



NEVADA STATE BOARD OF ACCOUNTANCY

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INFORMATIONAL STATEMENT FOR ADOPTED REGULATIONS

AS REQUIRED BY NRS 233B.066

R034-23

The informational statement required by NRS 233B.066 is submitted for the adopted amendments to Nevada Administrative Code ("NAC") Chapter 628:

1. A clear and concise explanation of the need for the adopted regulation.

Most of the proposed regulation changes result from Senate Bill No. 437 ("SB 437") effective July 1, 2023, which revised the work experience requirement to obtain a certificate of certified public accounting, removed the requirement that the Board charge a fee for the examination for a certificate of certified public accounting, and extended the Board's authority to grant practice privileges to certified public accounting firms holding a valid registration in good stand from another state.

The Board is required by NRS 628.200(3) to adopt regulations concerning the public accounting work or other work experience required by an applicant to satisfy statutory requirements for a certificate of certified public accountant. The proposed regulation amends and updates the work experience requirements for certification of a certified public accountant to correspond to the changes to work experience requirements adopted by SB 437.

NRS 628.230 provides the Board shall prescribe by regulation the method of applying for and completing an examination. The proposed regulations revise the examination conditional credit timeline.

NRS 628.120 provides the Board shall adopt regulations reasonably necessary and expedient for the orderly conduct of its affairs and for the administration of Chapter 628. The proposed regulations revise the provisions relating to the definition of practice privilege to include firms as provided in SB 437 and make corresponding changes to the Board's regulations to include firms granted practice privileges, waive the examination and reexamination fees for military, spouses of military and veterans as authorized by SB 437 and remove references to public accountants to firm affiliations.

NRS 628.160 and NRS 628.386 provide the Board may adopt regulations regarding a program to ensure that licensees are maintaining the standards of the profession. The proposed regulations add additional information to the required documents for practice monitoring, revise provisions relating to a peer review oversight committee and make various changes to clean up practice monitoring administration.

The proposed regulations provide for the repeal of certain provisions of the Board's administrative regulations which are not necessary as provided in Governor Lombardo's Executive Order 2023-008 issued June 30, 2023.

2. A description of how public comment was solicited, a summary of public response, and an explanation how other interested persons may obtain a copy of the summary.

(a) Copies of the proposed regulation, notice of intent to act upon the proposed regulation and notice of workshop and notice of hearing were sent by email to all licensees of the Nevada State Board of Accountancy. In addition, copies of the proposed regulations, notice of intent to act upon the proposed regulation and notice of workshop and notice of hearing were sent by U.S. mail and email to persons who were known to have an interest in the Nevada State Board of Accountancy regulations as well as any persons who had specifically requested such notice. These documents were also made available on the website of the Nevada State Board of Accountancy, www.nvaccountancy.com, and posted at the following locations: Clark County Court House, Las Vegas City Hall, Washoe County Court House, and Washoe County Library.

(b) A workshop was held on September 20, 2023 in Las Vegas in conjunction with the regular Nevada State Board of Accountancy (“Board”) meeting to obtain comments on the proposed regulation changes. A hearing was held on November 8, 2023 in conjunction with the regular Board meeting in Reno to solicit additional comments regarding the proposed regulation changes. The Board received prior written and public comments at the workshop regarding the proposed regulation. The Board answered questions at the workshop regarding how provisions of the proposed regulation would be implemented. Most of the comments were in support of the proposed regulation. There were no comments provided prior to or at the hearing.

(c) All interested parties may obtain a summary of public response by written or verbal request to: Nevada State Board of Accountancy, 1325 Airmotive Way, Suite 220, Reno, Nevada 89502 or cpa@nvaccountancy.com.

3. The number of persons who: (a) Attended each hearing; (b) Testified at each hearing; and (c) Submitted to the agency written statements.

(a) The number of persons who attended:

1. the workshop was 1
2. the hearing was 1
3. the Board meeting adopting and amending the regulation was 1

(b) The number of persons who testified at:

1. the workshop was 1
2. the hearing was 0
3. the Board meeting adopting and amending the regulation was 0

(c) The number of submitted written statements or comments to the agency were 2.

4. For each person identified in subsection 3 (b) and (c) above, the following information if provided to the agency conducting the hearing (a) Name; (b) Telephone number; (c) Business address; (d) Business telephone number; (e) Electronic mail address; and (f) Name of entity or organization represented.

Provided written comment - 9/20/2023 workshop

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Attended by teleconference – 9/20/2023 workshop

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Attended by teleconference – 11/8/2023 hearing

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5. A description of how comment was solicited from affected businesses, a summary of their response, and an explanation how other interested persons may obtain a copy of the summary.

Comments were solicited from affected businesses by emailing a copy of the proposed regulation to each licensee of the Board, including registered firms, and in the same manner as they were solicited from the public described above. The summary of public response is set forth in response to question 2 above and may be obtained as instructed in the response to question 2.

6. If the regulation was adopted without changing any part of the proposed regulation, a summary of the reasons for adopting the regulation without change.

The proposed regulation was adopted on November 8, 2023 with amendments to LCB File No. R034-23 approved by the Board upon adoption of the regulation. The Board addressed the comments that were made at and submitted prior to the workshop.

7. The estimated economic effect of the regulation on the business which it is to regulate and on the public. These must be stated separately, and in each case must include:

(a) Estimated economic effect on the businesses which they are to regulate

This regulation should not have an economic impact on businesses that provide public accounting services.

1. Both adverse and beneficial effects:

There are no known adverse economic effects of the proposed regulations on the accounting profession and the public. The beneficial effects are that the work experience required for licensure corresponds to the one year work experience described in the Uniform Accountancy Act adopted by numerous other states which will facilitate reciprocity and SB 437. In addition, the beneficial effects of the proposed regulations are to modify the examination conditional credit timeline giving candidates more time to pass the examination; waiving fees for the examination and reexamination for military, veterans and their spouses; and modifying language in connection with the Board's practice monitoring program to ensure firms' compliance with the standards for certain engagements; and other administrative changes the Board deems reasonably necessary and expedient for the orderly conduct of its affairs and for the administration of NRS Chapter 628. In addition, certain regulation provisions deemed not necessary for the Board's orderly conduct of its affairs and for the administration of NRS Chapter 628 are repealed in accordance with Executive Order 2023-008 issued June 30, 2023.

2. Both direct and indirect effects:

This regulation should not have a direct or indirect effect or significant economic impact on businesses that provide public accounting services. As set forth above, there are no known adverse economic effects of the proposed regulation on the accounting profession and the public. The direct beneficial effects are that the work experience required for licensure corresponds to the one year work experience described in the Uniform Accountancy Act adopted by numerous other states which will facilitate reciprocity and SB 437. In addition, the direct beneficial effects of the proposed regulations are to modify the examination conditional credit timeline giving candidates more time to pass the examination; waiving fees for the examination and reexamination for military, veterans and their spouses; and modifying language in connection with the Board's practice monitoring program to ensure firms' compliance with the standards for certain engagements; and other administrative changes the Board deems reasonably necessary and expedient for the orderly conduct of its affairs and for the administration of NRS Chapter 628. In addition, certain regulation provisions deemed not necessary for the Board's orderly conduct of its affairs and for the administration of NRS Chapter 628 are repealed in accordance with Executive Order 2023-008 issued June 30, 2023.

(b) Estimated economic effect on the public which they are to regulate

This regulation will not have an economic impact on the public. See responses to subsection a above.

8. The estimated cost to the agency for enforcement of the proposed regulation.

Enforcement of the regulation will be performed by the Board and there should not be any additional costs associated with enforcement of the adopted regulation.

9. A description of any regulations of other State or government agencies which the proposed regulation overlaps or duplicates and a statement explaining why the duplication or overlap is necessary. If the regulation overlaps or duplicates a federal regulation, the name of the regulating federal agency.

The regulation does not overlap or duplicate any federal, state or local regulations.

10. If the regulation includes provisions which are more stringent than a federal regulation which regulates the same activity, a summary of such provisions.

The Nevada State Board of Accountancy is not aware of any similar regulations of the same activity in which the federal regulation is more stringent.

11. If the regulation provides a new fee or increases an existing fee, the total annual amount the agency expects to collect and the manner in which the money will be used.

There will be no new or increased fees but rather a waiver of examination and reexamination fees for military individuals, spouses of military or veterans.

12. Is the proposed regulation likely to impose a direct and significant economic burden upon a small business or directly restrict the formation, operation or expansion of a small business? What methods did the agency use in determining the impact of the regulation on a small business?

The Executive Director considered the proposed regulation changes. The Executive Director determined that the proposed regulation does not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business. In making this determination, the Executive Director considered the facts that there are no additional requirements for licensure or registration or to maintain licensure or registration impacting any private or small business as a result of the proposed regulation. There are no additional requirements or fees on any small business as a result of this proposed regulation.

Comments were specifically solicited from affected businesses and licensees by providing a copy of the proposed regulation and notice of workshop and notice of hearing to each licensee of the Board. The proposed regulations were also made available on the Board's website, and posted at various locations in Clark County and Washoe County.

Based upon all these considerations, the Executive Director determined that the proposed regulation does not impose a direct and significant economic burden upon a small business or restrict the formation, operation or expansion of a small business.