

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; 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:

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

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

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

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

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

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

15    628.280 1. The board shall charge each candidate for a certificate of  
16    certified public accountant a fee to be determined by the board by  
17    regulation for ~~the~~:



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1 (a) *The* initial examination prescribed by the board pursuant to  
2 NRS 628.190 ~~†~~

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

6 ~~3.† ; and~~

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

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

10 ~~4.† 3. The board shall charge each candidate for a certificate of~~  
11 ~~certified public accountant~~ a fee to be determined by the board by  
12 regulation for ~~review and inspection of his examination paper.~~  
13 *administering the examination prescribed by the board pursuant to NRS*  
14 *628.190 to a person who is a candidate for a certificate as a certified*  
15 *public accountant in another state or jurisdiction of the United States*  
16 *and requests that the board administer the examination to him in this*  
17 *state.*

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

19 628.310 1. The board may waive the examination, the requirements  
20 for education or the requirements for experience, or any combination  
21 thereof, required under NRS 628.190, and may issue a certificate as a  
22 certified public accountant to any person who is the holder of a certificate  
23 as a certified public accountant then in effect issued under the laws of any  
24 state or other jurisdiction of the United States approved by the board,  
25 constituting a recognized qualification for the practice of public accounting  
26 comparable to that of a certified public accountant of this state, if:

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

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

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

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

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



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1 (b) The applicant's certificate:

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

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

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

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

12 (d) The applicant:

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

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

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

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

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

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

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

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

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 the~~ renewal of a permit ~~more than 1 year after the expiration of a~~  
7 ~~previous permit or granting of a certificate or registration.~~ *after January*  
8 *31 of each year.*

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

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

15 628.390 1. After giving notice and conducting a hearing, the board  
16 may revoke, or may suspend for a period of not more than 5 years, any  
17 certificate issued under NRS 628.190 to 628.310, inclusive, any  
18 registration or license granted to a registered public accountant under NRS  
19 628.350, or any registration of a partnership, corporation, limited-liability  
20 company or office, or may revoke, suspend or refuse to renew any permit  
21 issued under NRS 628.380, or may censure the holder of any permit, for  
22 any one or any combination of the following causes:

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

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

40 628.400 1. After giving notice and conducting a hearing, the board  
41 shall revoke the registration of a partnership, corporation or limited-  
42 liability company if at any time it does not have all the qualifications  
43 prescribed by the section of this chapter under which it qualified for  
44 registration.

45 2. After giving notice and conducting a hearing, the board may revoke  
46 or suspend the registration of a partnership, corporation or limited-liability  
47 company, or may censure the partnership, corporation or limited-liability  
48 company, or impose a sanction authorized by NRS 628.390, for any of the



1 causes enumerated in *subsection 1 of* NRS 628.390, or for one or both of  
2 the following additional causes:

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

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

13 **Sec. 7.** 1. Notwithstanding the provisions of section 1 of this act, a  
14 certified public accountant or registered public accountant, or a  
15 partnership, corporation or limited-liability company composed of certified  
16 public accountants or registered public accountants, that is engaged in the  
17 practice of public accounting in this state under a fictitious name and holds  
18 a certificate of registration that was issued under the fictitious name by the  
19 Nevada state board of accountancy pursuant to NRS 628.370 before July 1,  
20 2001, must register the fictitious name with the board pursuant to the  
21 procedure prescribed by the board and pay the fee prescribed by the board  
22 not later than January 1, 2002.

23 2. As used in this section:

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

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

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

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

