

Amendment No. 697

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| Senate Amendment to Assembly Bill No. 454 First Reprint | (BDR 54-109) |
| Proposed by: Senate Committee on Commerce, Labor and Energy | |
| Amends: Summary: No Title: Yes Preamble: No Joint Sponsorship: No Digest: Yes | |

| ASSEMBLY ACTION | | Initial and Date | SENATE ACTION | | Initial and Date |
|-----------------|--------------------------|-------------------------------|---------------|--------------------------|-------------------------------|
| Adopted | <input type="checkbox"/> | Lost <input type="checkbox"/> | Adopted | <input type="checkbox"/> | Lost <input type="checkbox"/> |
| Concurred In | <input type="checkbox"/> | Not <input type="checkbox"/> | Concurred In | <input type="checkbox"/> | Not <input type="checkbox"/> |
| Receded | <input type="checkbox"/> | Not <input type="checkbox"/> | Receded | <input type="checkbox"/> | Not <input type="checkbox"/> |

EXPLANATION: Matter in (1) *blue bold italics* is new language in the original bill; (2) variations of green bold underlining is language proposed to be added in this amendment; (3) ~~red strikethrough~~ is deleted language in the original bill; (4) ~~purple double strikethrough~~ is language proposed to be deleted in this amendment; (5) orange double underlining is deleted language in the original bill proposed to be retained in this amendment.

MKM/BJF



Date: 5/18/2017

A.B. No. 454—Makes various changes to provisions relating to accountants.
(BDR 54-109)



ASSEMBLY BILL NO. 454—COMMITTEE
ON COMMERCE AND LABOR

MARCH 27, 2017

Referred to Committee on Judiciary

SUMMARY—Makes various changes to provisions relating to accountants.
(BDR 54-109)FISCAL NOTE: Effect on Local Government: Increases or Newly Provides for
Term of Imprisonment in County or City Jail or Detention
Facility.
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; revising provisions relating to the qualifications and appointment of members of the Nevada State Board of Accountancy; revising provisions relating to the adoption or amendment of rules of professional conduct by the Board; revising the qualifications for a certificate of certified public accountant; revising certain educational and work experience requirements for a certificate of certified public accountant; **eliminating the requirement that an accounting firm which performs attest services but which does not have an office in this State must register with the Board; providing that such an accounting firm may perform attest services under the same conditions as it practices and performs nonattest services;** authorizing the issuance of a cease and desist order to a person believed to be engaged in the unlawful practice of accounting; repealing provisions relating to the registration of public accountants and business entities formed by public accountants; increasing a penalty; and providing other matters properly relating thereto.

Legislative Counsel's Digest:

Existing law generally provides for the regulation of accountants in this State. (Chapter 628 of NRS) **Sections 1, 3 and 4** of this bill revise definitions relating to services to be performed by accountants to conform with the seventh edition of the Uniform Accountancy Act, published by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy.

Section 9 of this bill requires the Nevada State Board of Accountancy to provide notice of proposed new rules of professional conduct or amendments to rules of professional conduct to permit holders by electronic mail rather than by delivery by the United States Postal Service. **Section 10** of this bill removes the requirement that to qualify for a certificate of certified public accountant, the applicant must either be a resident of this State or designate an agent in this State to receive service of process for the applicant. **Sections 11-13** of this bill

revise certain educational, work experience and examination requirements for a certificate of certified public accountant.

Section 14.2 of this bill eliminates the requirement that a partnership, corporation, limited-liability company or sole proprietorship must register with the Board in order to perform attest services for a client having his or her home office in this State. (NRS 628.335) Section 14.2 additionally authorizes such a partnership, corporation, limited-liability company or sole proprietorship to perform attest services for a client having his or her home office in this State without registering only if the partnership, corporation, limited-liability company or sole proprietorship meets the existing criteria for nonattest services. Sections 13.5, 14.4-14.8 and 31.5 of this bill make conforming changes necessitated by the revisions to section 14.2.

Section 28 of this bill authorizes the Board to provide another licensing board or agency with otherwise confidential and privileged records relating to a complaint if the Board is cooperating in an investigation by that board or agency. Section 39 of this bill authorizes the Board to issue a cease and desist order to a person the Board believes to be engaging in certain unlawful acts relating to accounting. Section 40 of this bill increases the penalty for committing certain unlawful acts relating to accounting from a misdemeanor to a gross misdemeanor.

Section 45 of this bill repeals provisions relating to the registration and regulation of registered public accountants and business entities formed by public accountants. Sections 5, 6, 8, ~~14-27, 29-38~~ 14, 15-27, 29-31, 32-38 and 41-44 of this bill make conforming changes.

Under existing law, the Nevada Society of Certified Public Accountants is required to submit to the Governor the names of at least three persons qualified for membership on the Board for each position on the Board to be filled by a certified public accountant. (NRS 628.075) Section 7 of this bill authorizes the Nevada Society of Certified Public Accountants to recommend to the Governor the reappointment of a current Board member who is eligible for reappointment without submitting other names for consideration.

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:

“Report,” when used with respect to any attest or compilation service, means an opinion, report or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements, and that also includes or is accompanied by a statement or implication that the person or firm issuing it has special knowledge or competence in accounting or auditing. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is an accountant or auditor, or from the language of the report itself. The term includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of the attested information or compiled financial statements referred to, or special competence on the part of the person or firm issuing such language, including, without limitation, another form of language that is conventionally understood to imply such assurance or such special knowledge or competence.

Sec. 2. NRS 628.003 is hereby amended to read as follows:

628.003 As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 628.005 to 628.033, inclusive, *and section 1 of this act* have the meanings ascribed to them in those sections.

1 **Sec. 3.** NRS 628.005 is hereby amended to read as follows:

2 628.005 “Attest,” “attesting” and “attestation” mean *providing* the ~~issuance~~
3 ~~of opinions, reports or other documents which state or imply assurance of the~~
4 ~~reliability of information when the opinions, reports or other documents are~~
5 ~~accompanied by or contain any name, title or wording which indicates that the~~
6 ~~person or other entity which has issued them is an accountant or auditor, or has~~
7 ~~expert knowledge in accounting or auditing. The terms include any disclaimer of an~~
8 ~~opinion when the disclaimer is in a form which is understood to imply any positive~~
9 ~~assurance of the reliability of the information and expertise on the part of the person~~
10 ~~making the disclaimer.~~ *following services:*

11 1. *An audit or other engagement to be performed in accordance with the*
12 *Statements on Auditing Standards (SAS) published by the American Institute of*
13 *Certified Public Accountants.*

14 2. *A review of a financial statement to be performed in accordance with the*
15 *Statements on Standards for Accounting and Review Services (SSARS) published*
16 *by the American Institute of Certified Public Accountants.*

17 3. *An examination of prospective financial information to be performed in*
18 *accordance with the Statements on Standards for Attestation Engagements*
19 *(SSAE) published by the American Institute of Certified Public Accountants.*

20 4. *An engagement to be performed in accordance with the standards of the*
21 *Public Company Accounting Oversight Board.*

22 5. *An examination, review or agreed upon procedures engagement to be*
23 *performed in accordance with the SSAE, other than an examination described in*
24 *subsection 3.*

25 **Sec. 4.** NRS 628.014 is hereby amended to read as follows:

26 628.014 “Compilation” means ~~the presentation, in the form of financial~~
27 ~~statements prepared~~ *providing a service to be performed* in accordance with the
28 *Statements on Standards for Accounting and Review Services (SSARS) published*
29 *by the American Institute of Certified Public Accountants, [of information]* that is
30 ~~is a representation by~~ *presented in the [owner or management] form of [an entity]*
31 *financial statements, of information that is the representation of the owner or*
32 *management* without undertaking to ~~state or imply assurance of the reliability of~~
33 ~~express any assurance on the [information.] statements.~~

34 **Sec. 5.** NRS 628.0345 is hereby amended to read as follows:

35 628.0345 1. In addition to any other requirements set forth in this chapter:

36 (a) An applicant for the issuance of a certificate issued pursuant to NRS
37 628.190 to 628.310, inclusive, ~~any registration or license granted to a registered~~
38 ~~public accountant pursuant to NRS 628.350~~ or a permit issued pursuant to NRS
39 628.380 shall include the social security number of the applicant in the application
40 submitted to the Board.

41 (b) An applicant for the issuance or renewal of a certificate issued pursuant to
42 NRS 628.190 to 628.310, inclusive, ~~any registration or license granted to a~~
43 ~~registered public accountant pursuant to NRS 628.350~~ or a permit issued pursuant
44 to NRS 628.380 shall submit to the Board the statement prescribed by the Division
45 of Welfare and Supportive Services of the Department of Health and Human
46 Services pursuant to NRS 425.520. The statement must be completed and signed by
47 the applicant.

48 2. The Board shall include the statement required pursuant to subsection 1 in:

49 (a) The application or any other forms that must be submitted for the issuance
50 or renewal of the certificate ~~[registration, license]~~ or permit; or

51 (b) A separate form prescribed by the Board.

52 3. A certificate ~~[registration, license]~~ or permit described in subsection 1
53 may not be issued or renewed by the Board if the applicant:

(a) Fails to submit the statement required pursuant to subsection 1; or
(b) Indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order.

4. If an applicant indicates on the statement submitted pursuant to subsection 1 that the applicant is subject to a court order for the support of a child and is not in compliance with the order or a plan approved by the district attorney or other public agency enforcing the order for the repayment of the amount owed pursuant to the order, the Board shall advise the applicant to contact the district attorney or other public agency enforcing the order to determine the actions that the applicant may take to satisfy the arrearage.

Sec. 6. NRS 628.045 is hereby amended to read as follows:

628.045 1. ~~{Except as otherwise provided in subsection 2, the}~~ *The* Governor shall appoint to the Board ~~{six}~~ :

(a) Six members who are certified public accountants {in the State of Nevada and one member who is a registered public accountant} in the State of Nevada {Of the six members who are certified public accountants} of whom:

~~{(a)}~~ *(1) One member must be employed by the government or by private industry; and*

~~{(b)}~~ *(2) Five members must be engaged in the practice of public accounting.*

~~{2. Whenever the total number of registered public accountants who practice is 10 or fewer, the Board must consist of six members who are certified public accountants and the member who is a registered public accountant until that member's term of office expires. Thereafter, the Board must consist of:~~

~~—(a) Six members who are certified public accountants, one of whom must be employed by the government or by private industry.]~~

(b) One member who represents the public. This member must not be:

(1) A certified public accountant {or a public accountant ; for a registered public accountant;} or

(2) The spouse or the parent or child, by blood, marriage or adoption, of a certified public accountant {or a public accountant . for a registered public accountant.

~~—3.} 2. No person may be appointed to the Board unless he or she is:~~

(a) Engaged in active practice as a certified public accountant {for registered public accountant} and holds a live permit to practice public accounting in this State, or is appointed as the member who represents the public.

(b) A resident of the State of Nevada.

Sec. 7. NRS 628.075 is hereby amended to read as follows:

628.075 1. ~~{The}~~ *Except as otherwise provided in subsection 2, the* Nevada Society of Certified Public Accountants shall, at least 30 days before the beginning of any term, or within 30 days after a position on the Board becomes vacant, submit to the Governor the names of at least three persons qualified for membership on the Board for each position to be filled by a certified public accountant. The Governor shall appoint new members or fill the vacancy from the list, or request a new list. If the Nevada Society of Certified Public Accountants fails to submit timely nominations for a position on the Board, the Board may submit nominations to the Governor, who shall appoint members from among the nominees or request a new list.

2. If the term of a current member of the Board is expiring and that member is eligible for reappointment to the Board, the Nevada Society of Certified Public Accountants may recommend to the Governor the reappointment

of that member without having to submit additional names for consideration to the Governor.

3. The Governor may appoint any qualified person who is a resident of this State to the position which is to be occupied by a person who represents the public.

Sec. 8. NRS 628.130 is hereby amended to read as follows:

628.130 The Board shall:

1. Have a seal of which judicial notice must be taken.

2. Keep records of its proceedings. In any proceedings in court, civil or criminal, arising out of or founded upon any provision of this chapter, copies of those records certified as correct under the seal of the Board are admissible in evidence as tending to prove the contents of the records.

3. Maintain a website on the Internet or its successor and post on its website:

(a) The names arranged alphabetically by classifications of all accountants and business entities holding ~~licenses,~~ certificates, registrations or permits under this chapter.

(b) The names of the members of the Board.

(c) Such other matter as may be deemed proper by the Board.

Sec. 9. NRS 628.160 is hereby amended to read as follows:

628.160 1. The Board may by regulation adopt and amend rules of professional conduct appropriate to establish and maintain a high standard of quality, integrity and dignity in the profession of public accountancy.

2. In addition to the requirements of chapter 233B of NRS, the Board shall ~~at least 60 days before the adoption of any such rule or amendment, mail copies of the~~ *provide notice of any such* proposed rule or amendment to each holder of a live permit, to the *electronic mail* address shown in the records of the Board, ~~together~~ *along* with ~~a notice~~ *information* advising the holder of the permit of the date, time and place of the hearing on the proposed rule or amendment and requesting that he or she submit any comments thereon at least 15 days before the hearing. The comments are advisory only. ~~Failure by inadvertence or error to mail the rule, amendment or notice to each holder of a permit does not affect the validity of any rule or amendment if the Board has made an effort in good faith to mail the notice to all holders of permits.~~ *The Board shall also make available on its Internet website the proposed rule or amendment.*

3. The Board may adopt regulations concerning the professional conduct of corporations, partnerships and limited-liability companies practicing certified public accounting or public accounting which it deems consistent with or required by the public welfare, including regulations:

(a) Governing the style, name and title of the corporations, partnerships and limited-liability companies.

(b) Governing the affiliation of the corporations, partnerships and limited-liability companies with any other organizations.

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

628.190 1. Except as otherwise provided in this section and NRS 628.310, a certificate of certified public accountant must be granted by the Board to any person who:

(a) Is ~~a resident of this State or, if not a resident, has designated to the Board an agent who is a resident for notification and service of process;~~

~~(b) Is a person who is~~ without any history of acts involving dishonesty or moral turpitude;

~~(c)~~ (b) Complies with the requirements of education and *work* experience as provided in NRS 628.200;

~~(d)~~ (c) Has submitted to the Board a complete set of fingerprints and written permission authorizing the Board to forward the fingerprints to the Central

Repository for Nevada Records of Criminal History for submission to the Federal Bureau of Investigation for its report; and

~~1(e)-(f)~~ (d) Has passed the examination prescribed by the Board.

2. The Board may refuse to grant a certificate of certified public accountant to an applicant if he or she has been convicted of a felony in this State or an offense in another state or jurisdiction which would be a felony if committed in this State.

3. The Board may issue a provisional certificate to an applicant until the Board receives the report from the Federal Bureau of Investigation.

Sec. 11. NRS 628.200 is hereby amended to read as follows:

628.200 1. Except as otherwise provided in subsection 4, the requirements of education for a certificate of certified public accountant are:

(a) At least 150 semester hours or an equivalent number of quarter hours; and

(b) A baccalaureate degree or an equivalent degree from a college or university recognized by the Board:

(1) With a major in accounting, or what the Board determines to be substantially the equivalent of a major in accounting; or

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

2. The requirement for *work* experience for a certificate of certified public accountant is:

(a) Two years of public accounting experience in a partnership, corporation, limited-liability company or sole proprietorship engaged in the practice of public accounting under the direct supervision of a person who is a certified public accountant; or

(b) ~~Experience in internal auditing work or governmental accounting and auditing work~~ *Other work experience under the direct supervision of a person engaged in active practice as a certified public accountant*, of a character and for a length of time sufficient in the opinion of the Board to be substantially equivalent to the requirements of paragraph (a).

3. The Board:

(a) Shall adopt regulations concerning:

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

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

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

4. Notwithstanding any provision of this section to the contrary, an applicant for a certificate of certified public accountant who has received conditional credit pursuant to NRS 628.260 for passing a section of the examination required for a certificate, and who applies that credit to subsequent passage of the examination, is subject to the educational requirements to receive a certificate that were in effect on the date on which the applicant ~~first received the conditional credit~~ *passed all sections of the examination*.

Sec. 12. NRS 628.240 is hereby amended to read as follows:

628.240 A candidate for a certificate of certified public accountant who has met the educational requirements as prescribed by the Board pursuant to NRS 628.230 is eligible to take the examination without waiting until he or she meets the

requirements of *work* experience if the candidate also meets the requirements of ~~paragraphs~~ *paragraph* (a) ~~and (b)~~ of subsection 1 of NRS 628.190.

Sec. 13. 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 *work* 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 the person received his or her 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 a partnership, corporation, limited-liability company or sole proprietorship engaged in the practice of public accounting and working 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 or her making application pursuant to this chapter; and

(c) The requirements for education of the state or other jurisdiction from which the person received his or her original certificate are determined by the Board to satisfy the requirements for education of this State.

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 or her 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 any 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 or her 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 the application a list of all jurisdictions in which he or she 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) The person 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 the person by another jurisdiction is revoked or suspended; or

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

Sec. 13.5. NRS 628.315 is hereby amended to read as follows:

628.315 1. Except as otherwise provided in this chapter, a natural person who holds a valid license as a certified public accountant from any state other than this State shall be deemed to be a certified public accountant for all purposes under the laws of this State other than this chapter.

2. A natural person granted practice privileges pursuant to subsection 1 is not required to obtain:

(a) A certificate pursuant to NRS 628.190; or

(b) A permit pursuant to NRS 628.380.

3. A natural person granted practice privileges pursuant to subsection 1 and a partnership, corporation, limited-liability company or sole proprietorship that employs such a person shall be deemed to consent, as a condition of the grant of such practice privileges:

(a) To the personal and subject matter jurisdiction, and disciplinary authority, of the Board.

(b) To comply with the provisions of this chapter and the regulations of the Board.

(c) That, in the event that the license from the state wherein the natural person's principal place of business is located becomes invalid, the natural person will cease offering or engaging in the practice of professional accounting in this State individually and on behalf of a partnership, corporation, limited-liability company or sole proprietorship.

(d) To the appointment of the state board that issued the license as the agent upon whom process may be served in any investigation, action or proceeding relating to the natural person or the partnership, corporation, limited-liability company or sole proprietorship by the Board.

4. A natural person granted practice privileges pursuant to subsection 1 may perform attest services for a client having his or her home office in this State only if the partnership, corporation, limited-liability company or sole proprietorship that employs the person is registered pursuant to NRS 628.335 ~~+~~ **or is exempt from registration pursuant to subsection 3 of NRS 628.335.**

Sec. 14. NRS 628.325 is hereby amended to read as follows:

628.325 1. One or more natural persons may organize a corporation for the practice of public accounting under the Professional Entities and Associations Act, chapter 89 of NRS. The corporation is not required to have more directors than shareholders, but at least one director must be a shareholder. The other directors need not, but may, be shareholders.

2. One or more natural persons may:

(a) Organize a corporation pursuant to chapter 78 of NRS;

(b) Qualify to do business as a foreign corporation pursuant to chapter 80 of NRS;

(c) Organize a limited-liability company pursuant to chapter 86 of NRS; or

(d) Register as a foreign limited-liability company pursuant to chapter 86 of NRS,

↳ to practice public accounting.

3. The organization, qualification or registration of a corporation or company pursuant to subsection 2:

(a) Does not modify:

(1) The relationship between an accountant and a client;

(2) The liability arising out of that relationship; or

(3) The compliance of the corporation or company with this chapter or any regulations adopted pursuant thereto.

(b) Does not render:

(1) A person liable in tort for any act in which he or she has not personally participated.

(2) The manager, a member or an employee of a limited-liability company liable in contract for any contract which the person executes on behalf of a limited-liability company within the limits of his or her authority.

4. Notwithstanding any specific statute to the contrary, a simple majority of the ownership of a corporation, partnership or limited-liability company organized for the practice of public accounting in this State, in terms of the financial interests and voting rights of all shareholders, partners, officers, members and principals thereof, must belong to persons who are certified public accountants in any state . ~~for a registered public accountant in this State.~~ Each shareholder, partner, officer, member or principal whose principal place of business is in this State and who performs professional services in this State must be ~~+~~

~~—(a) If the corporation, partnership or limited liability company registered with the Board is a corporation, partnership or limited liability company of certified public accountants, a certified public accountant in this State in good standing . ~~+~~ and~~

~~—(b) If the corporation, partnership or limited liability company registered with the Board is a corporation, partnership or limited liability company of public accountants, a certified public accountant or registered public accountant in this State in good standing .~~

5. A corporation, partnership or limited-liability company organized for the practice of public accounting in this State may have as a shareholder, partner, officer, member or principal any natural person who is not a certified public accountant in any state ~~for a registered public accountant in this State~~ if:

(a) The natural person is actively engaged in the business of the corporation, partnership or limited-liability company, or any affiliate thereof; and

(b) The corporation, partnership or limited-liability company complies with any other requirements that the Board by regulation may impose.

Sec. 14.2. NRS 628.335 is hereby amended to read as follows:

628.335 1. The Board shall grant or renew registration to a partnership, corporation, limited-liability company or sole proprietorship that demonstrates its qualifications therefor in accordance with this chapter.

2. A partnership, corporation or limited-liability company with an office in this State shall register with the Board if the partnership, corporation or limited-liability company:

(a) Performs attest services;

(b) Performs compilation services;

(c) Is engaged in the practice of public accounting; or

(d) Is styled and known as a certified public accountant or uses the abbreviation "C.P.A."

3. A partnership, corporation, limited-liability company or sole proprietorship that does not have an office in this State, ~~+~~

~~(c) Shall register with the Board if the partnership, corporation, limited liability company or sole proprietorship performs attest services for a client having his or her home office in this State.~~

~~(b) May~~ may practice public accounting, may perform compilation services or other professional services within the practice of public accounting ~~other than~~ including, without limitation, attest services, for a client having his or her home office in this State, may be styled and known as a certified public accountant and may use the title or designation "certified public accountant" and the abbreviation "C.P.A." without registering with the Board only if:

~~(1)~~ (a) Persons who are certified public accountants in any state constitute a simple majority, in terms of financial interests and voting rights of all partners, shareholders, officers, members and principals thereof, of the ownership of the partnership, corporation, limited-liability company or sole proprietorship;

~~(2)~~ (b) The partnership, corporation, limited-liability company or sole proprietorship complies with the provisions of subsection 5 of NRS 628.325, if applicable;

~~(3)~~ (c) A natural person granted practice privileges pursuant to NRS 628.315 practices such public accounting or performs such compilation services or such other professional services within the practice of public accounting for the client having his or her home office in this State; and

~~(4)~~ (d) The partnership, corporation, limited-liability company or sole proprietorship can lawfully perform such services in the state where the natural person described in ~~subparagraph (3)~~ paragraph (c) has his or her principal place of business.

4. A natural person granted practice privileges pursuant to NRS 628.315 must not be required to obtain a permit from this State pursuant to NRS 628.380 if the person performs such professional services for:

(a) Which a partnership, corporation, limited-liability company or sole proprietorship is required to register pursuant to this section or is exempt from registration pursuant to subsection 3 of NRS 628.335; or

(b) A partnership, corporation or limited-liability company registered pursuant to the provisions of NRS 628.325.

Sec. 14.4. NRS 628.340 is hereby amended to read as follows:

628.340 1. A partnership required to register with the Board pursuant to NRS 628.335 or which performs attest services and is exempt from registration pursuant to subsection 3 of NRS 628.335 must meet the following requirements:

(a) At least one general partner must be either a certified public accountant of this State in good standing or, if the partnership ~~is required to register~~ performs attest services and is exempt from registration pursuant to ~~paragraph (a) of~~ subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.

(b) Each partner who is a resident of this State and is personally and regularly engaged within this State in the practice of public accounting as a member thereof, or whose principal place of business is in this State and who is engaged in the practice of professional accounting in this State, must be a certified public accountant of this State in good standing.

(c) Each partner who is personally and regularly engaged in the practice of public accounting in this State must be either a certified public accountant of this State in good standing or, if the partnership ~~is required to register~~ performs attest services and is exempt from registration pursuant to ~~paragraph (a) of~~ subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.

(d) Each partner who is regularly engaged in the practice of public accounting within the United States must be a certified public accountant in good standing of some state or jurisdiction of the United States.

(e) Each manager in charge of an office of the partnership in this State must be either a certified public accountant of this State in good standing or a natural person granted practice privileges pursuant to NRS 628.315.

(f) A corporation or limited-liability company which is registered pursuant to NRS 628.343 or 628.345 or which is exempt from registration pursuant to subsection 3 of NRS 628.335 may be a partner, and a partnership which is registered pursuant to this section or which is exempt from registration pursuant to subsection 3 of NRS 628.335 may be a general partner, in a partnership engaged in the practice of public accounting.

2. Application for registration must be made upon the affidavit of ~~either~~ a general partner who holds a live permit to practice in this State as a certified public accountant ~~for, if the partnership is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.~~ 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 partnership 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 partnership name. Notice must be given to the Board within 1 month after the admission to or withdrawal of a partner from any partnership so registered.

Sec. 14.6. NRS 628.343 is hereby amended to read as follows:

628.343 1. A corporation required to register with the Board pursuant to NRS 628.335 or which performs attest services and is exempt from registration pursuant to subsection 3 of NRS 628.335 shall comply with the following requirements:

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

(b) The principal officer of the corporation and any officer or director having authority over the practice of public accounting by the corporation must be a certified public accountant of some state in good standing.

(c) At least one shareholder of the corporation must be either a certified public accountant of this State in good standing or, if the corporation ~~is required to register~~ performs attest services and is exempt from registration pursuant to ~~paragraph (a) of~~ subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.

(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 either a certified public accountant of this State in good standing or, if the corporation ~~is required to register~~ performs attest services and is exempt from registration pursuant to ~~paragraph (a) of~~ subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.

(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 ~~either~~ a shareholder who holds a live permit to practice in this State as a certified public accountant, ~~for, if the corporation is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.~~ 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. 14.8. NRS 628.345 is hereby amended to read as follows:

628.345 1. A limited-liability company required to register with the Board pursuant to NRS 628.335 or which performs attest services and is exempt from registration pursuant to subsection 3 of NRS 628.335 shall 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) 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 either a certified public accountant of this State in good standing or, if the limited-liability company ~~is required to register~~ performs attest services and is exempt from registration pursuant to ~~paragraph (a) of~~ subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.

(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 this State in the practice of public accounting must be either a certified public accountant of this State in good standing or, if the limited-liability company ~~is required to register~~ performs attest services and is exempt from registration pursuant to ~~paragraph (a) of~~ subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.

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

(f) The limited-liability company shall comply with other regulations pertaining to limited-liability companies practicing public accounting in this State adopted by the Board.

2. Application for registration must be made upon the affidavit of the manager or a member of the limited-liability company. The affiant must hold a live permit to practice in this State as a certified public accountant. ~~for, if the limited-liability company is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.~~ 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 limited-liability company 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 name. Notice must be given to the Board within 1 month after

the admission to or withdrawal of a member from any limited-liability company so registered.

Sec. 15. NRS 628.370 is hereby amended to read as follows:

628.370 1. Each office established or maintained in this State for the practice of public accounting in this State by a certified public accountant or a partnership, corporation or limited-liability company composed of certified public accountants ~~for or by a registered public accountant or a partnership, corporation or limited liability company composed of registered public accountants,~~ must be registered annually under this chapter with the Board. The Board may charge a fee for the registration of an office in an amount set by regulation.

2. The Board shall by regulation prescribe the procedure to be followed in registering offices.

Sec. 16. NRS 628.375 is hereby amended to read as follows:

628.375 1. Before a certified public accountant ~~for a registered public accountant~~ or a partnership, corporation or limited-liability company composed of certified public accountants ~~for registered public accountants~~ with an office in this State engages in the practice of public accounting in this State under a fictitious name, the person or entity 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. 17. 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 holder of a certificate ~~for registrant~~ are maintained and registered as required under NRS 628.370, and if the holder of a certificate ~~for 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 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 holder of a certificate ~~for registrant~~ to apply for an annual permit to practice deprives him or her 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 the renewal of a permit after January 31 of each year.

5. The Board may provide by regulation for the placing of certificates ~~and registrations~~ 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. 18. NRS 628.385 is hereby amended to read as follows:

628.385 The Legislature finds that:

1. The explosion of knowledge and the increasing complexity of practice make it essential that certified public accountants ~~and public accountants~~ continue to develop their competence and maintain the general quality of the practice of their profession.

2. The public interest requires that certified public accountants ~~and registered public accountants~~ provide competent service in all areas of their practice.

3. Formal programs of continuing education provide certified public accountants ~~and public accountants~~ with the opportunity to maintain the general quality of the practice of their profession.

4. It is in the public interest to require that certified public accountants ~~and registered public accountants~~ who have certificates ~~and who have been registered, respectively,~~ under the provisions of this chapter comply with requirements for continuing education adopted by the Board as a prerequisite to the issuance or renewal of permits to engage in the practice of public accounting pursuant to NRS 628.380.

Sec. 19. NRS 628.386 is hereby amended to read as follows:

628.386 1. The Board may by regulation prescribe, amend or repeal rules, including, but not limited to:

- (a) A definition of basic requirements for continuing education;
- (b) A delineation of qualifying programs;
- (c) A system of control and reporting; and
- (d) A program to ensure that licensees are maintaining the standards of the profession.

2. In exercising its power under this section, the Board shall establish standards which will assure reasonable currency of knowledge as a basis for a high standard of practice by certified public accountants ~~. and registered public accountants.~~ The standards must be established in a manner to assure that a variety of alternatives are available to certificate holders ~~and registrants~~ to comply with the requirements of continuing education for renewal of permits and must take cognizance of specialized areas of practice.

Sec. 20. NRS 628.387 is hereby amended to read as follows:

628.387 The Board may, in accordance with the intent of this chapter, make exceptions from continuing education requirements for certificate holders ~~for registrants~~ not engaged in public practice, or for reasons of health, military service or other good cause, except that if such certificate holder ~~for registrant~~ returns to the practice of public accounting he or she shall meet such continuing education requirements as the Board may determine.

Sec. 21. NRS 628.388 is hereby amended to read as follows:

628.388 The Board may appoint a Committee on Continuing Education consisting of certified public accountants ~~and registered public accountants~~ in active practice and holding live permits. Upon assignment and as directed by the Board, the Committee shall assist the Board in the administration of the provisions of this chapter for continuing education.

Sec. 22. 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 practice privileges granted pursuant to NRS 628.315 or 628.335 ~~any registration or license granted to a registered public accountant under NRS 628.350,~~ or any registration of a partnership, corporation, limited-liability company, sole proprietorship or office, or may revoke, suspend or refuse to renew any permit issued under NRS 628.380, or may publicly censure the holder of any permit, ~~license~~ *certificate* or registration or any natural person granted practice privileges pursuant to NRS 628.315, for any one or any combination of the following causes:

(a) Fraud or deceit in obtaining a certificate as a 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 ~~for registered~~ public accountant or a natural person granted practice privileges pursuant to NRS 628.315.

- (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 relating to the practice of public accounting under the laws of any state or jurisdiction.
- (f) Conviction of any crime:
- (1) An element of which is dishonesty or fraud; or
 - (2) Involving moral turpitude,
- under the laws of any state or jurisdiction.
- (g) Cancellation, revocation, suspension, placing on probation or refusal to renew authority to practice as a certified public accountant ~~for 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 or her practice in the other state.
- (h) Suspension, revocation or placing on probation 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) Sixty days after the expiration date of the permit to practice last obtained or renewed by the holder of a certificate ; ~~for registrant;~~ or
 - (2) Sixty days after the date upon which the holder of a certificate ~~for registrant~~ was granted the certificate , ~~for registration,~~ if no permit was ever issued to the person, 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 ~~for registration~~ or permit of another person.
- (l) Committing an act in another state or jurisdiction which would be subject to discipline in that state.
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.
4. The Board shall not privately censure the holder of any permit ~~for license,~~ or certificate ~~for registration~~ or any natural person granted practice privileges pursuant to NRS 628.315.

1 5. An order that imposes discipline and the findings of fact and conclusions of
2 law supporting that order are public records.

3 **Sec. 23.** NRS 628.393 is hereby amended to read as follows:

4 628.393 1. If the Board receives a copy of a court order issued pursuant to
5 NRS 425.540 that provides for the suspension of all professional, occupational and
6 recreational licenses, certificates and permits issued to a person who is the holder of
7 a certificate issued pursuant to NRS 628.190 to 628.310, inclusive, ~~{a registration or~~
8 ~~license granted to a registered public accountant pursuant to NRS 628.350}~~ or a
9 permit issued pursuant to NRS 628.380, the Board shall deem the certificate ~~{~~
10 ~~registration, license}~~ or permit issued to that person to be suspended at the end of
11 the 30th day after the date on which the court order was issued unless the Board
12 receives a letter issued to the holder of the certificate ~~{, registration, license}~~ or
13 permit by the district attorney or other public agency pursuant to NRS 425.550
14 stating that the holder of the certificate ~~{, registration, license}~~ or permit has
15 complied with the subpoena or warrant or has satisfied the arrearage pursuant to
16 NRS 425.560.

17 2. The Board shall reinstate a certificate issued pursuant to NRS 628.190 to
18 628.310, inclusive, ~~{a registration or license granted to a registered public~~
19 ~~accountant pursuant to NRS 628.350}~~ or a permit issued pursuant to NRS 628.380
20 that has been suspended by a district court pursuant to NRS 425.540 if the Board
21 receives a letter issued by the district attorney or other public agency pursuant to
22 NRS 425.550 to the person whose certificate ~~{, registration, license}~~ or permit was
23 suspended stating that the person whose certificate ~~{, registration, license}~~ or permit
24 was suspended has complied with the subpoena or warrant or has satisfied the
25 arrearage pursuant to NRS 425.560.

26 **Sec. 24.** NRS 628.395 is hereby amended to read as follows:

27 628.395 In addition to any penalty which it may assess pursuant to NRS
28 628.390, the Board may suspend any of the provisions of an order issued pursuant
29 to that section and place the certified ~~{or registered}~~ public accountant on probation,
30 subject to limitations and conditions specified by the Board, which may include
31 requirements for continuing education or for a review of the accountant's practice,
32 either periodically or continuously.

33 **Sec. 25.** NRS 628.400 is hereby amended to read as follows:

34 628.400 1. After giving notice and conducting a hearing, the Board shall
35 revoke the registration of a partnership, corporation or limited-liability company if
36 at any time it does not have all the qualifications prescribed by the section of this
37 chapter under which it qualified for registration.

38 2. After giving notice and conducting a hearing, the Board may revoke or
39 suspend the registration of a partnership, corporation or limited-liability company,
40 or may censure the partnership, corporation or limited-liability company, or impose
41 a sanction authorized by NRS 628.390 ~~{, or 628.395}~~, for any of the causes
42 enumerated in subsection 1 of NRS 628.390, or for one or both of the following
43 additional causes:

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

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

1 **Sec. 26.** NRS 628.410 is hereby amended to read as follows:

2 628.410 1. The Board may initiate proceedings under this chapter:

3 (a) On its own motion;

4 (b) On the complaint of any person; or

5 (c) On a complaint made by a board of accountancy of another state.

6 2. A written notice of the hearing must be served on the respondent not less
7 than 30 days before the date of the hearing, either personally or by mailing a copy
8 thereof by registered or certified mail to the address of the respondent last known to
9 the Board.

10 3. If, after having been served with the notice of hearing, the respondent fails
11 to appear at the hearing and defend, the Board may proceed to hear evidence
12 against the respondent and may enter such order as is justified by the evidence. The
13 order is final unless the respondent petitions for a review thereof. Within 30 days
14 after the date of any order, upon a showing of good cause for failing to appear and
15 defend, the Board may reopen the proceedings and may permit the respondent to
16 submit evidence in his or her behalf.

17 4. At any hearing, a respondent may be represented before the Board by
18 counsel or by a certified public accountant ~~for registered public accountant~~ of this
19 State in good standing. The respondent is entitled, on application to the Board, to
20 the issuance of subpoenas to compel the attendance of witnesses on his or her
21 behalf.

22 5. The Board, or any member thereof, may issue subpoenas to compel the
23 attendance of witnesses and the production of documents. In case of disobedience
24 to a subpoena, the Board may invoke the aid of any court of this State in requiring
25 the attendance and testimony of witnesses and the production of documentary
26 evidence.

27 6. A hearing may be conducted by:

28 (a) The Board, less any member or members who have been disqualified,
29 without the appointment of persons to hear the case in place of the disqualified
30 members; or

31 (b) A member of the Board appointed by the Board as a hearing officer, with
32 the remaining members of the Board, less any member or members who have been
33 disqualified, to review the record, make a final decision and issue the order,
34 ➤ unless the Board, after disqualifications, consists of less than three members to
35 hear or review the case, in which circumstance the Governor must appoint one or
36 more qualified persons so that the panel which hears or reviews the case consists of
37 at least three persons.

38 7. A stenographic record of the hearing must be kept and a transcript thereof
39 filed with the Board.

40 8. At all hearings, the Attorney General or a deputy designated by the
41 Attorney General or such other legal counsel as may be employed shall appear and
42 represent the Board.

43 9. The decision of the Board must be by majority vote thereof.

44 **Sec. 27.** NRS 628.415 is hereby amended to read as follows:

45 628.415 1. Any disciplinary action taken by a hearing officer or panel
46 pursuant to NRS 628.140 is subject to the same procedural requirements which
47 apply to disciplinary actions taken by the Board, and the officer or panel has those
48 powers and duties given to the Board in relation thereto.

49 2. A decision of the hearing officer or panel relating to the imposition of a
50 civil penalty, costs and attorney's fees is a final decision in a contested case. Any
51 party aggrieved by a decision of the officer or panel to place a certified ~~for~~
52 ~~registered~~ public accountant on probation or revoke or suspend a certificate ~~for~~ ~~or~~
53 permit ~~for registration or license~~ may appeal that decision to the Board.

1 **Sec. 28.** NRS 628.418 is hereby amended to read as follows:

2 628.418 1. Except as otherwise provided in this section and NRS 239.0115,
3 a complaint filed with the Board, all documents and other information filed with the
4 complaint and all documents and other information compiled as a result of an
5 investigation conducted to determine whether to initiate disciplinary action are
6 confidential ~~and privileged~~.

7 2. The complaint or other document filed by the Board to initiate disciplinary
8 action and all documents and information considered by the Board when
9 determining whether to impose discipline are public records.

10 3. *The provisions of this section do not prohibit the Board or an employee*
11 *of the Board from cooperating with another licensing board or any other agency*
12 *that is investigating a person who holds a certificate or a permit issued pursuant*
13 *to NRS 628.380 or a partnership, corporation, limited-liability company or sole*
14 *proprietorship that is registered with the Board pursuant to NRS 628.335, by*
15 *providing documents or other information relating to a complaint.*

16 **Sec. 29.** NRS 628.420 is hereby amended to read as follows:

17 628.420 Upon application in writing and after a hearing, the Board may:

18 1. Issue a new certificate to a certified public accountant whose certificate has
19 been revoked;

20 2. ~~Permit the reregistration of a public accountant whose registration has~~
21 ~~been revoked;~~

22 ~~3.~~ Reissue or modify the suspension of any permit to practice public
23 accounting which has been revoked or suspended, unless the permit was suspended
24 pursuant to NRS 425.540; or

25 ~~4.~~ 3. Modify any action taken against any person or any order which it has
26 issued pursuant to NRS 628.390.

27 **Sec. 30.** NRS 628.430 is hereby amended to read as follows:

28 628.430 All statements, records, schedules, working papers and memoranda
29 made by a certified public accountant ~~or a registered public accountant~~ or a natural
30 person granted practice privileges pursuant to NRS 628.315 incident to or in the
31 course of professional service to clients by the accountant, except reports submitted
32 by a certified public accountant ~~or a registered public accountant~~ or a natural
33 person granted practice privileges pursuant to NRS 628.315 to a client, are the
34 property of the accountant, in the absence of an express agreement between the
35 accountant and the client to the contrary. No such statement, record, schedule,
36 working paper or memorandum may be sold, transferred or bequeathed, without the
37 consent of the client or the client's personal representative or assignee, to anyone
38 other than one or more surviving partners or new partners of the accountant or to
39 his or her corporation.

40 **Sec. 31.** NRS 628.435 is hereby amended to read as follows:

41 628.435 1. A practitioner shall comply with all professional standards for
42 accounting and documentation related to an attestation applicable to particular
43 engagements.

44 2. Except as otherwise provided in this section and in all professional
45 standards for accounting and documentation related to an attestation applicable to
46 particular engagements, a practitioner shall retain all documentation related to an
47 attestation for not less than 5 years after the date of the report containing the
48 attestation.

49 3. Documentation related to an attestation that, at the end of the retention
50 period set forth in subsections 1 and 2, is a part of or subject to a pending
51 investigation of, or disciplinary action against, a practitioner must be retained and
52 must not be destroyed until the practitioner has been notified in writing that the
53 investigation or disciplinary action has been closed or concluded.

4. As used in this section:

(a) "Documentation related to an attestation" includes, without limitation:

(1) All documentation relating to consultations and resolutions of any differences of professional opinion regarding the exercise of professional judgment relating to an attestation; and

(2) Documentation of the findings or issues related to the attestation that, based on the judgment of the practitioner after an objective analysis of the facts and circumstances, is determined to be significant, regardless of whether the documentation includes information or data that is inconsistent with the final conclusions of the practitioner.

(b) "Practitioner" means:

(1) A holder of a certificate issued pursuant to NRS 628.190 to 628.310, inclusive, ~~any registration or license granted to a registered public accountant pursuant to NRS 628.350~~ or a permit issued pursuant to NRS 628.380;

(2) A partnership, corporation, limited-liability company or sole proprietorship registered pursuant to NRS 628.335; or

(3) A natural person granted practice privileges pursuant to NRS 628.315.

Sec. 31.5. NRS 628.435 is hereby amended to read as follows:

1. A practitioner shall comply with all professional standards for accounting and documentation related to an attestation applicable to particular engagements.

2. Except as otherwise provided in this section and in all professional standards for accounting and documentation related to an attestation applicable to particular engagements, a practitioner shall retain all documentation related to an attestation for not less than 5 years after the date of the report containing the attestation.

3. Documentation related to an attestation that, at the end of the retention period set forth in subsections 1 and 2, is a part of or subject to a pending investigation of, or disciplinary action against, a practitioner must be retained and must not be destroyed until the practitioner has been notified in writing that the investigation or disciplinary action has been closed or concluded.

4. As used in this section:

(a) "Documentation related to an attestation" includes, without limitation:

(1) All documentation relating to consultations and resolutions of any differences of professional opinion regarding the exercise of professional judgment relating to an attestation; and

(2) Documentation of the findings or issues related to the attestation that, based on the judgment of the practitioner after an objective analysis of the facts and circumstances, is determined to be significant, regardless of whether the documentation includes information or data that is inconsistent with the final conclusions of the practitioner.

(b) "Practitioner" means:

(1) A holder of a certificate issued pursuant to NRS 628.190 to 628.310, inclusive, or a permit issued pursuant to NRS 628.380;

(2) A partnership, corporation, limited-liability company or sole proprietorship registered pursuant to NRS 628.335 ~~or which is performing attest services while exempt from registration pursuant to subsection 3 of NRS 628.335;~~

or

(3) A natural person granted practice privileges pursuant to NRS 628.315.

Sec. 32. NRS 628.440 is hereby amended to read as follows:

628.440 This chapter does not prohibit any person from serving as an employee of, or an assistant to, a certified public accountant ~~for registered public accountant~~ who holds a live permit, or a partnership, corporation or limited-

liability company composed of certified public accountants ~~for registered public accountants registered pursuant to NRS 628.360, 628.363 or 628.365~~ if the employee or assistant does not issue any accounting or financial statement over his or her name.

Sec. 33. NRS 628.470 is hereby amended to read as follows:

628.470 A natural person shall not assume or use the title or designation “public ~~accountant,” “registered public~~ accountant” or any other title, designation, words, letters, abbreviation, sign, card or device tending to indicate that he or she is a public accountant unless the person:

1. ~~Is a registered public accountant, holds a live permit and all of the person’s offices in this State for the practice of public accounting are maintained and registered as required under NRS 628.370;~~

~~—2—~~ 2. Has received a certificate as a certified public accountant under NRS 628.190 to 628.310, inclusive, holds a live permit and all of the person’s offices in this State for the practice of public accounting are maintained and registered as required under NRS 628.370; or

~~13—~~ 2. Is a natural person granted practice privileges pursuant to NRS 628.315.

Sec. 34. NRS 628.480 is hereby amended to read as follows:

628.480 A partnership, corporation, limited-liability company or sole proprietorship shall not assume or use the title or designation “public accountant” or any other title, designation, words, letters, abbreviation, sign, card or device tending to indicate that the partnership, corporation, limited-liability company or sole proprietorship is composed of public accountants unless the partnership, corporation, limited-liability company or sole proprietorship is:

1. Registered as a partnership, corporation, limited-liability company or sole proprietorship of ~~registered public accountants or as a partnership, corporation, limited liability company or sole proprietorship of~~ certified public accountants and all offices of the partnership, corporation, limited-liability company or sole proprietorship in this State for the practice of public accounting are maintained and registered as required under NRS 628.370; or

2. Performing services within the practice of public accounting pursuant to the provisions of subsection 3 of NRS 628.335.

Sec. 35. NRS 628.510 is hereby amended to read as follows:

628.510 1. Except as otherwise provided in subsection 2, a person shall not sign or affix his or her name or the name of a partnership, corporation, limited-liability company or sole proprietorship, or any trade or assumed name used by the person or by the partnership, corporation, limited-liability company or sole proprietorship in business, with any wording indicating that he or she is an accountant or auditor, or that the partnership, corporation, limited-liability company or sole proprietorship is authorized to practice as an accountant or auditor or with any wording indicating that the person or the partnership, corporation, limited-liability company or sole proprietorship has expert knowledge in accounting or auditing, to any accounting or financial statement, or attest to any accounting or financial statement, unless:

(a) The person holds a live permit or the partnership, corporation, limited-liability company or sole proprietorship is registered pursuant to NRS 628.335 ~~† 628.360, 628.363 or 628.365~~ and all of the person’s offices in this State for the practice of public accounting are maintained and registered under NRS 628.370;

(b) The person is a natural person granted practice privileges pursuant to NRS 628.315; or

(c) The partnership, corporation, limited-liability company or sole proprietorship is performing services within the practice of public accounting pursuant to the provisions of subsection 3 of NRS 628.335.

2. The provisions of subsection 1 do not prohibit:

(a) Any officer, employee, partner, principal or member of any organization from affixing his or her signature to any statement or report in reference to the financial affairs of that organization with any wording designating the position, title or office which he or she holds in the organization.

(b) Any act of a public official or public employee in the performance of his or her duties as such.

(c) Any person who does not hold a live permit from preparing a financial statement or issuing a report if the statement or report, respectively, includes a disclosure that:

(1) The person who prepared the statement or issued the report does not hold a live permit issued by the Board; and

(2) The statement or report does not purport to have been prepared in compliance with the professional standards of accounting adopted by the Board.

Sec. 36. NRS 628.520 is hereby amended to read as follows:

628.520 A person shall not sign or affix the name of a partnership, corporation, limited-liability company or sole proprietorship with any wording indicating that it is a partnership, corporation, limited-liability company or sole proprietorship composed of accountants or auditors or persons having expert knowledge or special expertise in accounting or auditing, to any accounting or financial statement, or attest to any accounting or financial statement, unless the partnership, corporation, limited-liability company or sole proprietorship is:

1. Registered pursuant to NRS 628.335 ~~1, 628.360, 628.363 or 628.365~~ and all of its offices in this State for the practice of public accounting are maintained and registered as required under NRS 628.370; or

2. Performing services within the practice of public accounting pursuant to the provisions of subsection 3 of NRS 628.335.

Sec. 37. NRS 628.540 is hereby amended to read as follows:

628.540 1. Except as otherwise provided in subsection 2, a person, partnership, corporation, limited-liability company or sole proprietorship shall not engage in the practice of public accounting or hold himself, herself or itself out to the public as an "accountant" or "auditor" by use of either or both of those words ~~1, or by use of the word "accounting,"~~ *in connection with any other language which implies that such a person or firm holds a certificate, permit or registration or has special competence as an accountant or auditor* on any sign, card, letterhead or in any advertisement or directory unless:

(a) If a natural person, he or she holds a live permit or has been granted practice privileges pursuant to NRS 628.315; or

(b) If a partnership, corporation, limited-liability company or sole proprietorship, it is registered pursuant to NRS 628.335 ~~1, 628.360, 628.363 or 628.365~~ or is performing services within the practice of public accounting pursuant to the provisions of subsection 3 of NRS 628.335.

2. The provisions of subsection 1 do not prohibit:

(a) Any officer, employee, partner, shareholder, principal or member of any organization from describing himself or herself by the position, title or office he or she holds in that organization.

(b) Any act of a public official or public employee in the performance of his or her duties as such.

1 **Sec. 38.** NRS 628.550 is hereby amended to read as follows:

2 628.550 1. A person shall not assume or use the title or designation
3 “certified public accountant” or “public accountant” in conjunction with names
4 indicating or implying that there is a partnership, corporation or limited-liability
5 company, or in conjunction with the designation “and Company” or “and Co.” or a
6 similar designation, if there is in fact no bona fide partnership, corporation or
7 limited-liability company:

8 (a) Registered under NRS 628.335 ; ~~1, 628.360, 628.363 or 628.365;~~ or

9 (b) Performing services within the practice of public accounting pursuant to the
10 provisions of subsection 3 of NRS 628.335.

11 ~~1. A sole proprietor or partnership lawfully using a title or designation in~~
12 ~~conjunction with any names or designation on April 1, 1960, may continue to do so~~
13 ~~if the sole proprietor or partnership otherwise complies with the provisions of this~~
14 ~~chapter.~~

15 2. A person, partnership, corporation or limited-liability company shall not
16 engage in the practice of public accounting under any name which is misleading as
17 to:

18 (a) The legal form of the firm;

19 (b) The persons who are partners, officers, shareholders or members; or

20 (c) Any other matter.

21 ➤ The names of past partners, shareholders or members may be included in the
22 name of a firm or its successors.

23 **Sec. 39.** NRS 628.570 is hereby amended to read as follows:

24 628.570 Whenever in the judgment of the Board any person has engaged, or
25 is about to engage, in any acts or practices which constitute, or will constitute, a
26 violation of NRS 628.435 or 628.450 to 628.550, inclusive, the Board may *issue*
27 *and serve on the person an order to cease and desist or* make application to
28 an appropriate court for an order enjoining the acts or practices, and upon a showing
29 by the Board that the person has engaged, or is about to engage, in any of those acts
30 or practices, an injunction, restraining order or such order as may be appropriate
31 must be granted by the court without a bond.

32 **Sec. 40.** NRS 628.580 is hereby amended to read as follows:

33 628.580 1. Any person who violates any provision of NRS 628.435 or
34 628.450 to 628.550, inclusive, is guilty of a *gross* misdemeanor.

35 2. Whenever the Board has reason to believe that any person is liable to
36 punishment under this section , it may certify the facts to the Attorney General or
37 other appropriate enforcement officer, who may, in his or her discretion, cause
38 appropriate proceedings to be brought.

39 **Sec. 41.** NRS 628A.010 is hereby amended to read as follows:

40 628A.010 As used in this chapter, unless the context otherwise requires:

41 1. “Client” means a person who receives advice from a financial planner.

42 2. “Compensation” means a fee for services provided by a financial planner to
43 a client or a commission or other remuneration derived by a financial planner from
44 a person other than the client as the result of the purchase of a good or service by
45 the client.

46 3. “Financial planner” means a person who for compensation advises others
47 upon the investment of money or upon provision for income to be needed in the
48 future, or who holds himself or herself out as qualified to perform either of these
49 functions, but does not include:

50 (a) An attorney and counselor at law admitted by the Supreme Court of this
51 State;

52 (b) A certified public accountant ~~for a public accountant licensed~~ *who holds a*
53 *certificate issued* pursuant to NRS 628.190 to 628.310, inclusive ; ~~1, or 628.350;~~

(c) A broker-dealer or sales representative licensed pursuant to NRS 90.310 or exempt under NRS 90.320;

(d) An investment adviser licensed pursuant to NRS 90.330 or exempt under NRS 90.340; or

(e) A producer of insurance licensed pursuant to chapter 683A of NRS or an insurance consultant licensed pursuant to chapter 683C of NRS,

whose advice upon investment or provision of future income is incidental to the practice of his or her profession or business.

Sec. 42. NRS 172.205 is hereby amended to read as follows:

172.205 The grand jury shall have the power, with the consent of the board of county commissioners, to engage the services of an attorney other than and in addition to the district attorney, certified ~~for registered~~ public accountants, and such other skilled persons as may be necessary in the performance of its inquisitorial powers.

Sec. 43. NRS 361.375 is hereby amended to read as follows:

361.375 1. The State Board of Equalization, consisting of five members appointed by the Governor, is hereby created. The Governor shall designate one of the members to serve as Chair of the Board.

2. The Governor shall appoint:

(a) One member who is a certified public accountant . ~~for a registered public accountant.~~

(b) One member who is a property appraiser with a professional designation.

(c) One member who is versed in the valuation of centrally assessed properties.

(d) Two members who are versed in business generally.

3. Only three of the members may be of the same political party and no more than two may be from the same county.

4. An elected public officer or his or her deputy, employee or any person appointed by him or her to serve in another position must not be appointed to serve as a member of the State Board of Equalization.

5. After the initial terms, members serve terms of 4 years, except when appointed to fill unexpired terms. No member may serve more than two full terms consecutively.

6. Any member of the State Board of Equalization may be removed by the Governor if, in the opinion of the Governor, that member is guilty of malfeasance in office or neglect of duty.

7. Each member of the State Board of Equalization is entitled to receive a salary of not more than \$80, as fixed by the Board, for each day actually employed on the work of the Board.

8. While engaged in the business of the State Board of Equalization, each member and employee of the Board is entitled to receive the per diem allowance and travel expenses provided for state officers and employees generally.

9. A majority of the members of the State Board of Equalization constitutes a quorum, and a majority of the Board shall determine the action of the Board. The Board may adopt regulations governing the conduct of its business.

10. The State Board of Equalization shall comply with any applicable regulation adopted by the Nevada Tax Commission.

11. The staff of the State Board of Equalization must be provided by the Department and the Executive Director is the Secretary of the Board.

Sec. 44. NRS 678.390 is hereby amended to read as follows:

678.390 1. The board may appoint an audit committee to make an annual audit of the financial records of the credit union and any interim audits as may be deemed necessary by the board or as may be directed by the Commissioner. A copy

1 of the report must be submitted to the board and the Commissioner and a summary
2 presented to the members at the next annual meeting.

3 2. The audit committee may by unanimous vote suspend any director, officer
4 or member of the credit union following an audit, for any violation of this chapter,
5 the charter or bylaws or for any other practice which the audit committee deems to
6 be unsafe or unauthorized. In such cases, the audit committee shall call a special
7 meeting of the members not less than 7 nor more than 21 days following the
8 suspension and the suspension must be ratified or overturned by the members.

9 3. Any member of the audit committee may be suspended by the board for the
10 same reasons and in the same manner as provided in subsection 2.

11 4. The audit committee may by a majority vote call a special meeting of the
12 members to consider any violation of this chapter, the charter or bylaws or any
13 practice of the credit union deemed by the audit committee to be unsafe or
14 unauthorized.

15 5. The board of directors or the audit committee may employ the services of a
16 certified public accountant ~~for a registered public accountant~~ to complete the
17 necessary audit of the records of the credit union.

18 **Sec. 45.** NRS 628.029, 628.350, 628.360, 628.363 and 628.365 are hereby
19 repealed.

20 **Sec. 46.** 1. This section and sections 1 to 13, inclusive, 14, 15 to 31,
21 inclusive, and 32 to 45, inclusive, of this act ~~becomes~~ become effective upon
22 passage and approval.

23 2. Sections 13.5, 14.2 to 14.8, inclusive, and 31.5 of this act become
24 effective on January 1, 2019.

LEADLINES OF REPEALED SECTIONS

628.029 “Registered public accountant” defined.

628.350 Requirements for issuance of license as public accountant.

628.360 Requirements for registration as partnership of public
accountants.

628.363 Requirements for registration as corporation of public
accountants.

628.365 Requirements for registration as limited-liability company of
public accountants.