

SENATE BILL NO. 437—COMMITTEE ON COMMERCE AND LABOR

(ON BEHALF OF THE OFFICE OF FINANCE
IN THE OFFICE OF THE GOVERNOR)

MARCH 27, 2023

Referred to Committee on Commerce and Labor

SUMMARY—Revises provisions governing accountants.
(BDR 54-1079)

FISCAL NOTE: Effect on Local Government: No.
Effect on the State: Yes.

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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 governing the registration by the Nevada State Board of Accountancy of partnerships, corporations, limited-liability companies and sole proprietorships; revising requirements for a person to take an examination for and to obtain a certificate of certified public accountant; removing the requirement that the Board adopt regulations charging a fee for an examination for a certificate of certified public accountant; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

1 Existing law requires a person seeking a certificate of certified public
2 accountant to meet certain requirements relating to education and work experience,
3 including the completion of 2 years of public accounting experience in a
4 partnership, corporation, limited-liability company or sole proprietorship engaged
5 in the practice of public accounting. Existing law authorizes the Nevada State
6 Board of Accountancy to prescribe by regulation for the substitution of certain
7 qualified programs of continued education to satisfy partially the requirements for
8 work experience. (NRS 628.200) **Section 2** of this bill replaces the requirement to
9 obtain 2 years of work experience with a requirement to complete not less than
10 2,000 hours of work experience in a period of not less than 1 year. **Section 2** also
11 removes the authority of the Board to adopt regulations providing for substitute
12 programs of continuing education to satisfy the requirements for work experience.

13 Existing law provides that a candidate for a certificate of certified public
14 accountant who meets certain educational requirements is eligible to take the



15 examination for the certificate before completing the requirements for work
16 experience if the candidate is without any history of acts involving dishonesty or
17 moral turpitude. (NRS 628.190, 628.240) **Section 3** of this bill removes the
18 requirement that the candidate must not have any history of acts involving
19 dishonesty or moral turpitude. Existing law requires the Board to charge a
20 candidate a fee for the examination. (NRS 628.280) **Section 4** of this bill
21 authorizes, rather than requires, the Board to charge an examination fee.

22 Existing law authorizes the Board to waive the requirement that an applicant
23 for a certificate take an examination if the applicant satisfies certain requirements,
24 including having experience in the practice of public accountancy either as a
25 certified public accountant or as a staff accountant under certain circumstances.
26 (NRS 628.310) **Section 5** of this bill authorizes the Board to waive the examination
27 for a person who has experience in the practice of public accountancy, the financial
28 services industry or federal, state or local government, while holding a certificate as
29 a certified public accountant for more than 4 of the immediately preceding 10
30 years.

31 Existing law grants practice privileges in this State to a natural person who
32 holds a valid license as a certified public accountant in another state. Such a natural
33 person is not required to obtain a certificate of certified public accountant or a
34 permit to engage in the practice of public accounting from the Board but is required
35 to consent to certain specified conditions, including consent to the disciplinary
36 authority of the Board. (NRS 628.315) **Section 6** of this bill extends the authority
37 of the Board to grant such practice privileges to a certified public accounting firm
38 organized as a partnership, corporation or limited-liability company or a sole
39 proprietorship which holds a valid registration in good standing from another state.
40 Such a certified public accounting firm is not required to register with the Board
41 but is required to consent to the same conditions as natural persons, such as consent
42 to the disciplinary authority of the Board. **Sections 1 and 8-20** of this bill make
43 conforming changes to account for the Board's authority to grant practice privileges
44 to those entities. **Sections 8-10** of this bill also require those entities which are
45 organized as a partnership, corporation or limited-liability company to maintain an
46 office in this State.

47 **Section 7** of this bill exempts certain entities whose sole business is preparing
48 tax returns and related schedules from the requirement of registration.

49 **Section 21** of this bill repeals the definition of "home office" which is rendered
50 obsolete by the changes made by **sections 6 and 7**.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

1 **Section 1.** NRS 628.023 is hereby amended to read as follows:

2 628.023 "Practice of public accounting" means the offering to
3 perform or the performance by a holder of a live permit or a natural
4 person *or certified public accounting firm* granted practice
5 privileges pursuant to NRS 628.315, for a client or potential client,
6 of one or more services involving the use of skills in accounting or
7 auditing, one or more services relating to advising or consulting
8 with clients on matters relating to management or the preparation of
9 tax returns and the furnishing of advice on matters relating to taxes.



1 **Sec. 2.** NRS 628.200 is hereby amended to read as follows:
2 628.200 1. Except as otherwise provided in subsection 4, the
3 requirements of education for a certificate of certified public
4 accountant are:

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

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

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

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

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

18 (a) ~~Two years~~ *Not less than 2,000 hours accumulated over a*
19 *period of not less than 1 year* of public accounting experience in a
20 partnership, corporation, limited-liability company or sole
21 proprietorship engaged in the practice of public accounting under
22 the direct supervision of a person who is a certified public
23 accountant; or

24 (b) Other work experience under the direct supervision of a
25 person engaged in active practice as a certified public accountant, of
26 a character and for a length of time sufficient in the opinion of the
27 Board to be substantially equivalent to the requirements of
28 paragraph (a).

29 3. The Board ~~is~~

30 ~~—(a) Shall~~ *shall* adopt regulations concerning:

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

34 ~~(2)~~ (b) The public accounting experience or other work
35 experience required by an applicant to satisfy the requirements of
36 subsection 2.

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

42 4. Notwithstanding any provision of this section to the
43 contrary, an applicant for a certificate of certified public accountant
44 who has received conditional credit pursuant to NRS 628.260 for
45 passing a section of the examination required for a certificate, and



1 who applies that credit to subsequent passage of the examination, is
2 subject to the educational requirements to receive a certificate that
3 were in effect on the date on which the applicant passed all sections
4 of the examination.

5 **Sec. 3.** NRS 628.240 is hereby amended to read as follows:

6 628.240 A candidate for a certificate of certified public
7 accountant who has met the educational requirements as prescribed
8 by the Board pursuant to NRS 628.230 is eligible to take the
9 examination without waiting until he or she meets the requirements
10 of work experience. ~~[if the candidate also meets the requirements of~~
11 ~~paragraph (a) of subsection 1 of NRS 628.190.]~~

12 **Sec. 4.** NRS 628.280 is hereby amended to read as follows:

13 628.280 1. The Board ~~[shall]~~ *may* charge each candidate for a
14 certificate of certified public accountant a fee, to be determined by
15 the Board by regulation, for the examination prescribed by the
16 Board.

17 2. The applicable fee must be paid by the candidate at the time
18 he or she applies for examination.

19 **Sec. 5.** NRS 628.310 is hereby amended to read as follows:

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

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

33 (b) The person has experience in the practice of public
34 accountancy, ~~[either as a certified public accountant or as a staff~~
35 ~~accountant employed by a partnership, corporation, limited liability~~
36 ~~company or sole proprietorship engaged in the practice of public~~
37 ~~accounting and working under the direct supervision of a person~~
38 ~~who is a certified public accountant.]~~ *the financial services industry*
39 *or federal, state or local government*, while holding a certificate as
40 a certified public accountant for more than 4 of the 10 years
41 immediately preceding his or her making application pursuant to
42 this chapter; and

43 (c) The requirements for education of the state or other
44 jurisdiction from which the person received his or her original



1 certificate are determined by the Board to satisfy the requirements
2 for education of this State.

3 2. The Board may issue a certificate as a certified public
4 accountant to any person who is the holder of an equivalent
5 certificate then in effect issued by a foreign country if:

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

9 (b) The applicant's certificate:

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

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

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

16 (c) The requirements for education and examination of the
17 regulatory authority of the foreign country were substantially
18 equivalent to the requirements for education and examination of this
19 State on the date on which the applicant received his or her
20 certificate;

21 (d) The applicant:

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

25 (2) Has completed in any state at least 4 years of public
26 accounting experience, or equivalent experience determined to be
27 appropriate by the Board, within the 10 years immediately
28 preceding his or her making application for certification in this
29 State;

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

33 (f) The applicant submits with the application a list of all
34 jurisdictions in which he or she has applied for and received a
35 certificate to practice public accounting.

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

39 (a) The person is issued an equivalent certificate to practice
40 public accounting by another jurisdiction or is denied the issuance
41 of such a certificate;

42 (b) A certificate to practice public accounting issued to the
43 person by another jurisdiction is revoked or suspended; or



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

4 **Sec. 6.** NRS 628.315 is hereby amended to read as follows:

5 628.315 1. Except as otherwise provided in this chapter, a
6 natural person who holds a valid license *in good standing* as a
7 certified public accountant *or a certified public accounting firm*
8 *organized as a partnership, corporation, limited-liability company*
9 *or sole proprietorship that holds a valid registration in good*
10 *standing* from any state other than this State shall be deemed to be a
11 certified public accountant *or a certified public accounting firm* for
12 all purposes under the laws of this State other than this chapter.

13 2. A natural person *or certified public accounting firm* granted
14 practice privileges pursuant to subsection 1 is not required to obtain
15 ~~it~~, *as applicable:*

16 (a) A certificate pursuant to NRS 628.190; ~~or~~

17 (b) A permit pursuant to NRS 628.380 ~~it~~; *or*

18 (c) *A registration pursuant to NRS 628.335.*

19 3. A natural person *or certified public accounting firm* granted
20 practice privileges pursuant to subsection 1 and a partnership,
21 corporation, limited-liability company or sole proprietorship that
22 employs such a *natural person or a certified public accounting*
23 *firm granted practice privileges pursuant to subsection 1* shall be
24 deemed to consent, as a condition of the grant of such practice
25 privileges:

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

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

30 (c) That, in the event that the license from the state wherein the
31 ~~the natural person's~~ principal place of business *of the natural person*
32 *or certified public accounting firm* is located becomes invalid ~~it~~
33 ~~the~~ *or not in good standing:*

34 (1) *The* natural person will cease offering or engaging in the
35 practice of ~~professional~~ *public* accounting in this State
36 individually and on behalf of a partnership, corporation, limited-
37 liability company or sole proprietorship ~~it~~; *or*

38 (2) *The certified public accounting firm will cease offering*
39 *or engaging in the practice of public accounting.*

40 (d) To the appointment of the state board that issued the license
41 as the agent upon whom process may be served in any investigation,
42 action or proceeding *by the Board* relating to ~~the~~:

43 (1) *The* natural person or the partnership, corporation,
44 limited-liability company or sole proprietorship ~~by the Board.~~



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

7 *(2) The certified public accounting firm.*

8 **Sec. 7.** NRS 628.335 is hereby amended to read as follows:

9 628.335 1. The Board shall grant or renew registration to a
10 partnership, corporation, limited-liability company or sole
11 proprietorship that demonstrates its qualifications therefor in
12 accordance with this chapter.

13 2. ~~[A]~~ *Except as otherwise provided in subsection 3, a*
14 *partnership, corporation or limited-liability company with an office*
15 *in this State shall register with the Board if the partnership,*
16 *corporation or limited-liability company:*

17 (a) Performs attest services;

18 (b) Performs compilation services;

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

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

22 3. ~~[A]~~ *An entity that is organized as a* partnership,
23 *corporation, limited-liability company or sole proprietorship* ~~[that~~
24 ~~does]~~ *is not* ~~[have an office in this State:~~

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

28 ~~—(b) May practice public accounting, may perform compilation~~
29 ~~services or other professional services within the practice of public~~
30 ~~accounting other than attest services for a client having his or her~~
31 ~~home office in this State, may be] required to register pursuant to~~
32 *this section if:*

33 (a) *The entity is not* styled ~~[and]~~ *or* known as a *firm of* certified
34 public ~~[accountant and may use]~~ *accountants;*

35 (b) *The entity is not using* the title or designation “certified
36 public accountant” ~~[and]~~ *or* the abbreviation “C.P.A.” ~~[without~~
37 ~~registering with the Board if:~~

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

43 (c) *The sole* ~~[proprietorship];~~



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

4 ~~—— (3) A natural person granted practice privileges pursuant to~~
5 ~~NRS 628.315 practices such public accounting or performs such~~
6 ~~compilation services or such other professional services within the~~
7 ~~practice of public accounting for the client having his or her home~~
8 ~~office] *business of the entity is preparing tax returns or schedules*~~
9 ~~in [this State; and~~

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

14 ~~— 4. A natural person granted practice privileges pursuant to NRS~~
15 ~~628.315 must not be required to obtain a permit from this State~~
16 ~~pursuant to NRS 628.380 if the person performs such professional~~
17 ~~services for:~~

18 ~~— (a) Which a partnership, corporation, limited liability company~~
19 ~~or sole proprietorship is required to register pursuant to subsection 2~~
20 ~~or 3; or~~

21 ~~— (b) A partnership, corporation or limited liability company~~
22 ~~registered pursuant to the provisions of NRS 628.325.] *support of*~~
23 ~~*tax returns.*~~

24 **Sec. 8.** NRS 628.340 is hereby amended to read as follows:

25 628.340 1. A partnership required *or otherwise seeking* to
26 register with the Board pursuant to NRS 628.335 must meet the
27 following requirements:

28 (a) At least one general partner must be ~~[either]~~ a certified
29 public accountant of this State in good standing . ~~[or, if the~~
30 ~~partnership is required to register pursuant to paragraph (a) of~~
31 ~~subsection 3 of NRS 628.335, a natural person granted practice~~
32 ~~privileges pursuant to NRS 628.315.]~~

33 (b) Each partner who is a resident of this State and is personally
34 and regularly engaged within this State in the practice of public
35 accounting as a member thereof, or whose principal place of
36 business is in this State and who is engaged in the practice of
37 ~~[professional] *public*~~ accounting in this State, must be a certified
38 public accountant of this State in good standing.

39 (c) Each partner who is personally and regularly engaged in the
40 practice of public accounting in this State must be ~~[either]~~ a certified
41 public accountant of this State in good standing . ~~[or, if the~~
42 ~~partnership is required to register pursuant to paragraph (a) of~~
43 ~~subsection 3 of NRS 628.335, a natural person granted practice~~
44 ~~privileges pursuant to NRS 628.315.]~~



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

5 (e) Each manager in charge of an office of the partnership in this
6 State must be ~~[either]~~ a certified public accountant of this State in
7 good standing . ~~[for a natural person granted practice privileges~~
8 ~~pursuant to NRS 628.315.]~~

9 (f) *The partnership maintains an office in this State.*

10 (g) A corporation or limited-liability company which is
11 registered pursuant to NRS 628.343 or 628.345 may be a partner,
12 and a partnership which is registered pursuant to this section may be
13 a general partner, in a partnership engaged in the practice of public
14 accounting.

15 2. Application for registration must be made upon the affidavit
16 of ~~[either]~~ a general partner who holds a live permit to practice in
17 this State as a certified public accountant . ~~[or, if the partnership is~~
18 ~~required to register pursuant to paragraph (a) of subsection 3 of NRS~~
19 ~~628.335, a natural person granted practice privileges pursuant to~~
20 ~~NRS 628.315.]~~ The Board shall determine whether the applicant is
21 eligible for registration and may charge an initial fee and an annual
22 renewal fee set by the Board by regulation. A partnership which is
23 so registered may use the words "certified public accountants" or
24 the abbreviation "C.P.A.'s" or "CPA's" in connection with its
25 partnership name. Notice must be given to the Board within 1 month
26 after the admission to or withdrawal of a partner from any
27 partnership so registered.

28 **Sec. 9.** NRS 628.343 is hereby amended to read as follows:

29 628.343 1. A corporation required *or otherwise seeking* to
30 register with the Board pursuant to NRS 628.335 shall comply with
31 the following requirements:

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

37 (b) The principal officer of the corporation and any officer or
38 director having authority over the practice of public accounting by
39 the corporation must be a certified public accountant of ~~[some state]~~
40 *this State* in good standing.

41 (c) At least one shareholder of the corporation must be ~~[either]~~ a
42 certified public accountant of this State in good standing . ~~[or, if the~~
43 ~~corporation is required to register pursuant to paragraph (a) of~~
44 ~~subsection 3 of NRS 628.335, a natural person granted practice~~
45 ~~privileges pursuant to NRS 628.315.]~~



1 (d) Each manager in charge of an office of the corporation in
2 this State and each shareholder or director who is regularly and
3 personally engaged within this State in the practice of public
4 accounting must be ~~{either}~~ a certified public accountant of this
5 State in good standing . ~~{or, if the corporation is required to register~~
6 ~~pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural~~
7 ~~person granted practice privileges pursuant to NRS 628.315.}~~

8 (e) In order to facilitate compliance with the provisions of this
9 section relating to the ownership of stock, there must be a written
10 agreement binding the shareholders or the corporation to purchase
11 any shares offered for sale by, or not under the ownership or
12 effective control of, a qualified shareholder. The corporation may
13 retire any amount of stock for this purpose, notwithstanding any
14 impairment of its capital, so long as one share remains outstanding.

15 (f) *The corporation maintains an office in this State.*

16 (g) The corporation shall comply with other regulations
17 pertaining to corporations practicing public accounting in this State
18 adopted by the Board.

19 2. Application for registration must be made upon the affidavit
20 of ~~{either}~~ a shareholder who holds a live permit to practice in this
21 State as a certified public accountant . ~~{or, if the corporation is~~
22 ~~required to register pursuant to paragraph (a) of subsection 3 of NRS~~
23 ~~628.335, a natural person granted practice privileges pursuant to~~
24 ~~NRS 628.315.}~~ The Board shall determine whether the applicant is
25 eligible for registration and may charge an initial fee and an annual
26 renewal fee set by the Board by regulation. A corporation which is
27 so registered may use the words "certified public accountants" or
28 the abbreviation "C.P.A.'s" or "CPA's" in connection with its
29 corporate name. Notice must be given to the Board within 1 month
30 after the admission to or withdrawal of a shareholder from any
31 corporation so registered.

32 **Sec. 10.** NRS 628.345 is hereby amended to read as follows:

33 628.345 1. A limited-liability company required *or otherwise*
34 *seeking* to register with the Board pursuant to NRS 628.335 shall
35 comply with the following requirements:

36 (a) The sole purpose and business of the limited-liability
37 company must be to furnish to the public services not inconsistent
38 with this chapter or the regulations of the Board, except that the
39 limited-liability company may invest its money in a manner not
40 incompatible with the practice of public accounting.

41 (b) The manager, if any, of the limited-liability company must
42 be a certified public accountant of ~~{some-state}~~ *this State* in good
43 standing.

44 (c) At least one member of the limited-liability company must
45 be ~~{either}~~ a certified public accountant of this State in good



1 standing . ~~for, if the limited liability company is required to register~~
2 ~~pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural~~
3 ~~person granted practice privileges pursuant to NRS 628.315.]~~

4 (d) Each person in charge of an office of the limited-liability
5 company in this State and each member who is regularly and
6 personally engaged within this State in the practice of public
7 accounting must be ~~either~~ a certified public accountant of this
8 State in good standing . ~~for, if the limited liability company is~~
9 ~~required to register pursuant to paragraph (a) of subsection 3 of NRS~~
10 ~~628.335, a natural person granted practice privileges pursuant to~~
11 ~~NRS 628.315.]~~

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

17 (f) *The limited-liability company maintains an office in this*
18 *State.*

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

22 2. Application for registration must be made upon the affidavit
23 of the manager or a member of the limited-liability company. The
24 affiant must hold a live permit to practice in this State as a certified
25 public accountant . ~~for, if the limited liability company is required~~
26 ~~to register pursuant to paragraph (a) of subsection 3 of NRS~~
27 ~~628.335, be a natural person granted practice privileges pursuant to~~
28 ~~NRS 628.315.]~~ The Board shall determine whether the applicant is
29 eligible for registration and may charge an initial fee and an annual
30 renewal fee set by the Board by regulation. A limited-liability
31 company which is so registered may use the words "certified public
32 accountants" or the abbreviation "C.P.A.'s" or "CPA's" in
33 connection with its name. Notice must be given to the Board within
34 1 month after the admission to or withdrawal of a member from any
35 limited-liability company so registered.

36 **Sec. 11.** NRS 628.390 is hereby amended to read as follows:

37 628.390 1. After giving notice and conducting a hearing, the
38 Board may revoke, or may suspend for a period of not more than 5
39 years, any certificate issued under NRS 628.190 to 628.310,
40 inclusive, any practice privileges granted pursuant to NRS 628.315
41 ~~for 628.335]~~ or any registration of a partnership, corporation,
42 limited-liability company, sole proprietorship or office, or may
43 revoke, suspend or refuse to renew any permit issued under NRS
44 628.380, or may publicly censure the holder of any permit,
45 certificate or registration or any natural person *or certified public*



1 *accounting firm* granted practice privileges pursuant to NRS
2 628.315, for any one or any combination of the following causes:

3 (a) Fraud or deceit in obtaining a certificate as a certified public
4 accountant or in obtaining a permit to practice public accounting
5 under this chapter.

6 (b) Dishonesty, fraud or gross negligence by a certified public
7 accountant, ~~for~~ a natural person *or a certified public accounting*
8 *firm* granted practice privileges pursuant to NRS 628.315.

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

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

12 (e) Conviction of a felony relating to the practice of public
13 accounting under the laws of any state or jurisdiction.

14 (f) Conviction of any crime:

15 (1) An element of which is dishonesty or fraud; or

16 (2) Involving moral turpitude,

17 ↪ under the laws of any state or jurisdiction.

18 (g) Cancellation, revocation, suspension, placing on probation or
19 refusal to renew authority to practice as a certified public accountant
20 by any other state, for any cause. ~~Other than failure to pay an~~
21 ~~annual registration fee or to comply with requirements for~~
22 ~~continuing education or review of his or her practice in the other~~
23 ~~state.]~~

24 (h) Suspension, revocation or placing on probation of the right
25 to practice before any state or federal agency.

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

29 (1) Sixty days after the expiration date of the permit to
30 practice last obtained or renewed by the holder of a certificate; or

31 (2) Sixty days after the date upon which the holder of a
32 certificate was granted the certificate, if no permit was ever issued
33 to the person, unless the failure has been excused by the Board.

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

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

39 (l) Committing an act in another state or jurisdiction which
40 would be subject to discipline in that state.

41 2. After giving notice and conducting a hearing, the Board may
42 deny an application to take the examination prescribed by the Board
43 pursuant to NRS 628.190, deny a person admission to such an
44 examination, invalidate a grade received for such an examination or



1 deny an application for a certificate issued pursuant to NRS 628.190
2 to 628.310, inclusive, to a person who has:

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

5 (1) To take the examination prescribed by the Board pursuant
6 to NRS 628.190; or

7 (2) For a certificate issued pursuant to NRS 628.190 to
8 628.310, inclusive;

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

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

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

16 3. In addition to other penalties prescribed by this section, the
17 Board may impose a civil penalty of not more than \$5,000 for each
18 violation of this section.

19 4. The Board shall not privately censure the holder of any
20 permit or certificate or any natural person *or certified public*
21 *accounting firm* granted practice privileges pursuant to
22 NRS 628.315.

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

25 **Sec. 12.** NRS 628.430 is hereby amended to read as follows:

26 628.430 All statements, records, schedules, working papers
27 and memoranda made by a certified public accountant or a natural
28 person *or certified public accounting firm* granted practice
29 privileges pursuant to NRS 628.315 incident to or in the course of
30 professional service to clients by the accountant, except reports
31 submitted by a certified public accountant or a natural person *or*
32 *certified public accounting firm* granted practice privileges
33 pursuant to NRS 628.315 to a client, are the property of the
34 accountant, in the absence of an express agreement between the
35 accountant and the client to the contrary. No such statement, record,
36 schedule, working paper or memorandum may be sold, transferred
37 or bequeathed, without the consent of the client or the client's
38 personal representative or assignee, to anyone other than one or
39 more surviving partners or new partners of the accountant or to his
40 or her corporation.

41 **Sec. 13.** NRS 628.435 is hereby amended to read as follows:

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



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

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

12 4. As used in this section:

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

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

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

24 (b) "Practitioner" means:

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

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

29 (3) A natural person *or certified public accounting firm*
30 granted practice privileges pursuant to NRS 628.315.

31 **Sec. 14.** NRS 628.460 is hereby amended to read as follows:

32 628.460 A partnership, corporation, limited-liability company
33 or sole proprietorship shall not assume or use the title or designation
34 "certified public accountant" or the abbreviation "C.P.A." or any
35 other title, designation, words, letters, abbreviation, sign, card or
36 device tending to indicate that the partnership, corporation, limited-
37 liability company or sole proprietorship is composed of certified
38 public accountants unless the partnership, corporation, limited-
39 liability company or sole proprietorship is:

40 1. Registered as a partnership, corporation, limited-liability
41 company or sole proprietorship of certified public accountants and
42 all offices of the partnership, corporation, limited-liability company
43 or sole proprietorship in this State for the practice of public
44 accounting are maintained and registered as required under NRS
45 628.370; or



1 2. ~~[Performing services within the practice of public~~
2 ~~accounting]~~ *Granted practice privileges* pursuant to the provisions
3 of ~~[subsection 3 of]~~ NRS ~~[628.335.]~~ **628.315.**

4 **Sec. 15.** NRS 628.480 is hereby amended to read as follows:

5 628.480 A partnership, corporation, limited-liability company
6 or sole proprietorship shall not assume or use the title or designation
7 “public accountant” or any other title, designation, words, letters,
8 abbreviation, sign, card or device tending to indicate that the
9 partnership, corporation, limited-liability company or sole
10 proprietorship is composed of public accountants unless the
11 partnership, corporation, limited-liability company or sole
12 proprietorship is:

13 1. Registered as a partnership, corporation, limited-liability
14 company or sole proprietorship of certified public accountants and
15 all offices of the partnership, corporation, limited-liability company
16 or sole proprietorship in this State for the practice of public
17 accounting are maintained and registered as required under NRS
18 628.370; or

19 2. ~~[Performing services within the practice of public~~
20 ~~accounting]~~ *Granted practice privileges* pursuant to the provisions
21 of ~~[subsection 3 of]~~ NRS ~~[628.335.]~~ **628.315.**

22 **Sec. 16.** NRS 628.490 is hereby amended to read as follows:

23 628.490 1. Except as otherwise provided in subsection 2 and
24 NRS 628.450 to 628.480, inclusive, a person, partnership,
25 corporation, limited-liability company or sole proprietorship shall
26 not assume or use the title or designation “certified accountant,” or
27 any other title or designation likely to be confused with “certified
28 public accountant” or “public accountant,” or any of the
29 abbreviations “C.A.” or “P.A.” or similar abbreviations likely to be
30 confused with “C.P.A.”

31 2. Anyone who:

32 (a) Holds a live permit pursuant to NRS 628.380 or is registered
33 as a partnership, corporation, limited-liability company or sole
34 proprietorship pursuant to the provisions of this chapter and all of
35 whose offices in this State for the practice of public accounting are
36 maintained and registered as required under NRS 628.370; *or*

37 (b) Has been granted practice privileges pursuant to NRS
38 628.315, ~~;~~ ~~or~~

39 ~~—(c) Is performing services within the practice of public~~
40 ~~accounting pursuant to the provisions of subsection 3 of~~
41 ~~NRS 628.335.]~~

42 ↪ may hold himself or herself out to the public as an “accountant,”
43 “auditor” or “certified public accountant.”



1 **Sec. 17.** NRS 628.510 is hereby amended to read as follows:

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

15 (a) The person holds a live permit or the partnership,
16 corporation, limited-liability company or sole proprietorship is
17 registered pursuant to NRS 628.335 and all of the person's offices in
18 this State for the practice of public accounting are maintained and
19 registered under NRS 628.370; *or*

20 (b) The person is a natural person *or certified public accounting*
21 *firm* granted practice privileges pursuant to NRS 628.315 . ~~}; or~~

22 ~~—(c) The partnership, corporation, limited liability company or~~
23 ~~sole proprietorship is performing services within the practice of~~
24 ~~public accounting pursuant to the provisions of subsection 3 of~~
25 ~~NRS 628.335.]~~

26 2. The provisions of subsection 1 do not prohibit:

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

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

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

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

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

42 **Sec. 18.** NRS 628.520 is hereby amended to read as follows:

43 628.520 A person shall not sign or affix the name of a
44 partnership, corporation, limited-liability company or sole
45 proprietorship with any wording indicating that it is a partnership,



1 corporation, limited-liability company or sole proprietorship
2 composed of accountants or auditors or persons having expert
3 knowledge or special expertise in accounting or auditing, to any
4 accounting or financial statement, or attest to any accounting or
5 financial statement, unless the partnership, corporation, limited-
6 liability company or sole proprietorship is:

7 1. Registered pursuant to NRS 628.335 and all of its offices in
8 this State for the practice of public accounting are maintained and
9 registered as required under NRS 628.370; or

10 2. ~~Performing services within the practice of public~~
11 ~~accounting~~ *Granted practice privileges* pursuant to the provisions
12 of ~~subsection 3 of~~ NRS ~~[628.335.]~~ *628.315.*

13 **Sec. 19.** NRS 628.540 is hereby amended to read as follows:

14 628.540 1. Except as otherwise provided in subsection 2, a
15 person, partnership, corporation, limited-liability company or sole
16 proprietorship shall not engage in the practice of public accounting
17 or hold himself, herself or itself out to the public as an “accountant”
18 or “auditor” by use of either or both of those words in connection
19 with any other language which implies that such a person or firm
20 holds a certificate, permit or registration or has special competence
21 as an accountant or auditor on any sign, card, letterhead or in any
22 advertisement or directory unless:

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

25 (b) If a partnership, corporation, limited-liability company or
26 sole proprietorship, it is registered pursuant to NRS 628.335 or ~~is~~
27 ~~performing services within the practice of public accounting~~ *has*
28 *been granted practice privileges* pursuant to the provisions of
29 ~~subsection 3 of~~ NRS ~~[628.335.]~~ *628.315.*

30 2. The provisions of subsection 1 do not prohibit:

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

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

36 **Sec. 20.** NRS 628.550 is hereby amended to read as follows:

37 628.550 1. A person shall not assume or use the title or
38 designation “certified public accountant” or “public accountant” in
39 conjunction with names indicating or implying that there is a
40 partnership, corporation or limited-liability company, or in
41 conjunction with the designation “and Company” or “and Co.” or a
42 similar designation, if there is in fact no bona fide partnership,
43 corporation or limited-liability company:

44 (a) Registered under NRS 628.335; or



1 (b) ~~Performing services within the practice of public~~
2 ~~accounting~~ *Granted practice privileges* pursuant to the provisions
3 of ~~subsection 3 of~~ NRS ~~628.335.~~ **628.315.**

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

7 (a) The legal form of the firm;

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

10 (c) Any other matter.

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

13 **Sec. 21.** NRS 628.017 is hereby repealed.

14 **Sec. 22.** This act becomes effective on July 1, 2023.

TEXT OF REPEALED SECTION

628.017 “Home office” defined. “Home office” means the location specified by a client of an accountant as the address of an entity for which the accountant practices public accounting, performs an attestation or compilation or performs other professional services within the practice of public accounting.

