

HOUSE BILL 1893

By Hazlewood

AN ACT to amend Tennessee Code Annotated, Title 62,  
Chapter 1, relative to accountancy.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Section 62-1-105(c)(1), is amended by deleting the language "be a certified public accountant with an active certificate in the state. The executive director shall".

SECTION 2. Tennessee Code Annotated, Section 62-1-106(c), is amended by deleting the subsection in its entirety and substituting the following:

(c)

(1) The education requirement for a certificate that must be met before an applicant is eligible to receive the certificate described in § 62-1-107 shall be at least one hundred fifty (150) semester hours of college education, including a baccalaureate or higher degree conferred by a college or university acceptable to the board, the total educational program to include an accounting concentration or equivalent as determined by board rule to be appropriate.

(2) The board may admit to the examination prescribed in subsection (d) any candidate who has completed a baccalaureate or higher degree conferred by a college or university acceptable to the board, the total educational program to include an accounting concentration or equivalent as determined by board rule to be appropriate.

(3) The board may report the results of an examination to the applicant before the educational requirements established by this subsection (c) have been

completed, but in no event shall an applicant be eligible for a certificate until the applicant has:

(A) Completed the educational requirements set forth in subdivision (c)(1); and

(B) Passed the examination required by subsection (d).

SECTION 3. Tennessee Code Annotated, Section 62-1-201(b), is amended by deleting the subsection in its entirety and substituting the following:

(b) The board shall require, by rule, as a condition to renewal of permits under this section, that applicants enroll in a board approved peer review program and undergo at least once every three (3) years, peer reviews conducted in the manner that the board specifies. The review shall include a verification that individuals in the firm who are responsible for supervising attest services and sign or authorize someone to sign the accountant's report on the financial statements on behalf of the firm meet the experience requirements set out in the professional standards for those services; provided, that the rule:

(1) Shall include reasonable provision for compliance by an applicant showing that the applicant has, within the preceding three (3) years, undergone a peer review that is a satisfactory equivalent to peer review generally required pursuant to this subsection (b);

(2) May require, with respect to any organization administering peer review programs contemplated by this section, that the organization be subject to evaluations by the board or the board's designee, to periodically assess the effectiveness of the peer review program under its charge;

(3) Shall require with respect to peer reviews contemplated by this section that licensees timely remit any peer review documents as specified by board rule or upon board request and that such documents be maintained by the board pursuant to § 62-1-116; and

(4) Shall require, with respect to peer reviews contemplated by subdivision (b)(1), that the peer review processes be operated, and documents maintained, in a manner designed to preserve confidentiality under §§ 62-1-116 and 62-1-202 and that no third party, other than the board or the board's designee, shall have access to documents furnished or generated in the course of the peer review.

SECTION 4. Tennessee Code Annotated, Section 62-1-202(a), is amended by deleting the subsection in its entirety and substituting the following:

(a) The proceedings, records, and work papers of a review committee shall be privileged and confidential and shall not be subject to discovery, subpoena, or other means of legal process or introduction into evidence in any civil action, arbitration, or administrative proceeding other than a state board of accountancy proceeding; and no member of the review committee or person who was involved in the peer review process shall be permitted or required to testify in any civil action, arbitration, or administrative proceeding other than a state board of accountancy proceeding as to any matters produced, presented, disclosed, or discussed during or in connection with the peer review process or as to any findings, recommendations, evaluations, opinions, or other actions of the committees or any member of the committees; provided, that information, documents, or records that are publicly available are not immune from discovery or use in any civil action, arbitration, administrative proceeding, or state board of accountancy proceeding merely because they were presented or considered in connection with the peer review process.

SECTION 5. This act shall take effect upon becoming a law, the public welfare requiring it.