

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  
verified by a certified public accountant who meets

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underscored material = new  
[bracketed material] = delete

1 requirements prescribed by the board; provided that experience  
2 gained through employment in government, industry, academia or  
3 public practice shall be accepted;

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

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

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

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

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

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

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

23 [D.] E. "certified public accountant" means a  
24 person certified by this state or by another state to practice  
25 public accountancy and use the designation;

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

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

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

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

22           ~~[H.]~~ J. "firm" means a sole proprietorship,  
23 professional corporation, partnership, limited liability  
24 company, limited liability partnership or other legal business  
25 entity that practices public accountancy;

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

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

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

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

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

23           ~~[N.]~~ P. "registered public accountant" means a  
24 person who is registered by the board to practice public  
25 accountancy and use the designation; and

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1           [~~0-~~] Q. "report" means a written communication  
2 issued by an accountant or an accountant firm that:

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

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

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

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

22                   "61-28B-8. QUALIFICATIONS FOR A CERTIFICATE AS A  
23 CERTIFIED PUBLIC ACCOUNTANT.--

24                   A. An applicant for a certificate shall complete  
25 the application form provided by the board and demonstrate to

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1 the board's satisfaction that the applicant:

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

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

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

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

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

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

24 (3) a master's degree from a college or  
25 university acceptable to the board with a concentration in

1 accounting or business.

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

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

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

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

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

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

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

24 ~~[F.]~~ G. An applicant shall be given credit for  
25 examination sections passed in another state if such credit



1 would have been given in New Mexico.

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

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

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

19           "61-28B-9. ISSUANCE AND RENEWAL OF CERTIFICATE--  
20 MAINTENANCE OF COMPETENCY--NONRESIDENT MAINTENANCE OF  
21 COMPETENCY REQUIREMENTS.--

22           A. The board shall grant or renew a certificate  
23 upon application and demonstration that the applicant's  
24 qualifications are in accordance with the 1999 Public  
25 Accountancy Act ~~[or that they are eligible under the~~

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1 ~~substantial equivalency standard provided in that act].~~

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

24 (3) if the applicant's certificate, license or  
25 permit was issued more than four years prior to application,

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1 has fulfilled the board's requirements of continuing  
2 professional education.

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

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

22 C. The board may issue a certificate to a holder of  
23 a ~~[substantially equivalent]~~ foreign designation with  
24 comparable licensure requirements as determined by the board to  
25 be comparable to or to exceed the education, examination and

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1 experience requirements of Paragraph (1) of Subsection A of  
2 Section 61-28B-26 NMSA 1978; provided that:

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

7 (2) the foreign designation:

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

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

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

17 (3) the applicant:

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

22 (b) completed an accounting experience  
23 requirement in the jurisdiction that granted the foreign  
24 designation that ~~[is substantially equivalent to the~~  
25 ~~requirement provided for in the 1999 Public Accountancy Act]~~

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

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

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

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

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

23 "61-28B-13. FIRM PERMITS TO PRACTICE, ATTEST EXPERIENCE,  
 24 PEER REVIEW.--

25 A. The board may grant or renew a permit to

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1 practice as a certified public accountant firm to an applicant  
2 that demonstrates its qualifications in accordance with this  
3 section.

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

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

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

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

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

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

23 (a) holds a valid license or permit in  
24 good standing as a certified public accountant or equivalent  
25 issued by another jurisdiction in the United States if, at the



1 time of licensure, the individual showed evidence of having  
2 successfully completed a qualifying exam in accordance with the  
3 licensing jurisdiction; and

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

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

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

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

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

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

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

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1 days after the expiration of the permit, the permit shall be  
2 subject to cancellation. A firm whose permit has been canceled  
3 for failure to pay the annual renewal fee may secure  
4 reinstatement of the permit upon application and payment of the  
5 renewal fee and upon approval by the board.

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

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

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

15 (1) a simple majority of the ownership of the  
16 firm, in terms of financial interests, profits, losses,  
17 dividends, distributions, options, redemptions and voting  
18 rights of all partners, officers, shareholders, members or  
19 managers, belongs to holders of a certificate who are licensed  
20 in some state. A partner, officer, shareholder, member or  
21 manager, whose principal place of business is in New Mexico,  
22 and who performs professional services in New Mexico, must hold  
23 a valid certificate. The firm and all owners must comply with  
24 the 1999 Public Accountancy Act. A person with practice  
25 privileges pursuant to Section 61-28B-26 NMSA 1978 who performs

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

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

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

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

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

24 I. An applicant for initial issuance or renewal of  
25 a permit shall be required to register each office of the firm

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

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

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

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1 revocation of the firm permit.

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

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

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

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

23 "61-28B-17. ENFORCEMENT--UNLAWFUL ACTS.--

24 A. Except as otherwise provided in the 1999 Public  
25 Accountancy Act, it is unlawful for a person to engage in

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1 practice in New Mexico unless the person is a licensee.

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

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

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

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

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

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

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

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

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

25 G. No person shall sell, offer to sell or

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1 fraudulently obtain or furnish any certificate or permit nor  
2 shall the person fraudulently register as a certified public  
3 accountant or registered public accountant or practice in this  
4 state without being granted a certificate or permit as provided  
5 in the 1999 Public Accountancy Act.

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

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

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

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

22 I. A licensee or the licensee's firm that is not  
23 prohibited from receiving a commission by Subsection H of this  
24 section and that is paid or expects to be paid a commission  
25 shall disclose that fact in writing to the person for whom the

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

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

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

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

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

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

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

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

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

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

23           "61-28B-26. PRACTICE PRIVILEGE AND DISCIPLINE FOR A  
24 CERTIFICATE HOLDER FROM [~~A STATE WHOSE ACCOUNTANCY STATUTE IS~~  
25 ~~SUBSTANTIALLY EQUIVALENT~~] ANOTHER STATE OR JURISDICTION--

1 REQUIREMENTS.--

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

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

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

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

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

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1 requirements pursuant to Subsection D of Section 61-28B-8 NMSA  
2 1978; or

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

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

25 C. A person licensed in another state exercising

1 the practice privilege afforded pursuant to this section shall  
2 consent, as a condition of exercising the practice privilege:

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

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

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

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

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

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

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1 with the provisions of the 1999 Public Accountancy Act."

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

4           "61-28B-27. FEES.--Except as provided in Section 61-1-34  
5 NMSA 1978 and Subsection B of Section 61-28B-11 NMSA 1978, the  
6 board may collect from certificate holders, permit holders,  
7 applicants and others the following fees:

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

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

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

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

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

24           F. reasonable administrative fees for such services  
25 as research, record copies, duplicate or replacement

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1 certificates or permits;

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

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

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

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

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

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underscored material = new  
[bracketed material] = delete