

## SENATE BILL NO. 512—COMMITTEE ON COMMERCE AND LABOR

MARCH 26, 2001

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions relating to accountants. (BDR 54-1208)

FISCAL NOTE: Effect on Local Government: No.  
Effect on the State: 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; requiring the Nevada state board of accountancy to charge a fee for administering an examination in this state to a person who is a candidate for a certificate as a certified public accountant in another state or jurisdiction of the United States; providing for the registration of certain persons who establish or maintain an office in this state under a fictitious name; authorizing the board to take certain actions against persons who make false or fraudulent statements on certain applications submitted to the board; 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 628.280 is hereby amended to read as follows:  
2     628.280 1. The board shall charge each candidate for a certificate of  
3     certified public accountant a fee to be determined by the board by  
4     regulation for ~~the~~ :  
5     (a) *The* initial examination prescribed by the board pursuant to NRS  
6     628.190 ~~;~~  
7     ~~2. Fees for reexaminations under NRS 628.190 must also be charged~~  
8     ~~by the board in amounts determined by it by regulation~~ *or* for each section  
9     of the examination in which the candidate is reexamined ~~;~~  
10    ~~3.;~~ *and*  
11    (b) *The review and inspection of his examination paper.*  
12    2. The applicable ~~fee~~ *fees* must be paid by the candidate at the time  
13    he applies for examination or reexamination.  
14    ~~4. 3. The board shall charge each candidate for a certificate of~~  
15    ~~certified public accountant~~ a fee to be determined by the board by  
16    regulation for ~~review and inspection of his examination paper.~~  
17    *administering the examination prescribed by the board pursuant to NRS*  
18    *628.190 to a person who is a candidate for a certificate as a certified*  
19    *public accountant in another state or jurisdiction of the United States*



1 *and requests that the board administer the examination to him in this*  
2 *state.*

3 **Sec. 2.** NRS 628.310 is hereby amended to read as follows:

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

12 (a) The person has passed an examination that is substantially the same  
13 as the examination conducted pursuant to NRS 628.230 with a grade that  
14 would have been a passing grade in this state on the date on which he  
15 received his original certificate;

16 (b) The person has experience in the practice of public accountancy,  
17 either as a certified public accountant or as a staff accountant employed by  
18 or under the direct supervision of a person who is a certified public  
19 accountant, while holding a certificate as a certified public accountant for  
20 more than 4 of the 10 years immediately preceding his making application  
21 pursuant to this chapter; and

22 (c) The requirements for education of the state or other jurisdiction from  
23 which the person received his original certificate ~~†were substantially~~  
24 ~~equivalent to†~~ *are determined by the board to satisfy* the requirements for  
25 education of this state . ~~†on the date on which the person received his~~  
26 ~~original certificate.†~~

27 2. The board may waive the examination, the requirements for  
28 education or the requirements for experience, or any combination thereof,  
29 under NRS 628.190, and may issue a certificate as a certified public  
30 accountant to any person who is the holder of an equivalent certificate then  
31 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 practice  
37 of public accountancy in the foreign country in which the certificate was  
38 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  
44 requirements for education and examination of this state on the date on  
45 which the applicant received his certificate;

46 (d) The applicant:

47 (1) Complied with requirements for experience in the foreign country  
48 in which the certificate was issued that are substantially equivalent to the  
49 requirements set forth in NRS 628.200; or



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

5 (e) The applicant has passed a written examination on national  
6 standards for public accounting and ethics that is acceptable to the board;  
7 and

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

11 3. A person who is granted a certificate as a certified public accountant  
12 pursuant to subsection 2 shall notify the board, in writing, within 30 days  
13 after:

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

16 (b) A certificate to practice public accounting issued to him by another  
17 jurisdiction is revoked or suspended; or

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

20 **Sec. 3.** NRS 628.370 is hereby amended to read as follows:

21 628.370 1. Each office established or maintained in this state for the  
22 practice of public accounting in this state by a certified public accountant  
23 or a partnership, corporation or limited-liability company composed of  
24 certified public accountants, or by a registered public accountant or a  
25 partnership, corporation or limited-liability company composed of  
26 registered public accountants, *including an office established or*  
27 *maintained under a fictitious name*, must be registered annually under this  
28 chapter with the board. The board may charge a fee for the registration of  
29 an office in an amount set by regulation.

30 2. Each office must be under the supervision of a manager, who may  
31 be a partner, shareholder, member or employee holding a certificate and a  
32 live permit.

33 3. The board shall by regulation prescribe the procedure to be followed  
34 in registering offices.

35 **Sec. 4.** NRS 628.380 is hereby amended to read as follows:

36 628.380 1. Permits to engage in the practice of public accounting in  
37 this state must be issued by the board to holders of the certificate of  
38 certified public accountant issued under NRS 628.190 to 628.310,  
39 inclusive, and to registered public accountants registered or licensed  
40 pursuant to NRS 628.350, if all offices of the ~~certificate~~ holder *of a*  
41 *certificate* or registrant are maintained and registered as required under  
42 NRS 628.370, and if the ~~certificate~~ holder *of a certificate* or registrant  
43 has complied with the continuing education requirements provided in this  
44 chapter and in the board's regulations.

45 2. All permits expire on December 31 of each year and may be  
46 renewed annually for a period of 1 year by ~~certificate~~ holders *of*  
47 *certificates* and registrants in good standing upon payment of an annual  
48 renewal fee set by the board by regulation.



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1 3. Failure of a ~~certificate~~ holder *of a certificate* or registrant to apply  
2 for an annual permit to practice deprives him of the right to a permit,  
3 unless the board, in its discretion, determines that the failure was caused by  
4 excusable neglect.

5 4. The board shall adopt a regulation specifying the fee for ~~issuance~~  
6 ~~or~~ :

7 (a) *The issuance of a permit more than 30 days after a certificate or*  
8 *registration is granted; and*

9 (b) *The renewal of a permit ~~more than 1 year after the expiration~~*  
10 *~~of a previous permit or granting of a certificate or registration.~~ after*  
11 *January 31 of each year.*

12 5. The board may provide by regulation for the placing of certificates  
13 and registrations ~~in~~ *on* a retired or inactive status. The regulation may  
14 provide for a procedure for applying for retired or inactive status and for  
15 applying to return to active status, and must specify fees, if any, to  
16 accompany the applications.

17 **Sec. 5.** NRS 628.390 is hereby amended to read as follows:

18 628.390 1. After giving notice and conducting a hearing, the board  
19 may revoke, or may suspend for a period of not more than 5 years, any  
20 certificate issued under NRS 628.190 to 628.310, inclusive, any  
21 registration or license granted to a registered public accountant under NRS  
22 628.350, or any registration of a partnership, corporation, limited-liability  
23 company or office, or may revoke, suspend or refuse to renew any permit  
24 issued under NRS 628.380, or may censure the holder of any permit, for  
25 any one or any combination of the following causes:

26 (a) Fraud or deceit in obtaining a certificate , as certified public  
27 accountant, or in obtaining registration or a license as a public accountant  
28 under this chapter, or in obtaining a permit to practice public accounting  
29 under this chapter.

30 (b) Dishonesty, fraud or gross negligence by a certified or registered  
31 public accountant in the practice of public accounting or, if not in the  
32 practice of public accounting, of a kind which adversely affects the ability  
33 to perform public accounting.

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

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

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

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

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

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

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



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- 1 (1) ~~One-year~~ *Sixty days* after the expiration date of the permit to  
2 practice last obtained or renewed by the ~~certificate~~ holder *of a certificate*  
3 or registrant; or  
4 (2) ~~One-year~~ *Sixty days* after the date upon which the ~~certificate~~  
5 holder *of a certificate* or registrant was granted his certificate or  
6 registration, if no permit was ever issued to him, unless the failure has been  
7 excused by the board.  
8 (j) Conduct discreditable to the profession of public accounting or  
9 which reflects adversely upon the fitness of the person to engage in the  
10 practice of public accounting.  
11 (k) Making a false or misleading statement in support of an application  
12 for a certificate, registration or permit of another person.  
13 2. *After giving notice and conducting a hearing, the board may deny*  
14 *an application to take the examination prescribed by the board pursuant*  
15 *to NRS 628.190, deny a person admission to such an examination,*  
16 *invalidate a grade received for such an examination or deny an*  
17 *application for a certificate issued pursuant to NRS 628.190 to 628.310,*  
18 *inclusive, to a person who has:*  
19 (a) *Made any false or fraudulent statement, or any misleading*  
20 *statement or omission relating to a material fact in an application:*  
21 (1) *To take the examination prescribed by the board pursuant to*  
22 *NRS 628.190; or*  
23 (2) *For a certificate issued pursuant to NRS 628.190 to 628.310,*  
24 *inclusive;*  
25 (b) *Cheated on an examination prescribed by the board pursuant to*  
26 *NRS 628.190 or any such examination taken in another state or*  
27 *jurisdiction of the United States;*  
28 (c) *Aided, abetted or conspired with any person in a violation of the*  
29 *provisions of paragraph (a) or (b); or*  
30 (d) *Committed any combination of the acts set forth in paragraphs (a),*  
31 *(b) and (c).*  
32 3. In addition to other penalties prescribed by this section, the board  
33 may impose a civil penalty of not more than \$5,000 for each violation ~~of~~ *of*  
34 *this section.* The board may recover:  
35 (a) Attorney's fees and costs incurred ~~in~~ *with* respect to a hearing held  
36 pursuant to ~~subsection 1 of this section~~ from a ~~licensee if he~~ *person who* is  
37 found in violation ~~thereof, and~~ *of any of the provisions of this section;*  
38 (b) Attorney's fees and costs incurred in the recovery of a civil penalty  
39 imposed ~~of~~ *pursuant to this section; and*  
40 (c) *Any other costs incurred by the board as a result of such a*  
41 *violation.*  
42 **Sec. 6.** NRS 628.400 is hereby amended to read as follows:  
43 628.400 1. After giving notice and conducting a hearing, the board  
44 shall revoke the registration of a partnership, corporation or limited-  
45 liability company if at any time it does not have all the qualifications  
46 prescribed by the section of this chapter under which it qualified for  
47 registration.  
48 2. After giving notice and conducting a hearing, the board may revoke  
49 or suspend the registration of a partnership, corporation or limited-liability



1 company, or may censure the partnership, corporation or limited-liability  
2 company, or impose a sanction authorized by NRS 628.390, for any of the  
3 causes enumerated in *subsection 1 of* NRS 628.390, or for one or both of  
4 the following additional causes:

5 (a) The revocation or suspension of the certificate or registration or the  
6 revocation or suspension or refusal to renew the permit to practice of any  
7 partner or shareholder who is personally engaged in the practice of public  
8 accounting in this state, whether or not he holds a live permit in this state.

9 (b) The cancellation, revocation, suspension or refusal to renew the  
10 authority of the partnership, corporation or limited-liability company, or  
11 any partner, shareholder or member thereof to practice public accounting in  
12 any other state for any cause other than failure to pay an annual registration  
13 fee or comply with a requirement for continuing education or practice  
14 review in the other state.

15 **Sec. 7.** This act becomes effective on July 1, 2001.

