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AN ACT

RELATING TO ACCOUNTANCY; CHANGING EXAMINATION PROCEDURES FOR  
QUALIFICATION AS A CERTIFIED PUBLIC ACCOUNTANT; INCREASING A  
FEE; DECLARING AN EMERGENCY.

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

Section 1. Section 61-28B-7 NMSA 1978 (being Laws 1999,  
Chapter 179, Section 7) is amended to read:

"61-28B-7. QUALIFICATIONS FOR A CERTIFICATE AS A  
CERTIFIED PUBLIC ACCOUNTANT.--

A. An applicant for a certified public accountant  
certificate shall complete the application form provided by  
the board and demonstrate to the board's satisfaction that  
he:

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

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

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

C. The education requirements for a certificate,  
which must be met before an applicant is eligible to apply  
for examination, are as required in this section or Section  
61-28B-8 NMSA 1978. After July 1, 1999, the requirement for

1 a certificate is a baccalaureate or higher degree or its  
2 equivalent conferred by a college or university acceptable to  
3 the board, with thirty semester hours in accounting or  
4 equivalent as determined by the board.

5 D. The examination for certification shall be  
6 offered via a computer-based testing system at least four  
7 times per year at a designated testing center and shall test  
8 an applicant's knowledge of the subjects of accounting and  
9 auditing and other related subjects as prescribed by the  
10 board. The board shall prescribe the method of applying for  
11 the examination and the dissemination of scores, and it shall  
12 rely on the American institute of certified public  
13 accountants for the grading of the examination. The board  
14 may use all or any part of the uniform certified public  
15 accountant examination services of the national association  
16 of state boards of accountancy to perform administrative  
17 services with respect to the examination. The board or its  
18 designee shall report all eligibility and score data to the  
19 national candidate database, and it shall, to the extent  
20 possible, provide that the passing scores are uniform with  
21 passing scores of other states.

22 E. An applicant must pass all sections of the  
23 examination to qualify for a certificate. A passing scaled  
24 score for each section shall be seventy-five. Sections may  
25 be taken individually and in any order. An applicant may not

1 take a failed test section within the same three-month  
2 examination window. Credit for any section passed shall be  
3 valid for eighteen months from the actual date the applicant  
4 took that section, without having to attain a minimum score  
5 on any failed test section and without regard to whether the  
6 applicant has taken other test sections. An applicant must  
7 pass all four test sections within a continuous  
8 eighteen-month period, which begins on the date that the  
9 first section passed is taken. If all four test sections are  
10 not passed within the continuous eighteen-month period,  
11 credit for any test section passed outside the eighteen-month  
12 period will expire, and that test section must be retaken.

13 F. An applicant who has passed at least two  
14 sections of the paper and pencil examination, as of the  
15 launch date of the computer-based examination, will retain  
16 credit for the corresponding test sections of the  
17 computer-based examination.

18 G. An applicant who has passed at least two  
19 sections of the paper and pencil examination, as of the  
20 launch date of the computer-based examination, shall be given  
21 a transition period to complete any remaining test sections  
22 of the computer-based examination.

23 H. An applicant shall be given credit for  
24 examination sections passed in another state if such credit  
25 would have been given in New Mexico.

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

6 J. An applicant for initial issuance of a  
7 certified public accountant certificate shall show that he  
8 has had at least one year of experience. After July 1, 2004,  
9 the applicant shall have had at least one year of experience.  
10 This experience shall include providing service or advice  
11 involving the use of accounting, attest, management advisory,  
12 financial advisory, tax or consulting skills as verified by a  
13 certified public accountant who meets requirements prescribed  
14 by the board. The experience is acceptable if it was gained  
15 through employment in government, industry, academia or  
16 public practice."

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

19 "61-28B-8. QUALIFICATIONS FOR A CERTIFICATE AS A  
20 CERTIFIED PUBLIC ACCOUNTANT--JULY 1, 2004.--

21 A. An applicant for a certificate shall complete  
22 the application form provided by the board and demonstrate to  
23 the board's satisfaction that he:

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

1                   (2) meets the education, experience and  
2 examination requirements of the board.

3                   B. The board may refuse to grant a certificate on  
4 the ground that the applicant failed to satisfy the  
5 requirement of good moral character.

6                   C. The education requirements for a certificate,  
7 which must be met before an applicant is eligible to apply  
8 for examination, are as provided in this section or Section  
9 61-28B-7 NMSA 1978. After July 1, 2004, an applicant shall  
10 have at least one hundred fifty semester hours of college  
11 education, including a baccalaureate or higher degree or its  
12 equivalent conferred by a college or university acceptable to  
13 the board, the total educational program to include an  
14 accounting concentration or equivalent as determined by the  
15 board, with thirty semester hours in accounting or equivalent  
16 as determined by the board.

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

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

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

25 F. An applicant who has passed at least two

1 sections of the paper and pencil examination, as of the  
2 launch date of the computer-based examination, will retain  
3 credit for the corresponding test sections of the  
4 computer-based examination.

5 G. An applicant who has passed at least two  
6 sections of the paper and pencil examination, as of the  
7 launch date of the computer-based examination, shall be given  
8 a transition period to complete any remaining test sections  
9 of the computer-based examination.

10 H. An applicant shall be given credit for  
11 examination sections passed in another state if such credit  
12 would have been given in New Mexico.

13 I. The board may waive or defer requirements of  
14 this section regarding the circumstances in which sections of  
15 the examination must be passed, upon a showing that, by  
16 reason of circumstances beyond the applicant's control, he  
17 was unable to meet the requirement.

18 J. An applicant for initial issuance of a  
19 certified public accountant certificate shall show that he  
20 has had at least one year of experience. This experience  
21 shall include providing service or advice involving the use  
22 of accounting, attest, management advisory, financial  
23 advisory, tax or consulting skills as verified by a certified  
24 public accountant who meets requirements prescribed by the  
25 board. The experience is acceptable if it was gained through

1 employment in government, industry, academia or public  
2 practice."

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

6 "61-28B-27. FEES.--The board may collect from  
7 certificate holders, permit holders, applicants and others  
8 the following fees:

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

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

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

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

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

25 F. reasonable administrative fees for such



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

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

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

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

12 Section 4. EMERGENCY.--It is necessary for the public  
13 peace, health and safety that this act take effect  
14 immediately. \_\_\_\_\_

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