

LEGISLATIVE BILL 290

Approved by the Governor May 11, 1977

Introduced by Banking, Commerce and Insurance Committee,
Labeledz, 5; Swigart, 8; Merz, 1; Mills, 44;
Schmit, 23; Murphy, 17

AN ACT to amend section 1-114, Reissue Revised Statutes of Nebraska, 1943, and sections 1-124 and 1-136, Revised Statutes Supplement, 1976, relating to accountants; to change when an individual may receive a certificate as a certified public accountant; to provide when a permit may be issued; and to repeal the original sections.

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

Section 1. That section 1-114, Reissue Revised Statutes of Nebraska, 1943, be amended to read as follows:

1-114. The certificate of certified public accountant shall be granted by the board to any person (1) who is a resident of this state or has a place of business therein or, as an employee, is regularly employed therein, (2) who has attained the age of twenty-one years, (3) who is of good moral character, (4) ~~who has had four years of public accounting experience, satisfactory to the board, in any state, in practice as a certified public accountant or as a public accountant, or, in any state, in employment as a staff accountant by anyone practicing public accounting, or any combination of either of such types of experience; Provided, that graduation from a college or university of recognized standing shall be considered as the equivalent of two years of the public accounting experience required by this section; or who has had experience gained through employment by the federal government as a special agent or an internal revenue agent in the Internal Revenue Service and who holds a degree from a college or university of recognized standing and is certified by a District Director of Internal Revenue as having at least three and one-half years of field experience as a special agent or internal revenue agent~~ who has graduated from a college or university of recognized standing, and (5) who shall have passed a written examination in theory of accounts, in accounting practice, in auditing, and in such other related subjects as the board shall determine to be appropriate.

Sec. 2. That section 1-124, Revised Statutes Supplement, 1976, 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 ~~the provisions of subdivision (4) of section 1-114~~ section 3 of this act, 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 hundred dollars.

Sec. 3. The board shall not issue a permit under section 1-136 to any holder of a certificate of certified public accountant until such holder has had (1) two years of public accounting experience satisfactory to the board, in any state, in practice as a certified public accountant or as a public accountant or in any state in employment as a staff accountant by anyone practicing public accounting, or any combination of either of such types of experience, (2) three years of auditing experience satisfactory to the board in the office of the Auditor of Public Accounts or in the Department of Revenue, or (3) experience gained through employment by the federal government as a special agent or an internal revenue agent in the Internal Revenue Service and who holds a degree from a college or university of recognized standing and is certified by a District Director of Internal Revenue as having at least three and one half years of field experience as a special agent or internal revenue agent.

Sec. 4. That section 1-136, Revised Statutes Supplement, 1976, 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 3 of this act 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 dollars. All permits shall expire on the last day of December 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 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 certificate or registration if no permit was ever issued to him, shall deprive him 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 dollars. Any certificate holder or registrant, who has not lost his 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 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 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 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, except that any such insurance policy may provide for a deductible clause not exceeding one thousand dollars. 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 may no longer act under the authority of such permit.

Sec. 5. For the purposes of section 3 of this act, auditing experience on and after January 1, 1973, as an auditor in the Department of Revenue or in the office of the Auditor of Public Accounts shall qualify toward the total experience requirements under this act.

Sec. 6. Any person who has taken the examination required by subdivision (5) of section 1-114 prior to January 1, 1978, may qualify for permit issuance by (1) having four years of public accounting experience satisfactory to the board in any state in practice as a certified public accountant or as a public accountant or in any state in employment as a staff accountant by anyone practicing public accounting, or any combination of either of such types of experience, or (2) having five years of auditing experience satisfactory to the board in the office of the Auditor of Public Accounts or in the Department of Revenue, in lieu of being a graduate from a college or university of recognized standing.

Sec. 7. That original section 1-114, Reissue Revised Statutes of Nebraska, 1943, and sections 1-124 and 1-136, Revised Statutes Supplement, 1976, are repealed.