

LEGISLATIVE BILL 278

Approved by the Governor April 24, 1979

Introduced by Banking, Commerce and Insurance Committee,
DeCamp, 40, Chmn.; Schmit, 23; Merz, 1;
Fitzgerald, 14; Lewis, 45

AN ACT relating to accounting; to amend sections 1-119, 1-120, 1-124, 1-135, 1-136, and 1-136.01, Reissue Revised Statutes of Nebraska, 1943; to change provisions relating to fees as prescribed; to provide for a fee for registration of certain offices; to increase a bond requirement; to provide for an insurance policy as prescribed; to change the expiration date for permits; to clarify dates relating to continuing education; to provide an additional qualification for the Auditor of Public Accounts; and to repeal the original sections.
Be it enacted by the people of the State of Nebraska,

Section 1. That section 1-119, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

1-119. The board shall charge each candidate a fee, to be determined by the board, not in excess of one ~~two~~ hundred dollars for the initial examination provided for in subdivision (5) of section 1-114.

Sec. 2. That section 1-120, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

1-120. Fees for reexaminations under the provisions of subdivision (5) of section 1-114 shall also be charged by the board in amounts determined by it, but not in excess of ~~twenty-five~~ fifty dollars for each subject in which the candidate is reexamined.

Sec. 3. That section 1-124, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

1-124. The board may, in its discretion, waive the examination under the provisions of subdivision (5) of section 1-114, and may issue a certificate as a certified public accountant to any person possessing the qualifications specified in subdivisions (1), (2), and (3) of section 1-114 and what the board determines to be substantially the equivalent of the applicable qualifications under section 1-136.02, who is the holder

of a certificate as a certified public accountant, then in full force and effect, issued under the laws of any state, or is the holder of a certificate, license, or degree in a foreign country constituting a recognized qualification for the practice of public accounting in such country, comparable to that of a certified public accountant of this state, which is then in full force and effect. The board shall charge each person obtaining a certificate under this section a fee to be determined by the board, but such fee shall not be in excess of one two hundred dollars.

Sec. 4. That section 1-135, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

1-135. Each office established or maintained in this state for the practice of public accounting in this state by a certified public accountant, or partnership of certified public accountants, or by a public accountant or a partnership of public accountants, or by one registered under the provisions of section 1-125, or a corporation, shall be registered annually under the provisions of sections 1-106 to 1-169 with the board, but no fee shall be charged for such registration of the first office. An annual fee of fifty dollars shall be charged for the registration of the second and each additional office registered by such accountant or accountants. Each such office shall be under the supervision of a manager who may be either a principal or a staff employee holding a permit under the provisions of section 1-136, which is in full force and effect; Provided, that the title or designation certified public accountant or the abbreviation C.P.A. shall not be used in connection with such office unless such manager is the holder of a certificate as a certified public accountant under the provisions of sections 1-114 to 1-124 and a permit issued under the provisions of section 1-136, both of which are in full force and effect. Such manager may serve in such capacity at one office only. The board shall by regulation prescribe the procedure to be followed in effecting such registrations.

Sec. 5. That section 1-136, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

1-136. Permits to engage in the practice of public accounting in this state shall be issued by the board to persons who are holders of the certificate of certified public accountant issued under the provisions of sections 1-114 to 1-124 and who have met the experience requirements of section 1-136.02 and to

persons and partnerships registered under the provisions of sections 1-125 to 1-133 and the corporations registered under the provisions of section 1-134; Provided, all offices of such certificate holder or registrant are maintained and registered as required under the provisions of section 1-135. There shall be an annual permit fee in an amount to be determined, from time to time, by the board, not to exceed fifty one hundred dollars. All permits shall expire on the ~~last day of December~~ June 30 of each year and may be renewed annually for a period of one year by certificate holders and registrants in good standing upon payment of an annual renewal fee of not to exceed fifty one hundred dollars. Failure of a certificate holder or registrant to apply for such annual permit to practice within (1) three years from the expiration date of the permit to practice last obtained or renewed or (2) three years from the date upon which the certificate holder or registrant was granted ~~his~~ a certificate or registration if no permit was ever issued to ~~him~~ such person, shall deprive him or her of the right to renewal, unless the board, in its discretion, determines such failure to have been due to excusable neglect. In such case the renewal fee or the fee for the issuance of the original permit as the case may be shall be such amount as the board shall from time to time determine, but not in excess of fifty one hundred dollars. Any certificate holder or registrant, who has not lost his or her right to issuance or renewal and who is not actively engaged in the practice of public accounting in this state, may file a written application with the board to be classified as inactive. A person so classified shall not be issued a permit to engage in public accounting, nor be deemed the holder of a live permit as defined in section 1-151, but shall be carried upon an inactive roll to be maintained by the board, upon the payment of an annual inactive fee of one half the fee charged persons actively engaged in the practice of public accounting as provided in this section. A person so classified shall not be deprived of the right to issuance or renewal of permit and may, upon application to the board, and upon payment of the current annual permit fee, be granted a current annual permit. Every permitholder shall furnish a corporate bond in the amount of fifty one hundred thousand dollars, conditioned for the payment of any judgment or judgments which may be assessed against such person because of any act of negligence or any incompetency of such person occurring while he or she is the holder of such permit; Provided, that the aggregate liability of the surety for all such judgments shall in no event exceed the amount of such bond. In lieu of such fifty one hundred thousand dollar bond, such permitholder may file a certification from an insurance carrier that such permitholder is insured, as

an individual or a member of a partnership, under an accountancy liability policy ~~in--an--equal--or--greater amount of at least one hundred thousand dollars~~, except that any such insurance policy may provide for a deductible clause ~~not--exceeding--one--thousand--dollars--based on the size of the office~~. For an office with ten or less employees a deductible of one thousand dollars may be allowed, for an office with eleven to twenty employees a deductible of two thousand five hundred dollars may be allowed, for an office with twenty-one to fifty employees a deductible of five thousand dollars may be allowed, for an office with fifty-one to one hundred fifty employees a deductible of ten thousand dollars may be allowed, and for an office with one hundred fifty-one or more employees a deductible of twenty-five thousand dollars may be allowed. If any such bond or insurance shall by its terms expire, or if it is canceled by the surety or insurer, the surety or insurer shall within ten days thereafter give notice of such cancellation to the official issuing such permits, who shall thereupon notify, by mail, the holder of such permit whose bond or insurance has so expired or been canceled, that he such person may no longer act under the authority of such permit.

Sec. 6. That section 1-136.01, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

1-136.01. As a condition for renewal of a permit pursuant to section 1-136, the board may require permit holders to furnish evidence of participation in continuing education in accounting, auditing, or related areas for fifteen days within the preceding ~~three-year period~~ three calendar years. The board may adopt rules and regulations regarding such continuing education, and such rules and regulations shall be subject to the provisions of section 1-112.

Sec. 7. That original sections 1-119, 1-120, 1-124, 1-135, 1-136, and 1-136.01, Reissue Revised Statutes of Nebraska, 1943, are repealed.