

## 2023 Kansas Statutes

**1-308. Firms authorized to practice; annual registration; fee; partner, shareholder and member requirements; designation of responsible permit holder; firm name; notification of board upon changes; mandatory registration; prohibitions.** (a) Unless exempt from registration pursuant to this section, a firm may engage in the practice of certified public accountancy in this state only if the firm registers with the board, complies with requirements established by rules and regulations adopted by the board for such registration, and meets the following requirements:

- (1) At least one general partner, shareholder or member thereof must be a certified public accountant holding a valid permit to practice from this state or a practice privilege under K.S.A. 1-322(a), and amendments thereto;
- (2) each partner, shareholder or member who is a certified public accountant and whose principal place of business is in this state and who is personally engaged within this state in a practice of certified public accounting must be a certified public accountant of this state holding a valid permit to practice;
- (3) each partner, shareholder or member who is a certified public accountant thereof must be a certified public accountant in some state in good standing;
- (4) each resident manager in charge of an office of the firm in this state must be a certified public accountant of this state holding a valid permit to practice; and
- (5) at least a simple majority of the ownership of the firm, in the terms of equity capital and voting rights of all partners, shareholders or members, belongs to the holders of valid licenses to practice as certified public accountants in some state. All nonlicensee owners must be of good moral character and must be natural persons actively participating in the business of the firm or actively participating in the business of entities, such as partnerships, corporations or other business associations, that are affiliated with the firm. Although firms may include nonlicensee owners there shall be at least one certified public accountant who has ultimate responsibility for all the services provided by the firm and, the firm and its ownership must comply with rules and regulations promulgated by the board. Any firm which is denied registration pursuant to this section shall be entitled to notice and an opportunity to be heard pursuant to the Kansas administrative procedures act.

(b) Notwithstanding any other provision of Kansas law, the following must be registered by the board:

- (1) Any firm with an office in this state which practices certified public accountancy; and
- (2) any firm that does not have an office in this state but performs or offers to perform attest services described in K.S.A. 1-321(d), and amendments thereto, for a client in this state.

(c) A firm which is not subject to subsection (b) may perform or offer to perform services described in K.S.A. 1-321(r), and amendments thereto, and may use the "certified public accountant," "CPA" or "CPA firm" without registering with the board only if:

- (1) The individuals performing such services on behalf of the firm have the qualifications described in K.S.A. 1-302b(b) and (c), and amendments thereto;
- (2) it performs such services through an individual with practice privileges under K.S.A. 1-322, and amendments thereto; and
- (3) it can lawfully perform such services in the state where such individuals with practice privileges have their principal place of business.

(d) An individual who has practice privileges under K.S.A. 1-322(a), and amendments thereto, who performs or offers to perform services for which a firm registration is required under this section shall not be required to obtain a certificate or permit under K.S.A. 1-310, and amendments thereto.

(e) Nothing in this section shall prohibit a professional corporation from practicing in partnership with one or more professional corporations or individuals and being registered with the board as a partnership under this section.

(f) The term "resident" as used in this section, shall include a person engaged in practice as a certified public accountant in this state, who spends all or the greater part of such person's time during business hours in this state, but who resides in

another state.

(g) Each firm required to register under this section shall register prior to engaging in the practice of certified public accountancy in this state and shall renew the firm's registration by December 31 of each year. Each firm shall designate a permit holder of this state, or in the case of a firm which must register pursuant to subsection (b)(2) a licensee of another state who meets the requirements set out in K.S.A. 1-322(a), and amendments thereto, who is responsible for the proper registration of the firm and shall identify that individual to the board by affidavit of a general partner, manager or officer of the firm. A fee may be charged for the registration of a firm.

(h) A firm that is not registered in accordance with this section or not exempt from registration under subsection (c) shall not use the words "certified public accountants" or the abbreviation CPA in connection with its name. Notification shall be given the board, within one month, after the admission or withdrawal of a partner, shareholder or member from any registered firm. Firms which fall out of compliance with the provisions of this section due to changes in firm ownership or personnel shall take corrective action to bring the firm back into compliance as quickly as possible. The board may grant a reasonable period of time for a firm to take such corrective action. Failure to bring the firm back into compliance within a reasonable period as determined by the board will result in the suspension or revocation of the firm permit.

(i) Any firm prohibited from practicing certified public accountancy in this state, as a result of having a firm registration revoked or suspended by the board, shall not practice under subsection (c) without first obtaining the approval of the board.

**History:** L. 1951, ch. 1, § 12; L. 1981, ch. 3, § 1; L. 1987, ch. 2, § 4; L. 1995, ch. 152, § 4; L. 2000, ch. 81, § 11; L. 2007, ch. 97, § 3; L. 2009, ch. 38, § 6; L. 2011, ch. 38, § 1; L. 2016, ch. 19, § 2; July 1.