

Sec. 15. EFFECTIVE DATE. Sections 1 to 7, 9 to 12 and 14 are effective the day following final enactment. Section 8 is effective July 1, 1980. Section 13 is effective the day following final enactment, provided that section 13 shall not rescind or void any otherwise valid net listing agreement executed and in effect prior to the effective date. No previously existing net listing agreement shall be renewed or extended except in accordance with section 13.

Approved April 23, 1980.

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CHAPTER 591—S.F.No. 1398

*An act relating to accountancy; providing for the licensing of public accountants; clarifying the law; amending Minnesota Statutes 1978, Sections 326.19, Subdivisions 3 and 4, and by adding a subdivision; Minnesota Statutes, 1979 Supplement, Sections 326.165, Subdivisions 1 and 2; 326.17; 326.18; 326.19, Subdivision 2; 326.211, Subdivisions 3 and 9; 326.212, Subdivision 2; and Laws 1979, Chapter 326, Section 16.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. Minnesota Statutes, 1979 Supplement, Section 326.165, Subdivision 1, is amended to read:

326.165 **BOARD OF ACCOUNTANCY.** Subdivision 1. **PURPOSE.** It is the policy of this state to promote the dependability of information which is used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private or governmental. The public interest requires that persons engaged in the practice of public accounting be qualified; that a public authority competent to prescribe and assess the qualifications of public accountants be established; that the expression of any form of assurance or of opinions on financial statements be reserved to persons who demonstrate their ability and fitness to observe and apply the standards of the accounting profession; and that the use of accounting titles likely to confuse the public be prohibited.

Sec. 2. Minnesota Statutes, 1979 Supplement, Section 326.165, Subdivision 2, is amended to read:

Subd. 2. **PRACTICE OF PUBLIC ACCOUNTING.** The "practice of public accounting" is: (a) holding one's self out to the public as skilled in the knowledge- ~~science;~~ and practice of accounting; or (b) expressing any form of assurance on financial statements; or (c) expressing opinions on financial statements- ~~schedules, reports, or exhibits to be used for publication;~~ for credit purposes, for use in courts or and for other purposes involving use by third parties.

Sec. 3. Minnesota Statutes, 1979 Supplement, Section 326.17, is amended to read:

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**326.17 BOARD OF ACCOUNTANCY.** A board of accountancy is hereby created to carry out the purposes and enforce the provisions of ~~section sections~~ sections 326.165 and sections 326.17 to 326.23. It ~~shall consist~~ consists of between seven and nine citizens of this state ~~to be~~ appointed by the governor as provided in this section. Two shall be public members as defined by section 214.02, five shall be currently licensed certified public accountants, and two shall be licensed public accountants under the provisions of ~~sections 326.17 326.165~~ to 326.23. When the number of licensed public accountants in this state drops below 100, their representation on the board of accountancy shall drop to one and the board shall consist of two public members, five currently licensed certified public accountants, and one licensed public accountant. At the time when the number of licensed public accountants in this state drops below 25, the licensed public accountants shall lose their representation on the board, except that the licensed public accountant then serving on the board shall be allowed to complete his term of office and the board shall consist of two public members and five currently licensed certified public accountants. Membership terms, compensation of members, removal of members, the filling of membership vacancies, and fiscal year and reporting requirements shall be as provided in sections 214.07 to 214.09. The provision of staff, administrative services and office space; the review and processing of complaints; the setting of board fees; and other provisions relating to board operations shall be as provided in chapter 214 and sections ~~326.17 326.165~~ to 326.23.

Sec. 4. Minnesota Statutes, 1979 Supplement, Section 326.18, is amended to read:

**326.18 BOARD, DUTIES, OFFICERS, EXAMINATIONS.** A majority of the board ~~shall constitute~~ constitutes a quorum. The board shall elect one of its number as chairman, another as vice-chairman, and another as secretary and treasurer, who shall hold their respective offices for a term of one year and until their successors are elected. The affirmative vote of ~~four~~ a majority of members of the board ~~shall be~~ is considered as the action of the board. The board shall enforce the standard of general education; the standard of special education in the science and art of accounting; the standard of ~~moral~~ good character and general public experience, as prescribed in sections ~~326.17 326.165~~ to 326.23, in all examinations conducted thereunder. The board shall make rules for the conduct of applicants' examinations and the character and scope of ~~such~~ the examinations, the method and time of filing applications for examinations and their form and contents, and all other rules and regulations proper to carry into effect the purposes of sections ~~326.17 326.165~~ to 326.23. The board may make use of all or any part of the uniform certified public accountant examination and advisory grading service provided by the American Institute of Certified Public Accountants if it deems it appropriate to assist it in performing its duties. ~~All such~~ These examinations shall be conducted by the board of accountancy. The time and place of holding examinations shall be advertised for not less than three consecutive days in one daily newspaper published in each of the counties where the examinations are to be held, and not less than 60 days prior to the date of each examination. The examinations shall take place as often as may be convenient in the opinion of the

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board. The board may make rules necessary to implement and enforce sections ~~326.17~~ 326.165 to 326.23, and 214.12, including but not limited to rules of professional conduct, pertaining to individuals, partnerships and corporations practicing public accounting which it deems consistent with or required by the public welfare *and rules of continuing education to be met by persons licensed under sections ~~326.17~~ 326.165 to 326.23.*

The board shall keep records of its proceedings, an accurate list of all applications made, licenses and ~~permits~~ certificates issued, and licenses and ~~permits~~ certificates revoked, and shall keep proper financial records in which there shall be entered a complete statement of the cash receipts and disbursements. *The board shall issue to each person who ~~meets~~ satisfies the examination and experience requirements of section 326.19, subdivision 1, a certified public accountant certificate to that effect, and shall maintain a record of that issuance. The board shall issue a license as a certified public accountant to each holder of a certified accountant certificate who satisfies the experience requirements for a license as a certified public accountant or to a person who has been issued a certified public accountant certificate under section 326.19, subdivision 3. The board shall maintain a record of the issuance. It shall adopt and provide itself with a seal with a band inscribed "Certified Public Accountant, State of Minnesota," with the coat of arms of Minnesota in the center, which seal shall be affixed to each certificate of certified public accountant issued under sections 326.17 to 326.23. The board shall issue to each person who qualifies for a license under sections 326.17 to 326.23 as a licensed public accountant a certificate as a licensed public accountant and shall maintain a record of that issuance. It shall adopt and provide itself with a seal with a band inscribed "Licensed Public Accountant, State of Minnesota," with the coat of arms of Minnesota in the center, which seal shall be affixed to each certificate of the licensed public accountant, issued under sections 326.17 to 326.23. All records of the board shall be open to the inspection of the public at the office of its secretary.*

Sec. 5. Minnesota Statutes, 1979 Supplement, Section 326.19, Subdivision 2, is amended to read:

~~Subd. 2-~~ Subdivision 1. CERTIFICATES AND LICENSES AS CERTIFIED PUBLIC ACCOUNTANTS. ~~The license. A certified public accountant, certificate shall be granted to any person:~~

- (a) Who has attained the age of 18 years; and
- (b) Who ~~holds~~ is of good character; and

(c) Who has successfully completed an examination in the subjects and at the times the board may prescribe in its rules. The examination shall be administered by the board only to a candidate who holds:

(i) a master's degree with a major in accounting from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or who has in the opinion of the board at least an equivalent education, ~~providing at least one year of experience of the type specified in subdivision 4; has been completed; or~~

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(ii) a baccalaureate degree, with a major in accounting, from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or whose credits are acceptable to the University of Minnesota for admission to graduate study, or who has in the opinion of the board at least an equivalent education, ~~providing at least two years experience of the type specified in subdivision 4, has been completed; or~~

(iii) a baccalaureate degree from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or whose credits are acceptable to the University of Minnesota for admission to graduate study, or who has in the opinion of the board at least an equivalent education, providing at least three years one year of experience of the type specified in subdivision 4, has been completed; or

(iv) evidence of having completed two or more years of study with passing grade average or above from a college or university that is fully accredited by the North Central Association of Colleges and Secondary Schools, or an equivalent accrediting association, or whose credits are acceptable to the University of Minnesota for admission to graduate study, or an area vocational-technical school, a Minnesota licensed private vocational school which fulfills the requirements of sections 141.21 to 141.36, or who has in the opinion of the board at least an equivalent education, providing at least five three years experience of the type specified in subdivision 4, has been completed; or

(v) a diploma as a graduate of an accredited high school or who has in the opinion of the board at least an equivalent education, providing at least six five years experience of the type specified in subdivision 4, has been completed; and

(e) ~~Who has completed successfully an examination in such subjects and at such times, as the board may prescribe in its rules. The examination shall be administered by the board only to a candidate who holds:~~

(i) a baccalaureate degree with a major in accounting or higher degree, as described in clause (e) (i) or clause (e) (ii) or to persons having at least an equivalent education, or to candidates for such degree providing such candidate is currently registered in his final semester or quarter preceding graduation; or

(ii) a baccalaureate degree, as described in clause (e) (iii), provided at least one year experience of the type specified in subdivision 4, has been completed; or

(iii) evidence of having completed two or more years of study with passing grade average or above from a college, university, area vocational-technical school or a Minnesota licensed private vocational school which fulfills the requirements of sections 141.21 to 141.36, as described in clause (e) (iv), provided at least three years experience of the type specified in subdivision 4, has been completed; or

(iv) a diploma as a graduate of an accredited high school, as described in clause (e) (v), provided at least five years experience of the type specified in subdivision 4, has been completed.

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Sec. 6. Minnesota Statutes 1978, Section 326.19, is amended by adding a subdivision to read:

Subd. 2. EXPERIENCE. A certified public accountant license shall be granted to any person who has been issued a certified public accountant certificate under subdivision 3 of this section. Those persons holding certified public accountant certificates issued under subdivision 1 of this section shall be granted licenses as certified public accountants providing that they have completed the following required experience of the type specified in subdivision 4 of this section in addition to any experience required in subdivision 1, clause (c)(i) to (v) of this section:

(i) for those whose educational qualifications meet the requirements of subdivision 1, clause (c)(i) of this section the experience requirement is one year;

(ii) for those whose educational qualifications meet the requirements of subdivision 1, clause (c)(ii) of this section the experience requirement is two years;

(iii) for those whose educational and experience qualifications meet the requirements of subdivision 1, clause (c)(iii) of this section, the additional required experience is two years;

(iv) for those whose educational and experience qualifications meet the requirements of subdivision 1, clause (c)(iv) of this section, the additional required experience is two years; and

(v) for those whose educational and experience qualifications meet the requirements of subdivision 1, clause (c)(v) of this section, the additional required experience is one year.

Sec. 7. Minnesota Statutes 1978, Section 326.19, Subdivision 3, is amended to read:

**Subd. 3. CERTIFICATE AND LICENSE WITHOUT EXAMINATION.** The state board of accountancy may, in its discretion, waive the examination of and may issue a certificate and license ~~for~~ as a certified public accountant to any person possessing the qualifications mentioned in this section, who:

(a) Is the holder of a C.P.A. license or certificate, issued under the laws of another state, provided the requirements for the degree license or certificate in the state which has granted it to the applicant are, in the opinion of the state board of accountancy, equivalent to those herein provided; or

(b) Shall be the holder of a degree or certificate of certified public accountant or chartered accountant, or the equivalent thereof, issued in any foreign country, provided that the requirements for ~~such~~ the degree or certificate are equivalent to those herein provided for the license of certified public accountant in this state.

(c) Shall in another jurisdiction have completed successfully an examination which, in the opinion of the board, is comparable to that prescribed by the board

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in its rules and provided that such person has satisfied the other requirements of ~~subdivision~~ subdivisions 1 and 2.

Sec. 8. Minnesota Statutes 1978, Section 326.19, Subdivision 4, is amended to read:

Subd. 4. **QUALIFYING EXPERIENCE FOR EXAMINATION AND GRANTING OF LICENSE.** Qualifying experience for subdivisions 1, 2 and 3 shall include public accounting experience (1) as a staff employee of a certified public accountant or public accountant, a firm of certified public accountants or public accountants, or a corporation formed for the practice of public accounting; or (2) as an auditor in the office of the legislative auditor or state auditor, or as an auditor or examiner with any other agency of government, which experience, in the opinion of the board is equally comprehensive and diversified; or (3) as a self-employed public accountant or as a partner in a firm of public accountants; or (4) in any combination of the foregoing capacities.

Sec. 9. Minnesota Statutes, 1979 Supplement, Section 326.211, Subdivision 3, is amended to read:

Subd. 3. No person shall assume or use the title or designation "licensed public accountant" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a licensed public accountant, unless the person is licensed as a licensed public accountant under section 326.191, and all of the person's offices in this state for the practice of public accounting are maintained and licensed as required under section 326.20, or unless the person has received a certificate as a certified public accountant under section ~~326.18~~ 326.19, holds a license issued under section 326.20, and all of the person's offices in this state for the practice of public accounting are maintained and licensed as required under section 326.20.

Sec. 10. Minnesota Statutes, 1979 Supplement, Section 326.211, Subdivision 9, is amended to read:

Subd. 9. No person shall assume or use the title or designation "certified public accountant" or "licensed public accountant" in conjunction with names indicating or implying that there is a partnership, or in conjunction with the designation "and Company" or "and Co." or a similar designation if, in any such case, there is in fact no bona fide partnership licensed under section 326.20. A sole proprietor or partnership lawfully using ~~such~~ the title or designation in conjunction with ~~such~~ the names or designation on ~~the effective date of Laws 1979, Chapter 326 July 1, 1980~~ may continue to do so if he or it otherwise complies with the provisions of ~~Laws 1979, Chapter 326, Sections 1 to 13 and Minnesota Statutes, Sections ~~327.17~~ 326.165 to ~~327.23~~ 326.23.~~

Sec. 11. Minnesota Statutes, 1979 Supplement, Section 326.212, Subdivision 2, is amended to read:

Subd. 2. The board, by rule, may permit persons holding a certificate issued pursuant to section ~~326.18~~ 326.19, but who do not hold a current license, to assume or use the title or designation "certified public accountant" or "licensed

public accountant," or the abbreviation "C.P.A.," "L.P.A.," or other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the person is a certified public accountant or licensed public accountant, provided (a) that the board has not revoked, suspended, or refused to renew a license previously issued to the person; (b) that the assumption or use is not incident to the practice of public accountancy; and (c) that the assumption or use is not in conjunction with or incident to any opinion or certificate within the purview of section ~~326.20~~ 326.211, subdivision 4 6.

Sec. 12. Laws 1979, Chapter 326, Section 16, is amended to read:

Sec. 16. **EFFECTIVE DATE.** Section 7 ~~8~~ is effective July 1, 1980. The remaining sections are effective ~~the day following final enactment~~ June 6, 1980.

Sec. 13. This act is effective the day following final enactment.

Approved April 23, 1980.

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#### CHAPTER 592—S.F.No. 1550

*An act proposing an amendment to the Minnesota Constitution, Article V, Section 3; removing the requirement that notaries public be approved by the senate; amending Minnesota Statutes 1978, Section 359.01.*

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

Section 1. An amendment to the Minnesota Constitution, Article V, Section 3, is proposed to the people. If the amendment is adopted the section will read:

Sec. 3. The governor shall communicate by message to each session of the legislature information touching the state and country. He is commander-in-chief of the military and naval forces and may call them out to execute the laws, suppress insurrection and repel invasion. He may require the opinion in writing of the principal officer in each of the executive departments upon any subject relating to his duties. With the advice and consent of the senate he may appoint ~~notaries public and other~~ officers provided by law. He may appoint commissioners to take the acknowledgment of deeds or other instruments in writing to be used in the state. He shall take care that the laws be faithfully executed. He shall fill any vacancy that may occur in the offices of secretary of state, treasurer, auditor, ~~attorney general and the other state and district offices hereafter created by law~~ until the end of the term for which the person who had vacated the office was elected or the first Monday in January following the next general election, whichever is sooner, and until a successor is chosen and qualified.

Sec. 2. The amendment shall be submitted at the 1980 general election. The question proposed shall be:

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