

AN ACT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

*Codification
District of
Columbia
Official Code*

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To amend Chapter 28 of Title 47 of the District of Columbia Official Code to alter the composition of the Board of Real Estate and the Board of Real Estate Appraisers; to repeal the requirement that individuals and firms practicing as public accountants, but not providing services that require a license, registration, and permit as a certified public accountant or certified public accounting firm, continue to register with or obtain a permit from the Board of Accountancy, and to allow non-licensees to control up to 49% of the financial interests and voting rights of all partners, officers, shareholders, member or managers of firms organized to offer certified public accounting services within the District of Columbia; to allow the Board of Real Estate Appraisers to comply with the licensure and regulatory requirements established by the Appraisal Subcommittee, The Appraisal Foundation, and the Appraisal Qualifications Board pursuant to federal law; to reinstate the Appraisal Education Fund; and to clarify the term “person” is an individual.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Non-Health Related Occupations and Professions Licensure Amendment Act of 2006”.

Sec. 2. Chapter 28 of Title 47 of the District of Columbia Official Code is amended as follows:

(a) The table of contents is amended as follows:

(1) Strike the phrase “47-2853.45. Registration of firms of public accountants.” and insert the phrase “47-2853.45. Repealed.” in its place.

(2) Add the phrase “47-2853.154. Appraisal Education Fund.” after the phrase “47-2853.153. Certain representations prohibited.”.

(b) Section 47-2853.06 is amended as follows:

(1) Subsection (b) is amended to read as follows:

“(b) There is hereby established a Board of Accountancy to consist of 5 members. Of the members of the Board, one shall be a consumer member and 4 shall be licensed as certified public accountants who, at the time of their appointments, have been engaged in the practice of

Amend
§ 47-2853.06

public accountancy as certified public accountants in the District for a period of not less than 5 years. The Board shall regulate the practice of public accountants and certified public accountants.”.

(2) Subsection (g) is amended to read as follows:

“(g) There is established a Board of Real Estate Appraisers consisting of 5 members, of whom 3 shall be real estate appraisers licensed and in good standing in the District with not less than 3 years experience in real estate appraising immediately preceding his or her appointment to the Board, one of whom shall be a real estate broker licensed and in good standing in the District, and one shall be a consumer member. The Board shall regulate the practice of real estate appraisal, including the functions of a state appraiser certifying and licensing agency under Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989, approved August 9, 1989 (103 Stat. 511; 12 U.S.C. §§ 3331 through 3351).”.

(c) Section 47-2853.42 is amended as follows:

Amend
§ 47-2853.42

(1) Paragraph (2) is amended by striking the phrase “the written examinations” and inserting the phrase “the examinations” in its place.

(2) Paragraph (3) is amended by striking the phrase “a written examination” and inserting the phrase “an examination” in its place.

(d) Section 47-2853.43 is amended as follows:

Amend
§ 47-2853.43

(1) Subsection (a) is amended as follows:

(A) Strike the phrase “under §§ 47-2853.44 and 47-2853.45” and insert the phrase “under § 47-2853.45” in its place.

(B) Strike the phrase “, 47-2853.45,”.

(C) Strike the colon at the end of the lead-in text and insert the phrase “licensed as a certified public accountant under this part.” in its place.

(D) Paragraphs (1) and (2) are repealed.

(2) Subsection (b) is amended by striking the phrase “§§ 47-2853.45 and” and inserting a section symbol in its place.

(3) Subsection (d)(1) of this section is amended by striking the phrase “§§ 47-2853.45 and” and inserting a section symbol in its place.

(e) Section 47-2853.44 is amended to read as follows:

Amend
§ 47-2853.44

“(a) A firm engaged in the District in the practice of certified public accounting may register with the Board as a firm of certified public accountants if it meets the following requirements:

“(1) At least one member is a certified public accountant licensed and in good standing in the District;

“(2) Each member is a certified public accountant licensed and in good standing in the District or in a state;

“(3) At least one member or the resident manager in charge of an office of the firm in the District and each member thereof personally engaged within the District in the

practice of public accounting is a certified public accountant licensed and in good standing in the District;

“(4) Notwithstanding any other provision of law and subject to the provisions of paragraph (5) of this subsection:

“(A) At least 51% of the ownership interest and voting rights of all partners, officers, shareholders, members, or managers in the firm of certified public accountants shall be owned by individuals licensed as certified public accountants in the District or in any other state; and

“(B) Partners, officers, shareholders, members, or managers whose principal place of business is in the District or who perform professional services in the District shall be licensed under this part.

“(5) A firm of certified public accountants which includes owners who are not licensed under this part shall be subject to the following requirements:

“(A) The firm shall designate an individual who is licensed in the District to be responsible for the proper registration of the firm and notify the Board.

“(B) All owners who are not licensed in the District shall be active individual participants in the firm of certified public accountants or affiliated entities.

“(C) The firm shall comply with all requirements that the Board may impose by rule.

“(6) A licensed individual who is responsible for supervising services requiring licensure as a certified public accountant and signs, or authorizes another person to sign, the accountant’s report on the financial statements on behalf of the firm shall meet the competency requirements set forth in the professional standards for such services.

“(7) A licensed individual who signs, or authorizes another person to sign, the accountants’ report on the financial statements on behalf of the firm shall meet the competency requirements set forth in the professional standards.

“(b) Subject to subsection (a)(4) of this section, a firm that is a corporation organized for the practice of certified public accounting shall also comply with Chapter 4 of Title 29, and any rules promulgated thereunder, governing the issuance, ownership, and transferability of shares and be in compliance with such regulations as may be issued for such corporations.

“(c) A firm that is registered pursuant to this section and holds a permit issued by the Board may use the words "certified public accountants" or the abbreviation "CPA" in connection with its firm name. A registered firm shall notify the Board within one month after the admission or withdrawal of a member or shareholder in practice in the District from any firm so registered. Firms shall not offer certified public accounting services unless registered pursuant to this section.

“(d) An applicant firm for initial issuance or renewal of a permit to practice under this section shall register each office of the firm within the District with the Board and demonstrate that all attest and compilation services rendered in the District are under the charge of a person licensed under this part, or the corresponding provision of prior law or some other state.

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“(e) An applicant firm for initial issuance or renewal of permits under this section shall, in its application, list all states (including the District) in which the firm has applied for or has been issued permits as a CPA firm and list any past denial, revocation, or suspension of a permit by the District or any other state, and each licensee or applicant for a permit under this section shall notify the Board in writing, within 30 days after its occurrence, of any change in the identities of partners, officers, shareholders, members, or managers whose principal place of business is in the District, any change in the number or location of offices within the District, any change in the identity of the persons in charge of such offices, and any issuance, denial, revocation, or suspension of a permit by any other state.

“(f) Firms that fall out of compliance with the provisions of this section due to changes in firm ownership or personnel shall take corrective action as quickly as possible. The Board may grant a reasonable period to take corrective action. Failure to bring the firm back into compliance within a reasonable period, as defined by the Board, shall result in the suspension or revocation of the firm permit.”

(f) Section 47-2853.45 is repealed.

Repeal
§ 47-2853.45
Amend
§ 47-2853.46
Amend
§ 47-2853.47

(g) Section 47-2853.46 is amended by striking the phrase “; or by a public accountant or a firm of public accountants;”.

(h) Section 47-2853.47(a) is amended by striking the phrase “public accounting” and inserting the phrase “certified public accounting” in its place.

(i) Section 47-2853.151 is amended by striking the phrase “value of real estate” and inserting the phrase “value of real property and real estate” in its place.

Amend
§ 47-2853.151

(j) Section 47-2853.152 is amended to read as follows:

Amend
§ 47-2853.152

“Section 47-2853.152. Eligibility requirements.

“(a) The Board shall establish, by rule, the education, experience, and examination requirements that individuals must meet or exceed to obtain licensure, certification, or registration as an appraiser trainee, a licensed residential real property appraiser, a certified residential real property appraiser, or a certified general real property appraiser.

“(b) The licensure requirements established by the Board shall meet or exceed any applicable federal requirements that are necessary for the federal financial institution's regulatory agencies to recognize and accept licenses for licensed residential real estate appraisers, certified residential real estate appraisers, and certified general real estate appraisers licensed by the Board. If the federal requirements change and the rules of the Board do not satisfy the minimum federal standards, the federal standards established by the Appraisal Qualifications Board and the Appraisal Standards Board of the Appraisal Foundation when reviewing an application for licensure, certification, or registration until the Board rules satisfy minimum federal standards.

“(c) The Board shall establish, by rule, the requirements that individuals licensed in jurisdictions other than the District of Columbia as a certified residential real property appraiser or a certified general real property appraiser must satisfy to obtain a temporary license from the Board. The Board's requirements shall comply with applicable federal law, but the Mayor may

require the applicant to pay a license fee to the Department and may place restrictions on the temporary license.

“(d) The Board shall establish rules governing the supervision of appraiser trainees, the definition and enforcement of standards of professional appraiser practice, and the disposition of complaints from any person or from any federal agency or instrumentality regarding improper appraiser conduct.

“(e) The Board shall establish, by rule, continuing education requirements necessary for renewal or reinstatement of any license, certification, or registration that meet or exceed the continuing education requirements established under the authority of federal law.

“(f) The Board may establish, by rule, practice requirements or standards. The Board may enforce requirements or standards established under federal law.”.

(k) Section 47-2853.153 is amended as follows:

Amend
§ 47-2853.153

(1) Subsection (a) is amended as follows:

- (A) Strike the phrase “or certification”.
- (B) Strike the phrase “or certificate”.

(2) Subsection (b) is amended as follows:

(A) Strike the phrase “or certification”.

(B) Strike the phrase “real estate” and insert the phrase “real property or real estate” in its place.

(C) Strike the phrase “and that the use of the term does” and insert the phrase “and that the use of the term “certified” does” in its place.

(3) Subsection (c) is amended by striking the phrase “perform real estate” inserting the phrase “perform real estate or real property” in its place.

(4) Subsection (d) is amended by striking the phrases “or certificate” and “or certified” wherever they appear.

(5) Subsection (e) is amended to read as follows:

“(e) Any person who is not licensed or certified under this part may assist a licensed or certified real estate appraiser in the performance of an appraisal if he or she registers with the Board as an appraiser trainee, complies with the registration and practice requirements established by the Board, by rule, and is actively and personally supervised by the licensed or certified real estate appraiser. An appraisal report rendered in connection with the appraisal and drafted by the appraisal trainee shall be reviewed and signed by the licensed or certified real estate appraiser.”.

(6) Subsection (f) is amended as follows:

(A) Strike the phrase “or certified” wherever it appears.

(B) Strike the phrase “If a licensed or certified real estate appraiser” and insert the phrase “If a licensee or appraiser trainee” in its place.

(7) Subsection (h) is amended by striking the phrase “appraise real estate” and inserting the phrase “appraise real estate or real property” in its place.

(l) A new section 47-2853.154 is added to read as follows:

“§ 47-2853.154 Appraisal Education Fund.

“(a) There is established a fund designated as the Appraisal Education Fund (“Fund”), which shall be separate from the General Fund of the District of Columbia. All funds obtained from an appraisal education fund fee to be established by the Mayor (which shall be in addition to licensing and renewal fees established by the Mayor) and civil penalties imposed by the Board or the Office of Administrative Hearings pursuant to this part, and all interest earned on those funds, shall be deposited into the Fund without regard to fiscal year limitation pursuant to an act of Congress and used solely to pay the costs of operating and maintaining the Fund. All funds, interest, and other amounts deposited into the Fund shall not be transferred or revert to the General Fund of the District of Columbia at the end of any fiscal year or at any other time, but shall continually be available for the uses and purposes set forth in this section, subject to authorization by Congress in an appropriations act.

“(b)(1) The funds deposited in the Fund shall be used by the Board for the purpose of raising the standards of practice and the competency of licensees by:

“(A) Promoting the advancement of education and research for the benefit of any licensee under this part;

“(B) Underwriting educational seminars, workshops, and any other similar form of educational project for the benefit of any licensee under this part; and

“(C) Contracting for particular education or other projects intended to further the purposes of this part.

“(2) The funds deposited in the Fund shall also be used by the Board to defray the expenses to discharge the administrative and regulatory duties as prescribed by this part.

“(c) The Board may establish minimum and maximum balances for the Fund, procedures for continuing and discontinuing assessing licensees, and rules for the implementation and operation of the Fund.

“(d) If a licensee fails to pay the appraisal education fee within the time prescribed by rule, his or her license shall be automatically suspended. The Board shall send a notice of the suspension, by certified mail, to the address of record within 5 days after the suspension. The license shall be restored only upon the actual receipt by the Mayor of the delinquent fee.”.

(m) Section 47-2853.181(2) is amended by striking the word “person” and inserting the word “individual” wherever it appears.

Sec. 3. The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code §1-206.02(c)(3)) .

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Sec. 4. This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia