



Office of the Governor of Guam

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Office of the People's Speaker
vicente (ben) c. pangelinan

JUL 24 2003

Felix Perez Camacho
Governor

Kaleo Scott Moylan
Lieutenant Governor

TIME: /: 56 (1AM 1-)PM
RECEIVED BY:

24 JUL 2003

The Honorable Vicente C. Pangelinan
Speaker
Mina 'Bente Siete Na Liheslaturan Guåhan
Twenty-Seventh Guam Legislature
155 Hesler Street
Hagåtña, Guam 96910

Dear Speaker Pangelinan:

Transmitted herewith is Bill No. 116 (COR), "AN ACT TO *AMEND* SUBSECTION (c) AND TO *ADD* A NEW SUBSECTION (j) to §35105 OF CHAPTER 35, DIVISION 2, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO EDUCATIONAL REQUIREMENTS CONCERNING ELIGIBILITY TO APPLY TO TAKE THE CERTIFIED PUBLIC ACCOUNTANCY EXAMINATION, AND TO MAKE CHANGES TO TITLE 25, GUAM ADMINISTRATIVE RULES, CHAPTER 2, RELATIVE TO EXAMINATION REQUIREMENTS AND POLICIES WITHIN THE ADMINISTRATIVE RULES AND REGULATIONS OF THE GUAM BOARD OF ACCOUNTANCY," which I have signed into law on July 18, 2003 as Public Law 27-26.

I would like to commend Senator Toni Sanford, Chairperson on Economic Development, Retirement, Investments, Public Works, and Regulatory Functions, and the Guam Board of Accountancy for their efforts with Bill No. 116. The legislation bifurcates the educational prerequisites to take the Certified Public Accountant exam from those required for certification and licensure. This would permit more CPA candidates to sit for the exam without reducing the mandated educational standards required for certification and licensure. The statutory change in educational requirements has the potential to increase the number of candidates on Guam taking the exam and/or traveling to Guam to take the exam. An increase in candidates taking the exam provides additional revenue to the government of Guam. An increase in candidates traveling to Guam to take the exam provides additional revenue directly to the people of Guam as they are paid for the goods and services the candidates will need while on the island.

Sincerely yours,

FELIX P. CAMACHO
I Maga'láhen Guåhan
Governor of Guam

Attachment: copy attached of signed bill


cc: The Honorable Tina Rose Muña-Barnes
Senator and Legislative Secretary

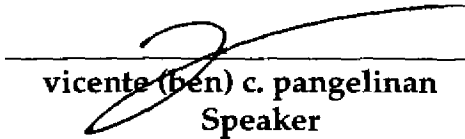
I MINA'BENTE SIETE NA LIHESLATURAN GUÅHAN
2003 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN


This is to certify that Substitute Bill No. 116 (COR), "AN ACT TO AMEND SUBSECTION (c) AND TO ADD A NEW SUBSECTION (j) TO §35105 OF CHAPTER 35, DIVISION 2, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO EDUCATIONAL REQUIREMENTS CONCERNING ELIGIBILITY TO APPLY TO TAKE THE CERTIFIED PUBLIC ACCOUNTANCY EXAMINATION, AND TO MAKE CHANGES TO TITLE 25, GUAM ADMINISTRATIVE RULES, CHAPTER 2, RELATIVE TO EXAMINATION REQUIREMENTS AND POLICIES WITHIN THE ADMINISTRATIVE RULES AND REGULATIONS OF THE GUAM BOARD OF ACCOUNTANCY,," was on the 7th day of July, 2003, duly and regularly passed.

Attested


Tina Rose Muña-Barnes
Senator and Legislative Secretary


vicente (ben) c. pangelinan
Speaker

This Act was received by *I Maga'lahaen Guåhan* this 8th day of July, 2003, at 3:17 o'clock
P.M.


Assistant Staff Officer
Maga'lahi's Office

APPROVED:


FELIX P. CAMACHO
I Maga'lahaen Guåhan

Date: 7/18/03

Public Law No. 27-26

MINA'BENTE SIETE NA LIHESLATURAN GUÅHAN
2003 (FIRST) Regular Session

Bill No. 116 (COR)

As substituted on the Floor
and amended.

Introduced by:

Toni Sanford
F. B. Aguon, Jr.
T. R. Muña-Barnes
J. M.S. Brown
F. R. Cunliffe
C. Fernandez
Mark Forbes
L. F. Kasperbauer
R. Klitzkie
L. A. Leon Guerrero
J. A. Lujan
v. c. pangelinan
J. M. Quinata
R. J. Respicio
Ray Tenorio

AN ACT TO AMEND SUBSECTION (c) AND TO ADD A NEW SUBSECTION (j) TO §35105 OF CHAPTER 35, DIVISION 2, TITLE 22, GUAM CODE ANNOTATED, RELATIVE TO EDUCATIONAL REQUIREMENTS CONCERNING ELIGIBILITY TO APPLY TO TAKE THE CERTIFIED PUBLIC ACCOUNTANCY EXAMINATION, AND TO MAKE CHANGES TO TITLE 25, GUAM ADMINISTRATIVE RULES, CHAPTER 2, RELATIVE TO EXAMINATION REQUIREMENTS AND POLICIES WITHIN THE ADMINISTRATIVE RULES AND REGULATIONS OF THE GUAM BOARD OF ACCOUNTANCY.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** *I Liheslaturan Guåhan* finds
3 that the Guam Board of Accountancy (“Board”) regulates the practice of
4 public accountancy, as well as the administration of testing, certification, and
5 licensure of Certified Public Accountants (“CPA”) for the purpose of
6 protecting the welfare of the general public.

7 *I Liheslatura* further finds that the Board has determined that the
8 requirements to take the CPA examination pose a barrier to candidates
9 applying for the examination. Recognizing that the goal of the Board should
10 be to maintain standards to safeguard the public interests, *I Liheslatura* further
11 finds that bifurcating certain educational requirements as a prerequisite for
12 candidates to take the CPA examination from those educational requirements
13 for certification and licensure allows greater flexibility to achieve the statutory
14 educational requirements and maintain the public accountancy professional
15 practice of accountancy and compliance.

16 It is, therefore, the intent of *I Liheslaturan Guåhan* to amend existing
17 statutes as well as administrative rules and regulations, to require that
18 accounting students obtain certain educational requirements to receive
19 certification, but not require that all educational requirements necessary for
20 certification be achieved as a prerequisite to sitting for the CPA examination.

21 **Section 2.** §35105(c) of Division 2, Title 22, Guam Code Annotated, is
22 hereby *amended* to read:

23 “(c) The education requirement for a certificate shall be as
24 follows:

1 (1) During the six (6) year period immediately following
2 the effective date of this Act, a Baccalaureate Degree or its
3 equivalent conferred by a college or university acceptable to the
4 Board, with an accounting concentration or equivalent as
5 determined by Board rule to be appropriate;

6 (2) After the expiration of the six (6) year period
7 immediately following the effective date of this Act, at least one
8 hundred fifty (150) semester hours of college education, including
9 a Baccalaureate or higher degree conferred by a college or
10 university acceptable to the Board, the total educational program
11 to include an accounting concentration or equivalent as
12 determined by Board rule to be appropriate.”

13 **Section 3.** A *new* Subsection (j) is hereby *added* to §35105 of Division 2,
14 Title 22, Guam Code Annotated, to read:

15 “(j) Notwithstanding 22 GCA §35105(c), beginning August 1,
16 2003, the education requirement, which must be met before an applicant
17 is qualified to take the examination prescribed in Subsection (d), shall be
18 as follows:

19 (1) A Baccalaureate Degree or its equivalent conferred by
20 a college or university acceptable to the Board, with an accounting
21 and business concentration or equivalent as determined by Board
22 rule to be appropriate.”

23 **Section 4.** Guam Board of Accountancy Administrative Rule, 25 GAR
24 §2104(b), is *repealed* and *reenacted* to read:

1 “(b) **Education Certification Requirement.** For purposes of
2 certification per 22 GCA §35105(c), an applicant will be deemed to have
3 met the education requirement if the applicant has met any one of the
4 following four (4) conditions:

5 (1) Earned a graduate degree with a concentration in
6 accounting from an accounting program or department that is
7 accredited (level three (3) accreditation) by an accrediting agency
8 recognized by the Board.

9 (2) Earned a graduate degree from a business school or
10 college of business that is accredited (level two (2) accreditation)
11 by an accrediting agency recognized by the Board and completed
12 at least twenty-four (24) semester hours in accounting at the upper
13 division or graduate level, or a combination thereof, including
14 courses covering the subjects of financial accounting, auditing,
15 taxation, and management accounting. (An upper division
16 course is normally defined as a course taken at the junior or senior
17 level. In accounting, this would normally be all courses taken
18 beyond the elementary level).

19 (3) Earned a Baccalaureate Degree from a business school
20 or college of business that is accredited (level two (2)
21 accreditation) by an accrediting agency recognized by the Board
22 and completed at least one hundred fifty (150) semester hours,
23 including twenty-four (24) semester hours in accounting at the
24 upper division or graduate level, including courses covering the
25 subjects of financial accounting, auditing, taxation, and

1 management accounting; and completed at least thirty-six (36)
2 semester hours in business courses (which shall include six (6)
3 semester hours in economics, three (3) semester hours in business
4 law, three (3) semester hours in finance, and can include
5 accounting courses beyond the elementary level in excess of those
6 included to meet the twenty-four (24) semester hour requirement
7 at the upper division level or graduate level).

8 (4) Earned a Baccalaureate or higher degree from an
9 accredited educational institution (level one (1) accreditation)
10 including one hundred fifty (150) semester hours, and:

11 (a) to include at least twenty-four (24) semester
12 hours of accounting at the upper division or graduate level,
13 including courses covering the subjects of financial
14 accounting, auditing, taxation, and management accounting;
15 and

16 (b) at least thirty-six (36) semester hours in business
17 courses (which shall include six (6) semester hours in
18 economics, three (3) semester hours in business law, three
19 (3) semester hours in finance and can include accounting
20 courses beyond the elementary level in excess of those
21 included to meet the twenty-four (24) semester hour
22 requirement at the upper division or graduate level)."

23 **Section 5.** A new Subsection (j) is *added* to the Guam Board of
24 Accountancy Administrative Rule, 25 GAR §2104, to read:

1 “(j) **Examination Education Requirement.** For purposes of
2 qualifying to take the exam per 22 GCA §35105(j), an applicant will be
3 deemed to have met the education requirement if the applicant has met
4 any one (1) of the following four (4) conditions:

5 (1) Earned a graduate degree with a concentration in
6 accounting from an accounting program or department that is
7 accredited (level three (3) accreditation) by an accrediting agency
8 recognized by the Board.

9 (2) Earned a graduate degree from a business school or
10 college of business that is accredited (level two (2) accreditation)
11 by an accrediting agency recognized by the Board and completed
12 at least twenty-four (24) semester hours in accounting at the upper
13 division or graduate level, or a combination thereof, including
14 courses covering the subjects of financial accounting, auditing,
15 taxation, and management accounting. (An upper division course
16 is normally defined as a course taken at the junior or senior level.
17 In accounting, this would normally be all courses taken beyond
18 the elementary level.)

19 (3) Earned a Baccalaureate Degree from a business school
20 or college of business that is accredited (level two (2)
21 accreditation) by an accrediting agency recognized by the Board,
22 including twenty-four (24) semester hours in accounting at the
23 upper division or graduate level, including courses covering the
24 subjects of financial accounting, auditing, taxation, and
25 management accounting; and completed at least twenty-four (24)

1 semester hours in business courses (which shall include six (6)
2 semester hours in economics, three (3) semester hours in business
3 law, three (3) semester hours in finance, and can include
4 accounting courses beyond the elementary level in excess of those
5 included to meet the eighteen (18) semester hour requirement at
6 the upper division level or graduate level).

7 (4) Earned a Baccalaureate or higher degree from an
8 accredited educational institution (level one (1) accreditation),
9 and:

10 (a) to include at least twenty-four (24) semester
11 hours of accounting at the upper division or graduate level,
12 including courses covering the subjects of financial
13 accounting, auditing, taxation, and management accounting;
14 and

15 (b) at least twenty-four (24) semester hours in
16 business courses (which shall include six (6) semester hours
17 in economics, three (3) semester hours in business law, three
18 (3) semester hours in finance, and can include accounting
19 courses beyond the elementary level in excess of those
20 included to meet the eighteen (18) semester hour
21 requirement at the upper division or graduate level)."

22 **Section 6.** Sections 4 and 5 of this Act are considered part of the Guam
23 Administrative Rules and may be amended through the Administrative
24 Adjudication process.

1 **Section 7. Severability.** *If* any provision of this Law or its application
2 to any person or circumstance is found to be invalid or contrary to law, such
3 invalidity shall *not* affect other provisions or applications of this Law which
4 can be given effect without the invalid provisions or application, and to this
5 end the provisions of this Law are severable.