

Senate Bill No. 512—Committee on Commerce and Labor

CHAPTER.....

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; requiring certain persons who wish to engage in the practice of public accounting under a fictitious name to register the fictitious name with the board; requiring the board to adopt regulations prescribing the procedure and fee for registering a fictitious name with the board; 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:

Section 1. Chapter 628 of NRS is hereby amended by adding thereto a new section to read as follows:

1. Before a certified public accountant or registered public accountant or a partnership, corporation or limited-liability company composed of certified public accountants or registered public accountants engages in the practice of public accounting in this state under a fictitious name, it must register the fictitious name with the board.

2. The board shall adopt regulations to carry out the provisions of this section, including, without limitation, regulations that prescribe:

(a) The procedure for registering a fictitious name with the board; and

(b) The fee for registering a fictitious name with the board.

Sec. 2. NRS 628.280 is hereby amended to read as follows:

628.280 1. The board shall charge each candidate for a certificate of certified public accountant a fee to be determined by the board by regulation for ~~the~~:

(a) The initial examination prescribed by the board pursuant to NRS 628.190 ~~+~~

~~—2. Fees for reexaminations under NRS 628.190 must also be charged by the board in amounts determined by it by regulation~~ *or* for each section of the examination in which the candidate is reexamined ~~+~~

~~—3.;~~ *and*

(b) The review and inspection of his examination paper.

2. The applicable ~~fee~~ *fees* must be paid by the candidate at the time he applies for examination or reexamination.

~~4.~~ 3. The board shall charge ~~each candidate for a certificate of certified public accountant~~ a fee to be determined by the board by regulation for ~~review and inspection of his examination paper.~~ *administering the examination prescribed by the board pursuant to NRS 628.190 to a person who is a candidate for a certificate as a certified public accountant in another state or jurisdiction of the United States and requests that the board administer the examination to him in this state.*

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

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

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

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

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

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

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

(b) The applicant's certificate:

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

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

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

(c) The requirements for education and examination of the regulatory authority of the foreign country were substantially equivalent to the requirements for education and examination of this state on the date on which the applicant received his certificate;

(d) The applicant:

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

(2) Has completed in this state at least 4 years of public accounting experience, or equivalent experience determined to be appropriate by the

board, within the 10 years immediately preceding his making application for certification in this state;

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

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

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

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

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

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

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

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

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

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

4. The board shall adopt a regulation specifying the fee for ~~issuance or~~ the renewal of a permit ~~more than 1 year after the expiration of a previous permit or granting of a certificate or registration.~~ *after January 31 of each year.*

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

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

628.390 1. After giving notice and conducting a hearing, the board may revoke, or may suspend for a period of not more than 5 years, any certificate issued under NRS 628.190 to 628.310, inclusive, any registration or license granted to a registered public accountant under NRS 628.350, or any registration of a partnership, corporation, limited-liability

company or office, or may revoke, suspend or refuse to renew any permit issued under NRS 628.380, or may censure the holder of any permit, for any one or any combination of the following causes:

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

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

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

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

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

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

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

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

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

(1) ~~One year~~ *Sixty days* after the expiration date of the permit to practice last obtained or renewed by the ~~certificate~~ holder *of a certificate* or registrant; or

(2) ~~One year~~ *Sixty days* after the date upon which the ~~certificate~~ holder *of a certificate* or registrant was granted his certificate or registration, if no permit was ever issued to him, unless the failure has been excused by the board.

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

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

2. *After giving notice and conducting a hearing, the board may deny an application to take the examination prescribed by the board pursuant to NRS 628.190, deny a person admission to such an examination, invalidate a grade received for such an examination or deny an application for a certificate issued pursuant to NRS 628.190 to 628.310, inclusive, to a person who has:*

(a) Made any false or fraudulent statement, or any misleading statement or omission relating to a material fact in an application:

(1) To take the examination prescribed by the board pursuant to NRS 628.190; or

(2) *For a certificate issued pursuant to NRS 628.190 to 628.310, inclusive;*

(b) *Cheated on an examination prescribed by the board pursuant to NRS 628.190 or any such examination taken in another state or jurisdiction of the United States;*

(c) *Aided, abetted or conspired with any person in a violation of the provisions of paragraph (a) or (b); or*

(d) *Committed any combination of the acts set forth in paragraphs (a), (b) and (c).*

3. In addition to other penalties prescribed by this section, the board may impose a civil penalty of not more than \$5,000 for each violation ~~of this section.~~ The board may recover:

(a) Attorney's fees and costs incurred ~~with~~ *with* respect to a hearing held pursuant to ~~subsection 1 of this section~~ *from a licensee if he person who* is found in violation ~~thereof; and~~ *of any of the provisions of this section;*

(b) Attorney's fees and costs incurred in the recovery of a civil penalty imposed ~~of this section; and~~

(c) *Any other costs incurred by the board as a result of such a violation.*

Sec. 6. NRS 628.400 is hereby amended to read as follows:

628.400 1. After giving notice and conducting a hearing, the board shall revoke the registration of a partnership, corporation or limited-liability company if at any time it does not have all the qualifications prescribed by the section of this chapter under which it qualified for registration.

2. After giving notice and conducting a hearing, the board may revoke or suspend the registration of a partnership, corporation or limited-liability company, or may censure the partnership, corporation or limited-liability company, or impose a sanction authorized by NRS 628.390, for any of the causes enumerated in *subsection 1 of* NRS 628.390, or for one or both of the following additional causes:

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

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

Sec. 7. 1. Notwithstanding the provisions of section 1 of this act, a certified public accountant or registered public accountant, or a partnership, corporation or limited-liability company composed of certified public accountants or registered public accountants, that is engaged in the practice of public accounting in this state under a fictitious name and holds a certificate of registration that was issued under the fictitious name by the Nevada state board of accountancy pursuant to NRS 628.370 before July 1, 2001, must register the fictitious name with the board pursuant to the

procedure prescribed by the board and pay the fee prescribed by the board not later than January 1, 2002.

2. As used in this section:

(a) “Practice of public accounting” has the meaning ascribed to it in NRS 628.023.

(b) “Registered public accountant” has the meaning ascribed to it in NRS 628.029.

Sec. 8. 1. This section and sections 2 to 7, inclusive, of this act become effective on July 1, 2001.

2. Section 1 of this act becomes effective on July 1, 2001, for the purpose of adopting regulations and on January 1, 2002, for all other purposes.