
15 provided in the 1999 Public Accountancy Act.

16 H. A licensee or the licensee's firm shall not
17 receive a commission to recommend or refer a product or
18 service to a client or to recommend to anyone else a product
19 or service to be supplied by a client during the period the
20 licensee or the licensee's firm is engaged to perform the
21 following services for that client and during the period
22 covered by any historical financial statements involved in
23 the services:

24 (1) an audit or review of a financial
25 statement;

1 (2) a compilation of a financial statement
2 when the licensee expects or might reasonably expect that a
3 third party will use the financial statement, and the
4 compilation report does not disclose the lack of independence
5 by the licensee; or

6 (3) an examination of prospective financial
7 information.

8 I. A licensee or the licensee's firm that is not
9 prohibited from receiving a commission by Subsection H of
10 this section and that is paid or expects to be paid a
11 commission shall disclose that fact in writing to the person
12 for whom the licensee or the licensee's firm performs a
13 service or refers or recommends a product or service. A
14 licensee or firm that accepts or pays a referral fee for a
15 service or to obtain a client shall disclose such acceptance
16 or payment to the client in writing.

17 J. A licensee or the licensee's firm shall not
18 charge or receive a contingent fee for a client for whom the
19 licensee or the licensee's firm performs the following
20 services:

21 (1) an audit or review of a financial
22 statement;

23 (2) a compilation of a financial statement
24 when the licensee expects or reasonably might expect that a
25 third party will use the financial statement and the

1 compilation report does not disclose a lack of independence;

2 (3) an examination of prospective financial
3 information; or

4 (4) preparation of an original or amended
5 tax return or claim for tax refund, except in the case of
6 federal, state or other taxes in which the findings are those
7 of the tax authorities and not those of the licensee or in
8 the case of professional services for which fees are to be
9 fixed by courts or other public authorities and that are
10 therefore indeterminate in amount at the time the
11 professional services are undertaken.

12 K. No licensee shall sign or certify any financial
13 statements if the licensee knows the same to be materially
14 false or fraudulent.

15 L. For the purposes of this section, a person with
16 practice privileges pursuant to Section 61-28B-26 NMSA 1978
17 shall be deemed to have comparable licensure requirements to
18 a certificate holder pursuant to Section 61-28B-9 NMSA 1978.
19 Terms or references that refer to a certificate holder
20 pursuant to Section 61-28B-9 NMSA 1978 shall include a person
21 with practice privileges pursuant to Section 61-28B-26 NMSA
22 1978.

23 M. For the purposes of this section, a firm
24 practicing under Subsection C or D of Section 61-28B-13 NMSA
25 1978 may perform the services specified by the applicable

1 provisions of the 1999 Public Accountancy Act and may use the
2 terms "CPA" or "CPA firm" without obtaining a permit. Terms
3 or references that refer to a firm holding a permit pursuant
4 to Subsection B of Section 61-28B-13 NMSA 1978 shall include
5 a firm practicing pursuant to Subsection C or D of Section
6 61-28B-13 NMSA 1978."

7 SECTION 7. Section 61-28B-26 NMSA 1978 (being Laws
8 1999, Chapter 179, Section 26, as amended) is amended to
9 read:

10 "61-28B-26. PRACTICE PRIVILEGE AND DISCIPLINE FOR A
11 CERTIFICATE HOLDER FROM ANOTHER STATE OR JURISDICTION--
12 REQUIREMENTS.--

13 A. Except as provided in Subsection D of this
14 section, a person whose principal place of business is not in
15 New Mexico shall be presumed to have met comparable licensure
16 requirements and may exercise all the practice privileges of
17 certificate holders of New Mexico without the need to obtain
18 a certificate pursuant to Section 61-28B-9 NMSA 1978 if the
19 person:

20 (1) holds a valid license as a certified
21 public accountant from any state that requires, as a
22 condition of licensure, that a person meet the education and
23 accounting experience requirements pursuant to Subsection D
24 of Section 61-28B-8 NMSA 1978; or

25 (2) holds a valid license or permit in good

1 standing as a certified public accountant or its equivalent
2 from a jurisdiction in the United States; provided that the
3 licensee, at the time of licensure, was required to provide
4 evidence of having successfully completed a qualifying exam
5 in accordance with the requirements of the licensing
6 jurisdiction and the education and accounting experience
7 requirements pursuant to Subsection D of Section 61-28B-8
8 NMSA 1978.

9 B. Notwithstanding any other provision of law, a
10 person who qualifies for the practice privilege pursuant to
11 this section may offer or render professional services
12 whether in person or by mail, telephone or electronic means,
13 and no notice, fee or other submission shall be required of
14 the person.

15 C. A person licensed in another state exercising
16 the practice privilege afforded pursuant to this section
17 shall consent, as a condition of exercising the practice
18 privilege:

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

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

23 (3) to cease offering or rendering
24 professional attest services in New Mexico in the event the
25 license from the state of the person's principal place of

1 business is no longer valid; and

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

6 D. A person who qualifies for the practice
7 privileges pursuant to this section and who performs an
8 attest service shall meet the requirements of Section
9 61-28B-11 NMSA 1978.

10 E. A certificate or permit holder of New Mexico
11 that offers or renders an attest service or uses its
12 certified public accountant title in another state shall be
13 subject to disciplinary action in New Mexico for an act
14 committed in another state for which it would be subject to
15 discipline in the other state. The board shall investigate
16 any complaint made by the board of accountancy in another
17 state in accordance with the provisions of the 1999 Public
18 Accountancy Act."

19 **SECTION 8.** Section 61-28B-27 NMSA 1978 (being Laws
20 1999, Chapter 179, Section 27, as amended) is amended to
21 read:

22 "61-28B-27. FEES.--Except as provided in Section
23 61-1-34 NMSA 1978 and Subsection B of Section 61-28B-11 NMSA
24 1978, the board may collect from certificate holders, permit
25 holders, applicants and others the following fees:

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

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

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

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

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

17 F. reasonable administrative fees for such
18 services as research, record copies, duplicate or replacement
19 certificates or permits;

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

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

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

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

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