

# HOUSE BILL No. 5648

May 12, 2016, Introduced by Rep. Lucido and referred to the Committee on Regulatory Reform.

A bill to amend 1980 PA 299, entitled  
"Occupational code,"  
(MCL 339.101 to 339.2677) by adding section 728a.

## THE PEOPLE OF THE STATE OF MICHIGAN ENACT:

1        SEC. 728A. (1) A FIRM ENGAGED IN THE PRACTICE OF PUBLIC  
2        ACCOUNTING IN THIS STATE SHALL NOT PERFORM ATTEST OR COMPILATION  
3        SERVICES FOR PUBLIC BODIES UNLESS IT MEETS ALL OF THE FOLLOWING:

4        (A) HOLDS A MICHIGAN LICENSE UNDER THIS PART.

5        (B) PROVIDES A SURETY BOND TO THE DEPARTMENT THAT MEETS ALL OF  
6        THE FOLLOWING:

7        (i) IS ISSUED BY A BONDING COMPANY OR INSURANCE COMPANY  
8        AUTHORIZED TO DO BUSINESS IN THIS STATE.

9        (ii) EXPIRES AFTER THE DATE THE FIRM'S LICENSE EXPIRES.

10       (iii) IS IN A PRINCIPAL AMOUNT OF AT LEAST \$25,000,000.00, AS

1 DETERMINED BY THE FIRM.

2 (iv) IS IN A FORM SATISFACTORY TO THE DEPARTMENT, IS PAYABLE  
3 TO THE DEPARTMENT FOR THE BENEFIT OF MICHIGAN RESIDENTS, AND  
4 SECURES THE PERFORMANCE OF THE OBLIGATIONS OF THE APPLICANT IN  
5 CONNECTION WITH THE CONDUCT OF ITS BUSINESS PROVIDING ATTEST OR  
6 COMPILATION SERVICES FOR PUBLIC BODIES.

7 (C) MAINTAINS A POLICY OF PROFESSIONAL LIABILITY INSURANCE  
8 THAT MEETS ALL OF THE FOLLOWING, AND PROVIDES PROOF THAT IS  
9 SATISFACTORY TO THE DEPARTMENT OF THAT INSURANCE:

10 (i) IS ISSUED BY AN INSURER THAT IS AUTHORIZED TO TRANSACT  
11 BUSINESS IN THIS STATE.

12 (ii) IS APPROVED BY THE DEPARTMENT.

13 (iii) IS IN AN AMOUNT OF AT LEAST \$25,000,000.00, AS  
14 DETERMINED BY THE FIRM.

15 (2) AS USED IN THIS SECTION, "PUBLIC BODY" MEANS 1 OR MORE OF  
16 THE FOLLOWING:

17 (A) A STATE AGENCY, DEPARTMENT, DIVISION, BUREAU, BOARD,  
18 COMMISSION, COUNCIL, AUTHORITY, OR OTHER BODY IN THE EXECUTIVE  
19 BRANCH OF STATE GOVERNMENT.

20 (B) THE LEGISLATURE OR AN AGENCY, BOARD, COMMISSION, OR  
21 COUNCIL IN THE LEGISLATIVE BRANCH OF STATE GOVERNMENT.

22 (C) A COUNTY, CITY, TOWNSHIP, VILLAGE, INTERCOUNTY, INTERCITY,  
23 OR REGIONAL GOVERNING BODY; A COUNCIL, SCHOOL DISTRICT, SPECIAL  
24 DISTRICT, OR MUNICIPAL CORPORATION; OR A BOARD, DEPARTMENT,  
25 COMMISSION, OR COUNCIL OR AN AGENCY OF A BOARD, DEPARTMENT,  
26 COMMISSION, OR COUNCIL.

27 (D) ANY OTHER BODY THAT IS CREATED BY STATE OR LOCAL AUTHORITY

1 OR IS PRIMARILY FUNDED BY OR THROUGH STATE OR LOCAL AUTHORITY, IF  
2 THE BODY EXERCISES GOVERNMENTAL OR PROPRIETARY AUTHORITY OR  
3 PERFORMS A GOVERNMENTAL OR PROPRIETARY FUNCTION.

4 Enacting section 1. This amendatory act takes effect 90 days  
5 after the date it is enacted into law.