



NEVADA STATE BOARD OF ACCOUNTANCY
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INFORMATIONAL STATEMENT FOR ADOPTED REGULATIONS
AS REQUIRED BY NRS 233B.066
R068-17

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.

NRS 628.200 was amended by Assembly Bill 454 effective June 9, 2017. As a result, the Board’s experience requirements set forth in its regulation needed to be revised. The adopted regulation establishes the experience requirements for licensure of a Certified Public Accountant resulting from the amendment of NRS 628.200 by Assembly Bill 454. In addition, Assembly Bill 454 deleted references to public accountant; the adopted regulation deletes references to public accountant in the Board’s current regulations. The adopted regulation is needed for the Board to properly administer its duties under Chapter 628. There is a need for the Board to be able to rely upon the practice monitoring program and the regulation creates a peer review oversight committee of the practice monitoring program and establishes powers and duties of the committee for that purpose. In order to properly administer its duties under Chapter 628, there is a need to revise the Board’s regulations relating to the education required to take the certified public accounting examination and for licensure, the matters which must be reported by a practitioner or firm to the Board and the provisions relating to peer review.

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 regulations, 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 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 at the website of the Nevada State Board of Accountancy, www.nvaccountancy.com, mailed to all county libraries in Nevada, 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, 2017 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 January 17, 2018 in conjunction with the regular Board meeting in Las Vegas and video-conferenced to Reno to solicit additional comments regarding the proposed regulation changes. A total of 5 people attended the meetings. The Board received comments regarding the proposed language which were considered and most suggested changes were adopted by the Board. There was no opposition from licensees or the public to the adoption of the proposed regulation.

(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 5
 - 2. the hearing was 0
 - 3. the Board meeting adopting and amending the regulation was 0
- (b) The number of persons who testified at:
 - 1. the workshop was 3
 - 2. the hearing was 0
 - 3. the Board meeting adopting and amending the regulation was 0
- (c) The number of submitted statements to the agency was:
 - 1. The workshop was 3
 - 2. The hearing was 4

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.

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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 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 January 17, 2018 and included various changes suggested by the comments received by the Board and as discussed by the Board at the workshop and public hearing. The changes included only minor clean up and clarification language.

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 regulation on the accounting profession and the public. The beneficial effects of the proposed regulation are to clarify the requirements for education to sit for the CPA examination, the experience required for licensure, to clarify and clean up certain self-reporting and practice monitoring program provisions of the Board, and to remove references to public accountants. The proposed regulation defines and/or expands the type of work experience in the practice of public accounting, government, industry and/or business that qualifies for licensure. The changes to the Board's regulations reflect various statutory changes that were made to NRS Chapter 628 by AB 454 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.

2. Both direct and indirect effects:

This regulation should not have a direct or indirect effect or significant economic impact on small 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 beneficial effects of the proposed regulation are to clarify the requirements for education to sit for the CPA examination, the experience required for licensure, to clarify and clean up certain self-reporting and practice monitoring program provisions of the Board, and to remove references to public accountants. The proposed regulation defines and/or expands the type of work experience in the practice of public accounting, government, industry and/or business that qualifies for licensure. The changes to the Board's regulations reflect various statutory changes that were made to NRS Chapter 628 by AB 454 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.

(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.

The regulation does not provide for any new fees or increases to an existing fee.

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 proposed amendments to existing regulations coincide with the recent changes to NRS Chapter 628 by the Legislature in Assembly Bill 454 effective June 9, 2017 and in addition, clarify and clean up certain self-reporting and practice monitoring program provisions of the Board. There are no additional requirements for education or licensure impacting any private or small business as a result of this proposed regulation. The proposed regulation defines and/or expands the type of work experience in the practice of public accounting, government, industry and/or business that qualifies for licensure. Other than clarifying certain existing self-reporting and practice monitoring program provisions, there are no additional requirements on any small business as a result of this proposed regulation.

At this time, comments are specifically solicited from affected businesses and licensees by providing a copy of the proposed regulation and notice of workshop to each licensee of the Board. The proposed regulations were also made available on the Board's website, mailed to all county libraries 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.