

# State of Wisconsin



2017 Assembly Bill 188

Date of enactment: **November 30, 2017**

Date of publication\*: **December 1, 2017**

## 2017 WISCONSIN ACT 88

AN ACT *to renumber* 442.083; *to amend* 442.04 (5) (b) 3., 442.083 (title) and 442.087 (4); and *to create* 442.01 (4), 442.04 (6), 442.083 (2) and 442.087 (5) of the statutes; **relating to:** educational requirements for taking the accounting examination or receiving a certified public accountant certificate; continuing education requirements for accounting license renewal; data-sharing programs related to accountants; peer reviews for certified public accounting firms; modifying various administrative rules promulgated by the Accounting Examining Board relating to accounting; and granting rule-making authority.

*The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:*

**SECTION 1.** 442.01 (4) of the statutes is created to read:

442.01 (4) The examining board shall participate in data-sharing programs operated or otherwise sponsored by the National Association of State Boards of Accountancy and shall share information or data regarding persons currently or previously licensed under this chapter as needed in order to participate in those programs. Except as otherwise provided by the examining board by rule, information or data obtained by the board through such a program is not subject to the right of inspection and copying under s. 19.35 (1).

**SECTION 2.** 442.04 (5) (b) 3. of the statutes is amended to read:

442.04 (5) (b) 3. The person has, except as provided in sub. (6), completed at least 150 semester hours of education at an institution that include course work in accounting and business subjects, as determined by the examining board, and has received a bachelor's or higher degree.

**SECTION 3.** 442.04 (6) of the statutes is created to read:

442.04 (6) The examining board may promulgate rules pursuant to which the examining board may, in its discretion and on a case-by-case basis, do all of the following:

(a) Consider certain military training and service of a veteran, as defined in s. 45.01 (12), who was honorably discharged to be substantially equivalent to semester hours of education completed at an institution.

(b) Apply training and service described in par. (a) to satisfy a portion of the 150 semester hours required under sub. (5) (b) 3.

**SECTION 4.** 442.083 (title) of the statutes is amended to read:

**442.083 (title) Renewal; continuing education.**

**SECTION 5.** 442.083 of the statutes is renumbered 442.083 (1).

**SECTION 6.** 442.083 (2) of the statutes is created to read:

442.083 (2) (a) The examining board shall promulgate rules establishing continuing education requirements for renewal of licenses granted to individuals under this chapter. The rules promulgated under this paragraph may not require an individual to complete more than 80 continuing education credits during the

\* Section 991.11, WISCONSIN STATUTES: Effective date of acts. "Every act and every portion of an act enacted by the legislature over the governor's partial veto which does not expressly prescribe the time when it takes effect shall take effect on the day after its date of publication."

2-year period immediately preceding the renewal date specified under s. 440.08 (2) (a).

(b) For continuing education credits that are earned based on the amount of time spent participating in an eligible learning activity, one credit shall be earned for every 50 minutes spent engaging in the eligible activity. One-tenth of a credit may be earned for every 5 minutes spent participating in an eligible activity.

(c) Up to one-half of the amount of continuing education credits required by rule under par. (a) may be completed by informal, self-directed learning activities, including reading, teaching, researching, serving on a board or committee, viewing a video, listening to an audio recording, or participating in other experiential learning activities that are determined by the board to be relevant to competency to practice as a certified public accountant.

**SECTION 7.** 442.087 (4) of the statutes is amended to read:

442.087 (4) **CONFIDENTIALITY.** ~~A~~ Except as provided in sub. (5), a person approved by the examining board to conduct peer reviews may not disclose to any person, including the examining board or the department, any information obtained or document produced during the course of or as a result of a review unless the firm undergoing the review consents to the disclosure.

**SECTION 8.** 442.087 (5) of the statutes is created to read:

442.087 (5) **PEER REVIEW DOCUMENTS.** (a) The examining board may require a certified public accountant or firm to provide any of the following peer review documents to the examining board:

1. A peer review report.
2. Any letter of response to a peer review report.
3. An acceptance letter.
4. A letter signed by the reviewed firm accepting the peer review documents with the understanding that the firm agrees to take certain actions.
5. A letter notifying the reviewed firm that certain required actions have been completed.

(b) A certified public accountant or firm may comply with a directive under par. (a) by doing any of the following within 45 days after the date of the directive:

1. Submitting the requested documents to the examining board, either by mail or electronically.
2. Allowing the peer review program administrator to make the documents available to the examining board through the Facilitated State Board Access program operated by the American Institute of Certified Public Accountants.

(c) The examining board may make documents submitted to the examining board under par. (b) 1. available to the Facilitated State Board Access program operated by the American Institute of Certified Public Accountants.

(d) Except as otherwise provided by the examining board by rule, information or data obtained by the board through the Facilitated State Board Access program is not subject to the right of inspection and copying under s. 19.35 (1).

**SECTION 9.** Accy 2.002 (intro.) of the administrative code is amended to read:

**Accy 2.002 Definitions.** (intro.) In this chapter, except where a different meaning is indicated:

**SECTION 10.** Accy 2.101 (2) of the administrative code is repealed and recreated to read:

Accy 2.101 (2) Proof of fulfilling the educational requirements specified in s. Accy 2.202 and s. 442.04 (5) (b) 3., Stats., by submitting one of the following:

(a) For a candidate who qualifies under s. Accy 2.202 (1), proof that the candidate earned a master's degree specified under s. Accy 2.202 (1).

(b) For a candidate who qualifies under s. Accy 2.202 (2), (3), or (4), certified copies of transcripts for all academic work completed at an accredited educational institution that reflect that the candidate has satisfied the requirement under s. Accy 2.202 (2), (3), or (4), whichever is applicable.

(c) For a candidate who qualifies under s. Accy 2.202 (5), certified copies of transcripts for all academic work leading to a bachelor's or higher degree in accounting meeting the coursework requirement described in s. Accy 2.202 (5).

**SECTION 11.** Accy 2.202 of the administrative code is repealed and recreated to read:

**Accy 2.202 Education required for certification.** A candidate applying for a certificate to practice as a certified public accountant must have earned a bachelor's or higher degree from an accredited educational institution and have satisfied one of the following for purposes of meeting the 150-hour coursework requirement under s. 442.04 (5) (b) 3., Stats.:

(1) Earned a master's degree in accounting from an accounting program or department accredited by the Association to Advance Collegiate Schools of Business.

(2) Earned a bachelor's or higher degree from a business program or college of business accredited by the Association to Advance Collegiate Schools of Business, the International Assembly for Collegiate Business Education, or the Accreditation Council for Business Schools and Programs, and completed at least 24 semester hours in accounting from an accredited educational institution at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, that cover each of the following subject areas:

- (a) Financial accounting.
- (b) Cost or managerial accounting.
- (c) Taxation.
- (d) Auditing.
- (e) Accounting information systems.

(3) Earned a bachelor’s or higher degree from an accredited educational institution and completed all of the following:

(a) At least 24 semester hours in accounting from an accredited educational institution at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, that cover each of the following subject areas:

1. Financial accounting.
2. Cost or managerial accounting.
3. Taxation.
4. Auditing.
5. Accounting information systems.

(b) At least 24 semester hours in business and economics courses other than accounting courses from an accredited educational institution at the undergraduate level or 15 semester hours at the graduate level, or an equivalent combination, that cover each of the following subject areas:

1. Economics.
2. Finance.
3. Statistics or data analytics.
4. Business law.
5. Information technology.

**Note:** The courses covering the subjects of financial accounting, cost or managerial accounting, taxation, and auditing under s. Accy 2.202 (2) or (3), would generally be courses taken beyond the introduction accounting course required of every business major.

(4) Completed coursework that the board determines is reasonably equivalent to the course content and semester hours requirements specified in sub. (3) (a) and (b).

(5) Satisfied the 150–hour coursework requirement as provided in emergency rule 1628. This subsection applies only to a candidate who submitted his or her

application for a certified public accountant certificate prior to October 1, 2018.

**SECTION 12.** Accy 2.303 of the administrative code is repealed and recreated to read:

**Accy 2.303 Education required for examination.**

A candidate for the certified public accountant examination must have satisfied one of the following for purposes of meeting the 120–hour coursework requirement under s. 442.04 (5) (b) 4., Stats.:

(1) Satisfied s. Accy 2.202 (1), (2), or (3).

(2) Satisfied the course content and semester hours requirements specified in s. Accy 2.202 (3) (a) and (b), or completed coursework that the board determines is reasonably equivalent to those requirements.

(3) Satisfied the 120–hour coursework requirement as provided in emergency rule 1628. This subsection applies only to a candidate who submitted an application to take the certified public accountant examination under s. Accy 2.302 prior to October 1, 2017.

**SECTION 14. Initial applicability.**

(1) The treatment of sections Accy 2.101 (2), Accy 2.202, and Accy 2.303 of the Wisconsin Administrative Code first applies retroactively to an application for a certificate as a certified public accountant submitted on the effective date of this subsection.

**SECTION 15. Effective dates.** This act takes effect on the day after publication, except as follows:

(1) The treatment of section 442.083 (title) of the statutes, the renumbering of section 442.083 of the statutes, and the creation of section 442.083 (2) of the statutes take effect on December 15, 2019.

(2) Notwithstanding section 227.265 of the statutes, the repeal and modifications of administrative rules take effect retroactively on June 1, 2017.

(3) SECTION 14 (1) of this act takes effect retroactively on June 1, 2017.