
SENATE BILL NO. 439—COMMITTEE ON COMMERCE AND LABOR

MARCH 15, 1999

Referred to Committee on Commerce and Labor

SUMMARY—Makes various changes concerning accountants. (BDR 54-807)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State or on Industrial Insurance: No.

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EXPLANATION – Matter in ***bolded italics*** is new; matter between brackets ~~omitted material~~ is material to be omitted.

AN ACT relating to accountants; providing in skeleton form various changes to the provisions governing the practice of public accounting; and providing other matters properly relating thereto.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN SENATE
AND ASSEMBLY, DO ENACT AS FOLLOWS:

- 1 **Section 1.** NRS 628.033 is hereby amended to read as follows:
2 628.033 “State” ~~includes~~ ***means*** any state , ***territory or possession*** of
3 the United States and the District of Columbia.
4 **Sec. 2.** NRS 628.160 is hereby amended to read as follows:
5 628.160 1. The board may by regulation adopt and amend rules of
6 professional conduct appropriate to establish and maintain a high standard
7 of quality, integrity and dignity in the profession of public accountancy.
8 2. In addition to the requirements of chapter 233B of NRS, the board
9 shall, at least 60 days before the adoption of any such rule or amendment,
10 mail copies of the proposed rule or amendment to each holder of a live
11 permit , ~~issued pursuant to NRS 628.380,~~ to the address shown in the
12 records of the board, together with a notice advising him of the date, time
13 and place of the hearing on the proposed rule or amendment and requesting
14 that he submit his comments thereon at least 15 days before the hearing.
15 The comments are advisory only. Failure by inadvertence or error to mail
16 the rule, amendment or notice to each holder of a permit does not affect the
17 validity of any rule or amendment if the board has made an effort in good
18 faith to mail the notice to all holders of permits.
19 3. The board may adopt regulations concerning the professional
20 conduct of corporations , ~~and~~ partnerships ***and limited-liability***

1 **companies** practicing certified public accounting or public accounting
2 which it deems consistent with or required by the public welfare, including
3 regulations:

4 (a) Governing the style, name and title of ~~[such corporations and~~
5 ~~partnerships.]~~ **the corporations, partnerships and limited-liability**
6 **companies.**

7 (b) Governing the affiliation of ~~[such corporations and]~~ **the**
8 **corporations, partnerships and limited-liability companies** with any other
9 organizations.

10 **Sec. 3.** NRS 628.190 is hereby amended to read as follows:

11 628.190 ~~[The]~~

12 **1. Except as otherwise provided in subsection 2 and NRS 628.310, a**
13 **certificate of certified public accountant must be granted by the board to**
14 **any person who:**

15 ~~[1.]~~ **(a)** Is a resident of this state or, if not a resident, has designated to
16 the board an agent who is a resident for notification and service of process;

17 ~~[2.]~~ **(b)** Is a person ~~[of fiscal integrity]~~ who is without any history of
18 acts involving dishonesty or moral turpitude;

19 ~~[3. — Meets]~~

20 **(c) Complies with** the requirements of education and experience as
21 provided in NRS 628.200; ~~[and]~~

22 ~~—4.— Has passed a written examination selected by the board containing~~
23 ~~the following sections:~~

24 ~~—(a) Business law and professional responsibilities;~~

25 ~~—(b) Auditing;~~

26 ~~—(c) Accounting and reporting, including taxation, managerial accounting~~
27 ~~and auditing for governmental and nonprofit organizations;~~

28 ~~—(d) Financial accounting and reporting, including for business~~
29 ~~enterprises; and~~

30 ~~—(e) Other related sections that the board determines to be appropriate.]~~

31 **(d) Has not been convicted of a felony under the laws of any state or**
32 **of the United States;**

33 **(e) Has submitted to the board a complete set of his fingerprints and**
34 **written permission authorizing the board to forward the fingerprints to**
35 **the central repository for Nevada records of criminal history for**
36 **submission to the Federal Bureau of Investigation for its report; and**

37 **(f) Has passed the examination prescribed by the board.**

38 **2. The board may issue a provisional certificate to an applicant until**
39 **the board receives the report from the Federal Bureau of Investigation.**

40 **Sec. 4.** NRS 628.200 is hereby amended to read as follows:

41 628.200 1. The requirement of education for a certificate of certified
42 public accountant is at least 150 semester hours or an equivalent number of

1 quarter hours and includes a baccalaureate degree or an equivalent degree
2 from a college or university recognized by the board:

3 (a) With a major in accounting, or what the board determines to be
4 substantially the equivalent of a major in accounting; or

5 (b) With a major other than accounting supplemented by what the board
6 determines to be substantially the equivalent of an accounting major,
7 including related courses in other areas of business administration.

8 2. The requirement for experience for a certificate of certified public
9 accountant is:

10 (a) Two years of public accounting experience ; ~~[-including, but in no~~
11 ~~way limited to, attesting while in practice as a certified public accountant, a~~
12 ~~registered public accountant, a staff accountant employed by a person who~~
13 ~~is licensed to practice public accounting or any combination of these types~~
14 ~~of experience;]~~ or

15 (b) Experience in internal auditing work or governmental accounting
16 and auditing work of a character and for a length of time sufficient in the
17 opinion of the board to be substantially equivalent to the requirements of
18 paragraph (a).

19 3. The board:

20 (a) Shall adopt regulations concerning ~~[the]~~ :

21 **(1) The** number of semester hours or an equivalent number of quarter
22 hours in accounting and other courses required by an applicant to satisfy
23 the requirements of subsection 1.

24 **(2) The public accounting experience, internal auditing work, and**
25 **governmental accounting and auditing work required by an applicant to**
26 **satisfy the requirements of subsection 2.**

27 (b) May provide by regulation for the substitution of qualified programs
28 of continuing education to satisfy partially the requirement of experience
29 described in paragraph (b) of subsection 2 or may add any program to the
30 requirement of experience.

31 **Sec. 5.** NRS 628.230 is hereby amended to read as follows:

32 628.230 1. The ~~[examinations described in NRS 628.190]~~
33 **examination prescribed by the board** must be conducted by the board ~~[and~~
34 ~~take place as often as the board finds desirable, but not less frequently]~~ **not**
35 **less** than once each year.

36 2. The board shall prescribe by regulation the methods of applying for
37 ~~[examination and for]~~ **and** conducting the examination, including the
38 grading of papers and the determination of passing grades. The board may
39 ~~[make such use of]~~ **use** all or any part of the Uniform Certified Public
40 Accountants' Examination and Advisory Grading Service as it deems
41 appropriate to assist it in performing its duties hereunder.

1 **Sec. 6.** NRS 628.310 is hereby amended to read as follows:

2 628.310 **1.** The board may waive the examination , *the requirements*
3 *for education or the requirements for experience, or any combination*
4 *thereof, required* under NRS 628.190, and may issue a certificate as a
5 certified public accountant to any person who is the holder of a certificate
6 as a certified public accountant then in effect issued under the laws of any
7 state or other jurisdiction of the United States approved by the board,
8 constituting a recognized qualification for the practice of public accounting
9 comparable to that of a certified public accountant of this state, and who ~~is~~:

10 ~~1. Possesses the qualifications set forth in subsection 3 of NRS~~
11 ~~628.190 which were in effect in this state on the date on which he received~~
12 ~~his original certificate; and~~

13 ~~2. Either possesses the qualifications set forth in subsection 4 of NRS~~
14 ~~628.190, which were in effect in this state on the date on which he received~~
15 ~~his original certificate, or~~ has:

16 (a) Passed an examination that is substantially the same as the
17 examination ~~required by subsection 4 of NRS 628.190;~~ *conducted*
18 *pursuant to NRS 628.230 with a grade that would have been a passing*
19 *grade in this state on the date on which he received his original*
20 *certificate;* and

21 (b) Experience in the practice of public accountancy, either as a certified
22 public accountant or as a staff accountant employed by *or under the*
23 *supervision of* a person who is a certified public accountant, while holding
24 a certificate as a certified public accountant for more than ~~5~~ 4 of the 10
25 years immediately preceding his making application pursuant to this
26 chapter.

27 **2.** *The board may waive the examination, the requirements for*
28 *education or the requirements for experience, or any combination*
29 *thereof, under NRS 628.190, and may issue a certificate as a certified*
30 *public accountant to any person who is the holder of an equivalent*
31 *certificate then in effect issued by a foreign country if:*

32 (a) *Persons who are certified as public accountants in this state are*
33 *granted similar privileges by the foreign country in which the applicant is*
34 *certified;*

35 (b) *The applicant's certificate:*

36 (1) *Was issued by the appropriate authority that regulates the*
37 *practice of public accountancy in the foreign country in which the*
38 *certificate was issued;*

39 (2) *Has not expired or been revoked or suspended; and*

40 (3) *Authorizes the applicant to issue reports upon financial*
41 *statements;*

42 (c) *The requirements for education and examination of the regulatory*
43 *authority of the foreign country were substantially equivalent to the*

1 *requirements for education and examination of this state on the date on*
2 *which the applicant received his certificate;*

3 *(d) The applicant:*

4 *(1) Complied with requirements for experience in the foreign*
5 *country in which the certificate was issued that are substantially*
6 *equivalent to the requirements set forth in NRS 628.200; or*

7 *(2) Has completed in this state at least 4 years of public accounting*
8 *experience, or equivalent experience determined to be appropriate by the*
9 *board, within the 10 years immediately preceding his making application*
10 *for certification in this state;*

11 *(e) The applicant has passed a written examination on national*
12 *standards for public accounting and ethics that is acceptable to the*
13 *board; and*

14 *(f) The applicant submits with his application a list of all jurisdictions*
15 *in which he has applied for and received a certificate to practice public*
16 *accounting.*

17 *3. A person who is granted a certificate of certified public accountant*
18 *pursuant to subsection 2 shall notify the board, in writing, within 30 days*
19 *after:*

20 *(a) He is issued an equivalent certificate to practice public accounting*
21 *by another jurisdiction or is denied the issuance of such a certificate;*

22 *(b) A certificate to practice public accounting issued to him by*
23 *another jurisdiction is revoked or suspended; or*

24 *(c) Another jurisdiction in which he is certified to practice public*
25 *accounting commences any type of disciplinary action against him.*

26 **Sec. 7.** NRS 628.343 is hereby amended to read as follows:

27 628.343 1. A corporation organized for the practice of public
28 accounting shall register with the board as a corporation of certified public
29 accountants and comply with the following requirements:

30 (a) The sole purpose and business of the corporation must be to furnish
31 to the public services not inconsistent with this chapter or the regulations of
32 the board, except that the corporation may invest its money in a manner not
33 incompatible with the practice of public accounting.

34 (b) ~~Each shareholder of the corporation must be a certified public~~
35 ~~accountant of some state in good standing, and be principally employed by~~
36 ~~the corporation or actively engaged in its business. No other person may~~
37 ~~have any interest in the stock of the corporation.]~~ The principal officer of
38 the corporation and any officer or director having authority over the
39 practice of public accounting by the corporation must be a certified public
40 accountant of some state in good standing.

41 (c) At least one shareholder of the corporation must be a certified public
42 accountant of this state in good standing.

(d) Each manager in charge of an office of the corporation in this state and each shareholder or director who is regularly and personally engaged within this state in the practice of public accounting must be a certified public accountant of this state in good standing.

(e) In order to facilitate compliance with the provisions of this section relating to the ownership of stock, there must be a written agreement binding the shareholders or the corporation to purchase any shares offered for sale by, or not under the ownership or effective control of, a qualified shareholder. The corporation may retire any amount of stock for this purpose, notwithstanding any impairment of its capital, so long as one share remains outstanding.

(f) The corporation shall comply with other regulations pertaining to corporations practicing public accounting in this state adopted by the board.

2. Application for registration must be made upon the affidavit of a shareholder who holds a live permit to practice in this state as a certified public accountant. The board shall determine whether the applicant is eligible for registration and may charge an initial fee and an annual renewal fee set by the board by regulation. A corporation which is so registered may use the words "certified public accountants" or the abbreviation "C.P.A.'s" or "CPA's" in connection with its corporate name. Notice must be given to the board within 1 month after the admission to or withdrawal of a shareholder from any corporation so registered.

Sec. 8. NRS 628.345 is hereby amended to read as follows:

628.345 1. A limited-liability company organized for the practice of public accounting shall register with the board as a limited-liability company of certified public accountants and comply with the following requirements:

(a) The sole purpose and business of the limited-liability company must be to furnish to the public services not inconsistent with this chapter or the regulations of the board, except that the limited-liability company may invest its money in a manner not incompatible with the practice of public accounting.

(b) ~~Each member of the limited-liability company must be a certified public accountant of some state in good standing, and be principally employed by the limited-liability company or actively engaged in its business. No other person may have any interest in the limited-liability company.~~ The manager, if any, of the limited-liability company must be a certified public accountant of some state in good standing.

(c) At least one member of the limited-liability company must be a certified public accountant of this state in good standing.

(d) Each person in charge of an office of the limited-liability company in this state and each member who is regularly and personally engaged within

1 this state in the practice of public accounting must be a certified public
2 accountant of this state in good standing.

3 (e) In order to facilitate compliance with the provisions of this section
4 relating to the ownership of interests, there must be a written agreement
5 binding the members or the limited-liability company to purchase any
6 interest offered for sale by, or not under the ownership or effective control
7 of, a qualified member.

8 (f) The limited-liability company shall comply with other regulations
9 pertaining to limited-liability companies practicing public accounting in
10 this state adopted by the board.

11 2. Application for registration must be made upon the affidavit of the
12 manager or a member of the limited-liability company. The affiant must
13 hold a live permit to practice in this state as a certified public accountant.
14 The board shall determine whether the applicant is eligible for registration
15 and may charge an initial fee and an annual renewal fee set by the board by
16 regulation. A limited-liability company which is so registered may use the
17 words "certified public accountants" or the abbreviation "C.P.A.'s" or
18 "CPA's" in connection with its name. Notice must be given to the board
19 within 1 month after the admission to or withdrawal of a member from any
20 limited-liability company so registered.

21 **Sec. 9.** NRS 628.363 is hereby amended to read as follows:

22 628.363 1. A corporation organized for the practice of public
23 accounting shall register with the board as a corporation of public
24 accountants and comply with the following requirements:

25 (a) The sole purpose and business of the corporation must be to furnish
26 to the public services not inconsistent with this chapter or the regulations of
27 the board, except that the corporation may invest its money in a manner not
28 incompatible with the practice of public accounting.

29 ~~(b) [Each shareholder of the corporation must be a certified public~~
30 ~~accountant in any state or a public accountant of this state in good standing,~~
31 ~~and be principally employed by the corporation or actively engaged in its~~
32 ~~business. No other person may have any interest in the stock of the~~
33 ~~corporation.]~~ The principal officer of the corporation and any officer or
34 director having authority over the practice of public accounting by the
35 corporation must be a certified public accountant or registered public
36 accountant of this state in good standing.

37 (c) Each manager in charge of an office of the corporation in this state
38 must be a certified public accountant or a registered public accountant of
39 this state in good standing.

40 (d) In order to facilitate compliance with the provisions of this section
41 relating to the ownership of stock, there must be a written agreement
42 binding the shareholders or the corporation to purchase any shares offered
43 for sale by, or not under the ownership or effective control of, a qualified

1 shareholder. The corporation may retire any amount of stock for this
2 purpose, notwithstanding any impairment of its capital, so long as one share
3 remains outstanding.

4 (e) The corporation shall comply with other regulations pertaining to
5 corporations practicing public accounting in this state adopted by the
6 board.

7 2. Application for registration must be made upon the affidavit of a
8 shareholder who holds a live permit to practice in this state as a certified
9 public accountant or as a registered public accountant. The board shall
10 determine whether the applicant is eligible for registration. The board may
11 charge a registration fee and renewal fee and a reporting fee in an amount
12 set by regulation. A corporation which is so registered may use the words
13 "public accountants" in connection with its corporate name. Notice must be
14 given to the board within 1 month after the admission to or withdrawal of a
15 shareholder from any corporation so registered.

16 **Sec. 10.** NRS 628.365 is hereby amended to read as follows:

17 628.365 1. A limited-liability company organized for the practice of
18 public accounting shall register with the board as a limited-liability
19 company of public accountants and comply with the following
20 requirements:

21 (a) The sole purpose and business of the limited-liability company must
22 be to furnish to the public services not inconsistent with this chapter or the
23 regulations of the board, except that the limited-liability company may
24 invest its money in a manner not incompatible with the practice of public
25 accounting.

26 (b) ~~Each member of the limited liability company must be a certified~~
27 ~~public accountant in any state or a public accountant of this state in good~~
28 ~~standing, and be principally employed by the limited liability company or~~
29 ~~actively engaged in its business. No other person may have any interest in~~
30 ~~the limited liability company.]~~ The manager, if any, of the limited-liability
31 company must be a certified public accountant or registered public
32 accountant of this state in good standing.

33 (c) Each person in charge of an office of the limited-liability company in
34 this state must be a certified public accountant or a registered public
35 accountant of this state in good standing.

36 (d) In order to facilitate compliance with the provisions of this section
37 relating to the ownership of interests, there must be a written agreement
38 binding the members or the limited-liability company to purchase any
39 interest offered for sale by, or not under the ownership or effective control
40 of, a qualified member.

41 (e) The limited-liability company shall comply with other regulations
42 pertaining to limited-liability companies practicing public accounting in
43 this state adopted by the board.

1 2. Application for registration must be made upon the affidavit of the
2 manager or a member of the limited-liability company. The affiant must
3 hold a live permit to practice in this state as a certified public accountant or
4 as a registered public accountant. The board shall determine whether the
5 applicant is eligible for registration. The board may charge a registration
6 fee and renewal fee and a reporting fee in an amount set by regulation. A
7 limited-liability company which is so registered may use the words "public
8 accountants" in connection with its name. Notice must be given to the
9 board within 1 month after the admission to or withdrawal of a member of a
10 limited-liability company so registered.

11 **Sec. 11.** NRS 628.380 is hereby amended to read as follows:

12 628.380 1. Permits to engage in the practice of public accounting in
13 this state must be issued by the board to holders of the certificate of
14 certified public accountant issued under NRS 628.190 to 628.310,
15 inclusive, and to registered public accountants registered or licensed
16 pursuant to NRS 628.350, if all offices of the certificate holder or registrant
17 are maintained and registered as required under NRS 628.370, and if the
18 certificate holder or registrant has complied with the continuing education
19 requirements provided in this chapter and in the board's regulations.

20 2. All permits expire on December 31 of each year and may be
21 renewed annually for a period of 1 year by certificate holders and
22 registrants in good standing upon payment of an annual renewal fee set by
23 the board by regulation.

24 3. Failure of a certificate holder or registrant to apply for an annual
25 permit to practice ~~within:~~

26 ~~—(a) Three years after the expiration date of the permit to practice last~~
27 ~~obtained or renewed; or~~

28 ~~—(b) Three years after the date upon which the certificate holder or~~
29 ~~registrant was granted his certificate or registration, if no permit was ever~~
30 ~~issued to him,]~~ deprives him of the right to a permit, unless the board, in its
31 discretion, determines that the failure was caused by excusable neglect.

32 4. The board shall adopt a regulation specifying the fee for issuance or
33 renewal of a permit more than ~~3 years~~ **1 year** after the expiration of a
34 previous permit or granting of a certificate or registration.

35 5. The board may provide by regulation for the placing of certificates
36 and registrations in a retired or inactive status. The regulation may provide
37 for a procedure for applying for retired or inactive status and for applying
38 to return to active status, and must specify fees, if any, to accompany the
39 applications.

40 **Sec. 12.** NRS 628.390 is hereby amended to read as follows:

41 628.390 1. After giving notice and conducting a hearing, the board
42 may revoke, or may suspend for a period of not more than 5 years, any
43 certificate issued under NRS 628.190 to 628.310, inclusive, any

1 registration or license granted to a registered public accountant under NRS
2 628.350, or any registration of a partnership, corporation, limited-liability
3 company or office, or may revoke, suspend or refuse to renew any permit
4 issued under NRS 628.380, or may censure the holder of any permit, for
5 any one or any combination of the following causes:

6 (a) Fraud or deceit in obtaining a certificate as certified public
7 accountant, or in obtaining registration or a license as a public accountant
8 under this chapter, or in obtaining a permit to practice public accounting
9 under this chapter.

10 (b) Dishonesty, fraud or gross negligence by a certified or registered
11 public accountant in the practice of public accounting or, if not in the
12 practice of public accounting, of a kind which adversely affects the ability
13 to perform public accounting.

14 (c) Violation of any of the provisions of this chapter.

15 (d) Violation of a regulation or rule of professional conduct adopted by
16 the board under the authority granted by this chapter.

17 (e) Conviction of a felony under the laws of any state or of the United
18 States.

19 (f) Conviction of any crime, an element of which is dishonesty or fraud,
20 under the laws of any state or of the United States.

21 (g) Cancellation, revocation, suspension or refusal to renew authority to
22 practice as a certified public accountant or a registered public accountant
23 by any other state, for any cause other than failure to pay an annual
24 registration fee or to comply with requirements for continuing education or
25 review of his practice in the other state.

26 (h) Suspension or revocation of the right to practice before any state or
27 federal agency.

28 (i) Unless the person has been placed on inactive or retired status,
29 failure to obtain an annual permit under NRS 628.380, within:

30 (1) One year after the expiration date of the permit to practice last
31 obtained or renewed by the certificate holder or registrant; or

32 (2) One year after the date upon which the certificate holder or
33 registrant was granted his certificate or registration, if no permit was ever
34 issued to him, unless the failure has been excused by the board.

35 (j) Conduct discreditable to the profession of public accounting or which
36 reflects adversely upon the fitness of the person to engage in the practice of
37 public accounting.

38 *(k) Making a false or misleading statement in support of an*
39 *application for a certificate, registration or permit of another person.*

40 2. In addition to other penalties prescribed by this section, the board
41 may impose a civil penalty of not more than \$5,000 for each violation. The
42 board may

recover:

1 (a) Attorney's fees and costs incurred in respect to a hearing held
2 pursuant to subsection 1 from a licensee if he is found in violation thereof;
3 and

4 (b) Attorney's fees and costs incurred in the recovery of a civil penalty
5 imposed.

6 **Sec. 13.** NRS 78.045 is hereby amended to read as follows:

7 78.045 1. The secretary of state shall not accept for filing any articles
8 of incorporation or any certificate of amendment of articles of
9 incorporation of any corporation formed pursuant to the laws of this state
10 which provides that the name of the corporation contain the word "bank" or
11 "trust," unless:

12 (a) It appears from the articles or the certificate of amendment that the
13 corporation proposes to carry on business as a banking or trust company,
14 exclusively or in connection with its business as a bank or savings and loan
15 association; and

16 (b) The articles or certificate of amendment is first approved by the
17 commissioner of financial institutions.

18 2. The secretary of state shall not accept for filing any articles of
19 incorporation or any certificate of amendment of articles of incorporation
20 of any corporation formed pursuant to the provisions of this chapter when it
21 appears from the articles or the certificate of amendment that the business
22 to be carried on by the corporation is subject to supervision by the
23 commissioner of insurance or by the commissioner of financial institutions,
24 unless the articles or certificate of amendment is first approved by the
25 commissioner who will be supervising the business of the corporation.

26 3. Except as otherwise provided in subsection ~~4~~ 5, the secretary of
27 state shall not accept for filing any articles of incorporation or any
28 certificate or amendment of articles of incorporation of any corporation
29 formed pursuant to the laws of this state if the name of the corporation
30 contains the words "engineer," "engineered," "engineering," "professional
31 engineer" or "licensed engineer" unless:

32 (a) The state board of professional engineers and land surveyors certifies
33 that the principals of the corporation are licensed to practice engineering
34 pursuant to the laws of this state; or

35 (b) The state board of professional engineers and land surveyors
36 certifies that the corporation is exempt from the prohibitions of NRS
37 625.520.

38 4. *The secretary of state shall not accept for filing any articles of*
39 *incorporation or any certificate of amendment of articles of*
40 *incorporation of any corporation formed pursuant to the laws of this*
41 *state which provides that the name of the corporation contain the words*
42 *"accountant," "accounting," "auditor" or "auditing" unless the Nevada*

1 *state board of accountancy certifies that the corporation is registered*
2 *pursuant to the provisions of chapter 628 of NRS.*

3 5. The provisions of subsection 3 do not apply to any corporation,
4 whose securities are publicly traded and regulated by the Securities
5 Exchange Act of 1934, which does not engage in the practice of
6 professional engineering.

7 ~~5.1~~ 6. The commissioner of financial institutions and the
8 commissioner of insurance may approve or disapprove the articles or
9 amendments referred to them pursuant to the provisions of this section.

10 **Sec. 14.** NRS 80.010 is hereby amended to read as follows:

11 80.010 1. Before commencing or doing any business in this state,
12 ~~every~~ *each* corporation organized pursuant to the laws of another state,
13 territory, the District of Columbia, a ~~dependency~~ *possession* of the United
14 States or a foreign country, that enters this state to do business must:

15 (a) File in the office of the secretary of state of this state:

16 (1) A certificate of corporate existence issued not more than 90 days
17 before the date of filing by an authorized officer of the jurisdiction of its
18 incorporation setting forth the filing of documents and instruments related
19 to the articles of incorporation, or the governmental acts or other instrument
20 or authority by which the corporation was created. If the certificate is in a
21 language other than English, a translation, together with the oath of the
22 translator and his attestation of its accuracy, must be attached to the
23 certificate.

24 (2) A certificate of acceptance of appointment executed by its resident
25 agent, who must be a resident or located in this state. The certificate must
26 set forth the name of the resident agent, his street address for the service of
27 process, and his mailing address if different from his street address. The
28 street address of the resident agent is the registered office of the
29 corporation in this state.

30 (3) A statement executed by an officer of the corporation,
31 acknowledged before a person authorized by the laws of the place where
32 the acknowledgment is taken to take acknowledgments of deeds, setting
33 forth:

34 (I) A general description of the purposes of the corporation; and

35 (II) The authorized stock of the corporation and the number and
36 par value of shares having par value and the number of shares having no
37 par value.

38 (b) Lodge in the office of the secretary of state a copy of the document
39 most recently filed by the corporation in the jurisdiction of its incorporation
40 setting forth the authorized stock of the corporation, the number of
41 par-value shares and their par value, and the number of no-par-value shares.

42 2. The secretary of state shall not file the documents required by
43 subsection 1 for any foreign corporation whose name is the same as, or

1 deceptively similar to the name of a corporation, limited partnership or
2 limited-liability company existing pursuant to the laws of this state or a
3 foreign corporation, foreign limited partnership or foreign limited-liability
4 company authorized to transact business in this state or a name to which the
5 exclusive right is at the time reserved in the manner provided in the laws of
6 this state, unless the written acknowledged consent of the holder of the
7 registered or reserved name to use the same name or the requested similar
8 name accompanies the articles of incorporation.

9 3. The secretary of state shall not accept for filing the documents
10 required by subsection 1 or NRS 80.110 for any foreign corporation if the
11 name of the corporation contains the words "engineer," "engineered,"
12 "engineering," "professional engineer" or "licensed engineer" unless the
13 state board of professional engineers and land surveyors certifies that:

14 (a) The principals of the corporation are licensed to practice engineering
15 pursuant to the laws of this state; or

16 (b) The corporation is exempt from the prohibitions of NRS 625.520.

17 4. The secretary of state shall not accept for filing the documents
18 required by subsection 1 or NRS 80.110 for any foreign corporation if it
19 appears from the documents that the business to be carried on by the
20 corporation is subject to supervision by the commissioner of financial
21 institutions, unless the commissioner certifies that:

22 (a) The corporation has obtained the authority required to do business in
23 this state; or

24 (b) The corporation is not subject to or is exempt from the requirements
25 for obtaining such authority.

26 ***5. The secretary of state shall not accept for filing the documents***
27 ***required by subsection 1 or NRS 80.110 for any foreign corporation if***
28 ***the name of the corporation contains the words "accountant,"***
29 ***"accounting," "auditor" or "auditing" unless the Nevada state board of***
30 ***accountancy certifies that the foreign corporation is registered pursuant***
31 ***to the provisions of chapter 628 of NRS.***

32 **Sec. 15.** NRS 82.106 is hereby amended to read as follows:

33 82.106 1. The secretary of state shall not accept for filing pursuant to
34 this chapter any articles of incorporation or any certificate of amendment of
35 articles of incorporation of any corporation formed or existing pursuant to
36 this chapter if the name of the corporation contains the words "trust,"
37 "engineer," "engineered," "engineering," "professional engineer" or
38 "licensed engineer."

39 2. The secretary of state shall not accept for filing any articles of
40 incorporation or any certificate of amendment of articles of incorporation
41 of any corporation formed or existing under this chapter when it appears
42 from the articles or the certificate of amendment that the business to be

1 carried on by the corporation is subject to supervision by the commissioner
2 of insurance.

3 ***3. The secretary of state shall not accept for filing pursuant to this***
4 ***chapter any articles of incorporation or any certificate of amendment of***
5 ***articles of incorporation of any corporation formed or existing pursuant***
6 ***to this chapter if the name of the corporation contains the words***
7 ***“accountant,” “accounting,” “auditor” or “auditing.”***

8 **Sec. 16.** NRS 86.171 is hereby amended to read as follows:

9 86.171 1. The name of a limited-liability company formed under the
10 provisions of this chapter must contain the words “Limited-Liability
11 Company,” “Limited Company,” or “Limited” or the abbreviations “Ltd.,”
12 “L.L.C.,” “L.C.,” “LLC” or “LC.” The word “Company” may be
13 abbreviated as “Co.”

14 2. The name proposed for a limited-liability company must be
15 distinguishable from the names of all other artificial persons organized or
16 registered under chapter 78, 78A, 80, 81, 82, 84, 86, 87, 88 or 89 of NRS
17 whose names are on file in the office of the secretary of state. If a proposed
18 name is not so distinguishable, the secretary of state shall return the articles
19 of organization to the organizer, unless the written acknowledged consent
20 of the holder of the registered name to use the same name or the requested
21 similar name accompanies the articles of organization.

22 3. For the purposes of this section and NRS 86.176, a proposed name
23 is not distinguished from a registered or reserved name solely because one
24 or the other contains distinctive lettering, a distinctive mark, a trade-mark
25 or a trade name, or any combination of these.

26 4. The name of a limited-liability company whose charter has been
27 revoked, whose existence has terminated, which has merged and is not the
28 surviving company, or which for any other reason is no longer in good
29 standing is available for use by any other artificial person.

30 ***5. The secretary of state shall not accept for filing any articles of***
31 ***organization for any limited-liability company if the name of the limited-***
32 ***liability company contains the words “accountant,” “accounting,”***
33 ***“auditor” or “auditing” unless the Nevada state board of accountancy***
34 ***certifies that the limited-liability company is registered pursuant to the***
35 ***provisions of chapter 628 of NRS.***

36 **Sec. 17.** NRS 628.382 is hereby repealed.

37 **Sec. 18.** 1. This section and sections 1, 2, 3 and 5 to 17, inclusive, of
38 this act become effective on July 1, 1999.

39 2. Section 4 of this act becomes effective at 12:01 a.m. on January 1,
40 2001.

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TEXT OF REPEALED SECTION

628.382 Prohibited acts.

1. A person engaged in the practice of public accounting shall not:
 - (a) Pay a commission to obtain a client; or
 - (b) Accept a commission for a referral to a client of the products or services of another.
2. This section does not prohibit payments for:
 - (a) The purchase of an accounting practice; or
 - (b) Retirement,to a person presently or formerly engaged in the practice of public accounting or to his heirs or estate.

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