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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.

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

D. The examination for certification shall be offered via a computer-  
based testing system at least four times per year at a designated testing center and

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

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

23 F. An applicant who has passed at least two sections of the paper  
24 and pencil examination, as of the launch date of the computer-based examination,  
25 will retain credit for the corresponding test sections of the  
computer-based examination.

G. An applicant who has passed at least two sections of the paper

1 and pencil examination, as of the launch date of the computer-based examination,  
2 shall be given a transition period to complete any remaining test sections of the  
3 computer-based examination.

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

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

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

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

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

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

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

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

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

3 C. The education requirements for a certificate, which must be met 2  
4 before an applicant is eligible to apply for examination, are as provided in this 1  
5 section or Section 61-28B-7 NMSA 1978. After July 1, 2004, an applicant shall 9  
6 have at least one hundred fifty semester hours of college education, including a P  
7 baccalaureate or higher degree or its equivalent conferred by a college or university a  
8 acceptable to the board, the total educational program to include an accounting g  
9 concentration or equivalent as determined by the board, with thirty semester hours e  
10 in accounting or equivalent as determined by the board. 4

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

23 E. An applicant must pass all sections of the examination to qualify  
24 for a certificate. A passing scaled score for each section shall be seventy-five.  
25 Sections may be taken individually and in any order. An applicant may not take a  
failed test section within the same three-month examination window. Credit for any  
section passed shall be valid for eighteen months from the actual date the applicant

1 took that section, without having to attain a minimum score on any failed test  
2 section and without regard to whether the applicant has taken other test sections.  
3 An applicant must pass all four test sections within a continuous  
4 eighteen-month period, which begins on the date that the first section passed is  
5 taken. If all four test sections are not passed within the continuous eighteen-month  
6 period, credit for any test section passed outside the eighteen-month period will  
7 expire, and that test section must be retaken.

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8 F. An applicant who has passed at least two sections of the paper  
9 and pencil examination, as of the launch date of the computer-based examination,  
10 will retain credit for the corresponding test sections of the  
11 computer-based examination.

12 G. An applicant who has passed at least two sections of the paper  
13 and pencil examination, as of the launch date of the computer-based examination,  
14 shall be given a transition period to complete any remaining test sections of the  
15 computer-based examination.

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

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

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

1 industry, academia or public practice."

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

4 "61-28B-27. FEES.--The board may collect from certificate holders, permit  
5 holders, applicants and others the following fees:

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

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

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

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

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

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

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

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

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

Section 4. EMERGENCY.--It is necessary for the public peace, health and

**1** safety that this act take effect immediately.

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