

26105604D

## SENATE BILL NO. 605

## AMENDMENT IN THE NATURE OF A SUBSTITUTE

(Proposed by the Senate Committee on General Laws and Technology  
on February 4, 2026)

(Patron Prior to Substitute—Senator Obenshain)

*A BILL to amend and reenact §§ 54.1-4400 and 54.1-4409.1 of the Code of Virginia, relating to Board of Accountancy; licensing requirements; inactive and emeritus status.*

**Be it enacted by the General Assembly of Virginia:**

**1. That §§ 54.1-4400 and 54.1-4409.1 of the Code of Virginia are amended and reenacted as follows:**

**§ 54.1-4400. Definitions.**

As used in this chapter, unless the context requires a different meaning:

"Accredited institution" means a degree-granting institution of higher education accredited either by (i) one of the regional accrediting organizations, including the Middle States Association of Colleges and Schools, New England Commission of Higher Education, Higher Learning Commission, Northwest Commission on Colleges and Universities, Southern Association of Colleges and Schools Commission on Colleges, and WASC Senior College and University Commission, or their successors or (ii) an accrediting organization demonstrating to the Board periodically, as prescribed by the Board, that its accreditation process and standards are substantially equivalent to the accreditation process and standards of the regional accrediting organizations.

"Assurance" means any form of expressed or implied opinion or conclusion about the conformity of a financial statement with any recognition, measurement, presentation, or disclosure principles for financial statements.

"Attest services" means audit, review, or other engagements performed in accordance with the standards that have been established by the Public Company Accounting Oversight Board, by the Auditing Standards Board or the Accounting and Review Services Committee of the American Institute of Certified Public Accountants, or by any successor standard-setting authorities.

"Board" means the Virginia Board of Accountancy.

"Compilation services" means compiling financial statements in accordance with standards established by the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

"Continuing professional education" means the education that a person obtains after passing the CPA examination and that relates to services provided to or on behalf of an employer in academia, government, or industry or to services provided to the public.

"CPA" means certified public accountant.

"CPA examination" means the national uniform CPA examination approved and administered by the board of accountancy of a state or by the board's designee.

"CPA wall certificate" means the symbolic document suitable for wall display that is issued by the board of accountancy of a state to a person meeting the requirements to use the CPA title in that state.

"Executive Director" means the Executive Director of the Board.

"Experience" means employment in academia, a firm, government, or an industry in any capacity involving the substantial use of accounting, financial, tax, or other skills that are relevant, as determined by the Board, to provide services to or on behalf of an employer or to the public. Such experience must be verified by an active, licensed CPA.

"Facilitated State Board Access" or "FSBA" means the sponsoring organization's process whereby it provides the Board access to peer review results via a secure website.

"Financial statement" means a presentation of historical or prospective financial information about one or more persons or entities.

"Financial statement preparation services" means engaging a licensee in public practice for financial statement preparation services executed in accordance with the standards established by the Statements on Standards for Accounting and Review Services of the American Institute of Certified Public Accountants or by any successor standard-setting authorities.

"Firm" means an entity formed by one or more licensees as a sole proprietorship, a partnership, a corporation, a limited liability company, or any other type of entity permitted by law with the purpose of providing professional services to the public.

"License of another state" means the license that is issued by the board of accountancy of a state other than Virginia that gives a person the privilege of using the CPA title in that state or that gives a firm the privilege of providing attest services, compilation services, and financial statement preparation services to persons and entities located in that state.

"Licensed" means holding a Virginia license or the license of another state.

"Licensee" means a person or firm holding a Virginia license or the license of another state.

"Peer review" means a review of a firm's attest services, compilation services, and financial statements preparation services that is conducted in accordance with the applicable monitoring program of the American Institute of Certified Public Accountants or its successor, or with another monitoring program approved by the Board.

"Practice of public accounting" means the performance of professional services for a client by a licensee or licensee's firm.

"Professional services" means all services requiring substantial use of accountancy or related skills that are performed by a licensee for a client or for an employer. Such services are subject to the guidance of the standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of § 54.1-4413.3 or by any equivalent standard-setting authority as approved by the Board.

"Providing services to or on behalf of an employer" means the performance of professional services while employed or engaged on a contractual basis by a licensee to or on behalf of an entity. "Providing services to or on behalf of an employer" does not include a person or firm engaged in the practice of public accounting.

"Providing services to the public" means providing services that are subject to the guidance of the standard-setting authorities listed in the standards of conduct and practice in subdivisions 5 and 6 of § 54.1-4413.3 or by an equivalent standard-setting authority as approved by the Board.

"Sponsoring organization" means a Board-approved professional society or other organization responsible for the facilitation and administration of peer reviews through use of its peer review program and applicable peer review standards.

"State" means any state of the United States, the District of Columbia, or any territory of the United States that is a recognized jurisdiction by the National Association of State Boards of Accountancy or its successor.

"Substantially equivalent" means a Board determination that the education requirements of another jurisdiction are comparable to those prescribed by the Board.

"Using the CPA title in Virginia" means the use of "CPA," "Certified Public Accountant," or "public accountant" in any manner of communication by any person, firm, or entity to persons or entities located in Virginia ~~portraying in a manner that indicates or implies that such person, firm, or entity as being~~ is licensed or legally permitted to provide professional services in Virginia. Holding a Virginia license or the license of another state constitutes using the CPA title in Virginia.

"Virginia license" means a license that is issued by the Board giving a person or firm the privilege of using the CPA title in Virginia or a firm the privilege of providing attest services, compilation services, and financial statement preparation services to persons and entities located in Virginia.

**§ 54.1-4409.1. Licensing requirements for persons; inactive and emeritus status.**

A. A person ~~must~~ shall be licensed in order to use the CPA title in Virginia.

1. The person shall hold a Virginia license if he provides services to the public and the principal place of business in which he provides those services is in Virginia.

2. Other persons shall not be required to hold a Virginia license in order to use the CPA title in Virginia provided that they hold the license of another state and comply with the practice privilege provisions of § 54.1-4411.

B. The Board shall prescribe the methods, fees, and continuing professional education requirements for a person to apply for the issuance, renewal, or reinstatement of a Virginia license.

C. The Board has the authority to refuse to grant a person the privilege of using the CPA title in Virginia if, based upon all the information available, the Board finds that the person is unfit or unsuited to use the CPA title in Virginia. The Board shall not refuse to grant a person the privilege of using the CPA title in Virginia solely because of a criminal conviction.

D. The Board shall establish "Inactive" and "Emeritus" CPA license statuses for licensees who no longer provide services to the public or services to or on behalf of an employer. Any licensee who seeks to hold either such status shall be currently licensed in Virginia and not under investigation or pending disciplinary action related to their CPA licensure in Virginia or any other state. In addition to the following minimum qualifications, the Board shall prescribe the remaining qualifications and process to be eligible for a license status of "CPA, Inactive" or "CPA, Emeritus":

1. For "CPA, Inactive," the licensee shall have held an active CPA license for at least five years.

2. For "CPA, Emeritus," the licensee shall have held an active or inactive CPA license (i) for at least 15 years and be at least 60 years of age or (ii) for at least 30 years.

2. That the Board of Accountancy shall promulgate regulations to implement the provisions of this act to be effective within 280 days of its enactment.

3. That the Board of Accountancy (the Board) shall develop guidance clearly permitting biographical and historically accurate references to CPA licensure for former licensees. Such guidance shall be published on the Board's website no later than September 30, 2026.