

LEGISLATURE OF NEBRASKA
ONE HUNDRED EIGHTH LEGISLATURE
SECOND SESSION

LEGISLATIVE BILL 854

FINAL READING

Introduced by Jacobson, 42.

Read first time January 03, 2024

Committee: Banking, Commerce and Insurance

1 A BILL FOR AN ACT relating to certified public accountants; to amend
2 sections 1-116, 1-124, 1-136, and 1-136.02, Reissue Revised Statutes
3 of Nebraska; to change the examination eligibility, certification,
4 and permitting requirements relating to certified public
5 accountants; to harmonize provisions; and to repeal the original
6 sections.

7 Be it enacted by the people of the State of Nebraska,

1 Section 1. Section 1-116, Reissue Revised Statutes of Nebraska, is
2 amended to read:

3 1-116 (1)(a) Prior to January 1, 2025, any Any person making
4 initial application to take the examination described in section 1-114 is
5 ~~shall be~~ eligible to take the examination if he or she has completed at
6 least one hundred fifty semester hours or two hundred twenty-five quarter
7 hours of postsecondary academic credit and has earned a baccalaureate or
8 higher degree from a college or university accredited by an accrediting
9 agency recognized by the United States Department of Education or a
10 similar agency as determined to be acceptable by the board. The person
11 shall demonstrate that accounting, auditing, business, and other subjects
12 at the appropriate academic level as required by the board are included
13 within the required hours of postsecondary academic credit.

14 (b) Prior to January 1, 2025, a A person who expects to complete the
15 postsecondary academic credit and earn the degree as required by this
16 subsection ~~section~~ may take test sections of the examination within one
17 hundred twenty days prior to completing the postsecondary academic credit
18 and earning the degree, but such person shall not receive any credit for
19 such test sections unless evidence satisfactory to the board showing that
20 such person has completed the postsecondary academic credit and earned
21 the degree as required by this subsection ~~section~~ is received by the
22 board within one hundred fifty days following when the first test section
23 of the examination is taken.

24 (2)(a) On or after January 1, 2025, any person making initial
25 application to take the examination described in section 1-114 is
26 eligible to take the examination if he or she has completed at least one
27 hundred twenty semester hours or one hundred eighty quarter hours of
28 postsecondary academic credit and has earned a baccalaureate or higher
29 degree from a college or university accredited by an accrediting agency
30 recognized by the United States Department of Education or a similar
31 agency as determined to be acceptable by the board. The person shall

1 demonstrate that accounting, auditing, business, and other subjects at
2 the appropriate academic level as required by the board are included
3 within the required hours of postsecondary academic credit.

4 (b) On or after January 1, 2025, no person is allowed to take any
5 portion of the examination prior to completing the academic credit and
6 earning the degree required by this subsection.

7 (3) The board shall not prescribe the specific curricula of colleges
8 or universities.

9 (4) If the applicant is an individual, the application shall include
10 the applicant's social security number.

11 Sec. 2. Section 1-124, Reissue Revised Statutes of Nebraska, is
12 amended to read:

13 1-124 (1)(a) The board may, in its discretion, waive the examination
14 described in section 1-114 and may issue a reciprocal certificate as a
15 certified public accountant to any person who possesses the
16 qualifications specified in subdivision (2)(a) of section 1-114 and
17 section 1-116 and who is the holder of a certificate as a certified
18 public accountant, then in full force and effect, issued under the laws
19 of any state or is the holder of a certificate, license, or degree in a
20 foreign country constituting a recognized qualification for the practice
21 of public accountancy in such country, comparable to that of a certified
22 public accountant of this state, which is then in full force and effect.

23 (b) The board shall waive the examination described in section 1-114
24 and the educational requirements specified in section 1-116 and shall
25 issue a reciprocal certificate as a certified public accountant to any
26 person who possesses the qualifications specified in subdivision (2)(a)
27 of section 1-114, who is the holder of a certificate as a certified
28 public accountant, then in full force and effect, issued under the laws
29 of any state, who meets all other current requirements of the board for
30 issuance of a certificate as a certified public accountant, and who, at
31 the time of the application for a reciprocal certificate as a certified

1 public accountant, has had, within the ten years immediately preceding
2 application, at least four years of years¹ experience in the practice of
3 public accountancy specified in subdivision (1)(b) ~~subsection (1)~~ of
4 section 1-136.02.

5 (2) The board shall charge each person obtaining a reciprocal
6 certificate issued under this section a fee as established by the board
7 not to exceed four hundred dollars.

8 Sec. 3. Section 1-136, Reissue Revised Statutes of Nebraska, is
9 amended to read:

10 1-136 (1) Permits to engage in the practice of public accountancy in
11 this state shall be issued by the board to (a) persons who are holders of
12 the certificate of certified public accountant issued under sections
13 1-114 to 1-124 and who have met the education and experience requirements
14 of section 1-136.02, (b) partnerships and limited liability companies of
15 certified public accountants registered under section 1-126, and (c)
16 corporations registered under section 1-134 as long as all offices of
17 such certificate holders or registrants in this state for the practice of
18 public accountancy are maintained and registered as required under
19 section 1-135.

20 (2)(a) Except as provided in the case of permits subject to
21 subdivision (2)(b) of this section, the board shall charge an annual
22 permit fee as established by the board not to exceed one hundred fifty
23 dollars. All permits subject to this subdivision shall expire on June 30
24 of each year and may be renewed annually for a period of one year by
25 certificate holders and registrants in good standing upon payment of an
26 annual renewal fee as established by the board not to exceed one hundred
27 fifty dollars. The board may prorate the fee for any permit subject to
28 this subdivision issued for less than one year.

29 (b) The board shall charge a biennial permit fee as established by
30 the board not to exceed three hundred dollars for permits issued under
31 subdivision (1)(a) of this section. All permits subject to this

1 subdivision shall expire on June 30 of the first calendar year after the
2 calendar year of issuance in which the age of the certificate holder or
3 the registrant becomes divisible by two, and may be renewed biennially
4 for a period of two years by certificate holders and registrants in good
5 standing upon payment of a biennial renewal fee as established by the
6 board not to exceed three hundred dollars. The board may prorate the fee
7 for any permit subject to this subdivision issued for less than two
8 years.

9 (3) Failure of a certificate holder or registrant to apply for a
10 permit within (a) three years from the expiration date of the permit last
11 obtained or renewed or (b) three years from the date upon which the
12 certificate holder or registrant was issued a certificate or registration
13 if no permit was ever issued to such person shall deprive him or her of
14 the right to issuance or renewal of a permit unless the board, in its
15 discretion, determines such failure to have been excusable. In such case
16 the renewal fee or the fee for the issuance of the original permit, as
17 the case may be, shall be such amount as established by the board not to
18 exceed three hundred dollars.

19 (4) Any certificate holder or registrant who has not lost his or her
20 right to issuance or renewal of a permit and who is not actively engaged
21 in the practice of public accountancy in this state may file a written
22 application with the board to be classified as inactive. A person so
23 classified shall not be issued a permit or be deemed the holder of a
24 permit but shall be carried upon an inactive roll to be maintained by the
25 board upon the payment of an inactive fee as established by the board not
26 to exceed fifty percent of the fee charged persons actively engaged in
27 the practice of public accountancy as provided in this section. A person
28 so classified shall not be deprived of the right to the issuance or
29 renewal of a permit and may, upon application to the board and upon
30 payment of the current permit fee, be issued a current permit.

31 Sec. 4. Section 1-136.02, Reissue Revised Statutes of Nebraska, is

1 amended to read:

2 1-136.02 (1) The board shall issue a permit under subdivision (1)(a)
3 of section 1-136 to a holder of a certificate as a certified public
4 accountant when such holder has completed ~~had~~:

5 (a) At least one hundred fifty semester hours or two hundred twenty-
6 five quarter hours of postsecondary academic credit and has earned a
7 baccalaureate or higher degree from a college or university accredited by
8 a regional accrediting agency as recognized by the United States
9 Department of Education or a similar agency as determined to be
10 acceptable by the board. The person shall demonstrate that accounting,
11 auditing, business, and other subjects at the appropriate academic level
12 as required by the board are included within the required hours of
13 postsecondary academic credit; and

14 (b)(i) ~~(a)~~ Two years of accounting experience satisfactory to the
15 board, in any state or foreign country, in employment as an accountant in
16 a firm, proprietorship, partnership, corporation, limited liability
17 company, or other business entity authorized in any state to engage in
18 the practice of public accountancy under the supervision of an active
19 certified public accountant who is the holder of a permit issued under
20 subdivision (1)(a) of section 1-136 or the equivalent issued by another
21 state;

22 (ii) ~~(b)~~ Except as provided in subdivision (b)(iii) ~~(e)~~ of this
23 subsection, three years of accounting experience satisfactory to the
24 board, in any state or foreign country, in employment as (A) ~~(i)~~ an
25 accountant in government or business under the supervision of an active
26 certified public accountant who is the holder of a permit issued under
27 subdivision (1)(a) of section 1-136 or the equivalent issued by another
28 state or (B) ~~(ii)~~ faculty at a college or university of recognized
29 standing under the supervision of an active certified public accountant
30 who is the holder of a permit issued under subdivision (1)(a) of section
31 1-136 or the equivalent issued by another state; or

1 (iii) ~~(c)~~ Two years of accounting experience satisfactory to the
2 board in employment as an accountant in the office of the Auditor of
3 Public Accounts or the Department of Revenue under the supervision of an
4 active certified public accountant who is the holder of a permit issued
5 under subdivision (1)(a) of section 1-136 or the equivalent issued by
6 another state.

7 (2) The board shall issue a permit under subdivision (1)(a) of
8 section 1-136 to a holder of a reciprocal certificate issued under
9 section 1-124 upon a showing that:

10 (a) He or she meets all current requirements in this state for
11 issuance of a permit at the time the application is made; and

12 (b) At the time of the application for a permit the applicant,
13 within the ten years immediately preceding application, meets an ~~the~~
14 experience requirement in subdivision (1)(b) ~~(1)(a), (b), or (c)~~ of this
15 section.

16 Sec. 5. Original sections 1-116, 1-124, 1-136, and 1-136.02,
17 Reissue Revised Statutes of Nebraska, are repealed.