

No. 228, S.

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CHAPTER 140

AN ACT to repeal 135.10 (2); to renumber 135.13; to amend 135.01 (3) and (5) and 135.05 (intro. par.) and (1); to repeal and recreate 135.01 (1) and (2) and 135.04; and to create 135.11 (14) and (15) and 135.13 of the statutes, relating to the practice of accountancy, creating a new state board of accountancy, granting rule-making authority and providing penalties.

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

SECTION 1. 135.01 (1) and (2) of the statutes are repealed and recreated to read:

135.01 (1) The governor shall appoint 5 residents of this state, who shall constitute the "Wisconsin State Board of Accountancy," hereafter

referred to as the board. Members of the board shall hold certificates as certified public accountants issued under this chapter and shall have engaged in the practice of public accounting, or taught accountancy or related subjects in an institution of higher learning, for at least 3 consecutive years. Members shall hold office for a term of 5 years and until their successors are appointed and qualified. The present members shall continue to hold office until their respective terms expire.

(2) The term of office of each member of the first board shall be designated by the governor in his appointment. Each member shall be paid \$25 per day when actually and necessarily engaged in his duties, and in addition shall be reimbursed for actual and necessary expenses.

SECTION 2. 135.01 (3) and (5) of the statutes are amended to read:

135.01 (3) The persons so appointed shall meet and organize within 90 days after their appointment and shall reorganize each year thereafter. A majority of said board shall constitute a quorum. They shall elect one of their number as president, one as vice president \* \* \* and one as secretary, and said officers shall hold their respective offices for the term of one year and until their successors are elected and qualified. The affirmative vote of \* \* \* 3 members of said board shall be considered as the action of said board, except in actions relative to the revocation of any certificate. In all such cases \* \* \* 5 affirmative votes shall be considered the action of said board.

(5) In addition to the other duties provided by ss. 135.01 to \* \* \* 135.14, it \* \* \* is the general duty of this board to foster the standard of education pertaining to the science and art of accountancy, not only in its relationship to the interest of individual and organized business enterprises but in its relationship to the welfare of government, both general and local. This board shall endeavor, both within and without the profession of accountancy, to bring about a better understanding of the relationship of the science of accounting to the problems of public welfare.

SECTION 3. 135.04 of the statutes is repealed and recreated to read:

135.04 QUALIFICATIONS FOR LICENSES AS CERTIFIED PUBLIC ACCOUNTANTS. (1) The board shall issue a certificate as a certified public accountant to all persons who become entitled thereto under this section and s. 135.05.

(2) Examinations shall be held by the board at least once in each year at such times and places as is determined by it. The time and place of holding examination shall be advertised for not less than 3 consecutive days, nor less than 30 days prior to the date of such examination, in at least one daily newspaper published in the city of Milwaukee, and in at least one daily newspaper published in the city of Madison. Not less than 30 days prior to each examination, each applicant shall also be notified by mail by the secretary of the board, at the address mentioned in the application, of the time and place of such examination.

(3) Applicants for a certificate as a certified public accountant prior to July 1, 1968, shall have completed at least a 4-year high school course of study or have received an equivalent education sufficient under rules established by the board. Such applicants must have had at least 3 years of accounting experience, equivalent to that of a senior in public practice, the sufficiency of the experience to be judged by the board. The board may accept evidence of sufficient technical education in accountancy in lieu of 1½ years of public accounting experience.

(4) On and after July 1, 1968, applicants sitting for the first time for the examination leading to the certificate to practice as a certified public accountant shall present to the board a bachelor's or higher degree from a reputable institution approved and recognized by the board as having

standards of education and training substantially equivalent to those of the school of commerce of the university of Wisconsin for a resident major in accounting. Before approving and recognizing any such institution, if sufficient information is not otherwise available, but without shifting the burden of proof from such institution to the board, the latter may conduct an investigation, and if it does so, shall hold a public hearing during the course thereof, with notice to all interested parties, at which any person may be heard. The board may designate an agent, including one or more board members, to conduct a portion or all of such investigation to determine the facts upon which the board shall make its findings. The findings and any action taken by the board with reference to approval or recognition of any such institution may be reviewed under ch. 227.

(5) No certificate as a certified public accountant shall be granted to any person other than a citizen of the United States, or an individual who has in good faith declared his intention of becoming such a citizen, who is over the age of 23 years and of good moral character, and except as provided in s. 135.05, who has successfully passed a written examination in such subjects affecting accountancy as the board deems necessary, and who, if he made application before July 1, 1968, has had at least 3 years of accounting experience, equivalent to that of a senior in public practice. The board may accept evidence of sufficient technical education in accountancy in lieu of 1½ years of public accounting experience. If he made application after that date and has had at least 1½ years accounting experience equivalent to that of a senior in public practice, the sufficiency of the experience to be judged by the board, the board may supplement said written examination by an oral examination and may use the examination service provided by the American institute of certified public accountants.

SECTION 4. 135.05 (intro. par.) and (1) of the statutes are amended to read:

135.05 (intro. par.) The state board of accountancy may, in its discretion, waive the examination of and issue a certificate to any person possessing the qualifications mentioned \* \* \* in s. 135.04 (5), who:

(1) Is the holder of a certificate to practice as a certified public accountant issued under the laws of any other state which extends similar privileges to certified public accountants of this state, provided such certificate was issued upon due examination, and provided that the requirements of the law of such state \* \* \* were, in the opinion of the board, equivalent to the requirements of the \* \* \* laws of this state at the time the certificate was issued;

SECTION 5. 135.10 (2) of the statutes is repealed.

SECTION 6. 135.11 (14) and (15) of the statutes are created to read:

135.11 (14) If it appears upon complaint to the board by any person, or it is known to the board, that any person has violated this chapter, the board may investigate. The district attorney of the county in which violations of this chapter are known or alleged to have occurred shall promptly investigate complaints, from any source, of such violations and prosecute if the facts so warrant. Upon request from the board, and where the facts warrant, the appropriate district attorney shall promptly seek an injunction against any person who is violating this chapter.

(15) Following the refusal or failure of the district attorney to act within a time which it deems reasonable, the board may request the attorney general to institute a prosecution or to seek an injunction for violation of this chapter.

SECTION 7. 135.13 of the statutes is renumbered 135.14.

SECTION 8. 135.13 of the statutes is created to read:

135.13 OWNERSHIP OF ACCOUNTANT'S WORKING PAPERS.  
All statements, records, schedules, working papers and memoranda made by a certified public accountant or public accountant incident to or in the course of professional service to clients by such accountant, except reports submitted by a certified public accountant or public accountant to a client, shall be and remain the property of such accountant, in the absence of an express agreement between such accountant and the client to the contrary. No such statement, record, schedule, working paper or memorandum shall be sold, transferred or bequeathed, without the consent of the client or his personal representative or assignee, to anyone other than one or more surviving partners or new or successor partners of such accountant.

Approved June 26, 1963.

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