

CHAPTER.....

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 charge a fee for an examination for a certificate of certified public accountant; and providing other matters properly relating thereto.

**Legislative Counsel’s Digest:**

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

Existing law provides that a candidate for a certificate of certified public accountant who meets certain educational requirements is eligible to take the examination for the certificate before completing the requirements for work experience if the candidate is without any history of acts involving dishonesty or moral turpitude. (NRS 628.190, 628.240) **Section 3** of this bill removes the requirement that the candidate must not have any history of acts involving dishonesty or moral turpitude. Existing law requires the Board to charge a candidate a fee for the examination. (NRS 628.280) **Section 4** of this bill authorizes, rather than requires, the Board to charge an examination fee.

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

Existing law grants practice privileges in this State to a natural person who holds a valid license as a certified public accountant in another state. Such a natural person is not required to obtain a certificate of certified public accountant or a permit to engage in the practice of public accounting from the Board but is required to consent to certain specified conditions, including consent to the disciplinary authority of the Board. (NRS 628.315) **Section 6** of this bill extends the authority of the Board to grant such practice privileges to a certified public accounting firm organized as a partnership, corporation or limited-liability company or a sole



proprietorship which holds a valid registration in good standing from another state. Such a certified public accounting firm is not required to register with the Board but is required to consent to the same conditions as natural persons, such as consent to the disciplinary authority of the Board. **Sections 1 and 8-20** of this bill make conforming changes to account for the Board's authority to grant practice privileges to those entities. **Sections 8-10** of this bill also require those entities which are organized as a partnership, corporation or limited-liability company to maintain an office in this State.

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

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

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

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

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

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

**Sec. 2.** NRS 628.200 is hereby amended to read as follows:

628.200 1. Except as otherwise provided in subsection 4, the requirements of education for a certificate of certified public accountant are:

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

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

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

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

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



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

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

3. The Board ~~is~~:

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

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

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

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

4. Notwithstanding any provision of this section to the contrary, an applicant for a certificate of certified public accountant who has received conditional credit pursuant to NRS 628.260 for passing a section of the examination required for a certificate, and who applies that credit to subsequent passage of the examination, is subject to the educational requirements to receive a certificate that were in effect on the date on which the applicant passed all sections of the examination.

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

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

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

628.280 1. The Board ~~shall~~ *may* charge each candidate for a certificate of certified public accountant a fee, to be determined by



the Board by regulation, for the examination prescribed by the Board.

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

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

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

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

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

(c) The requirements for education of the state or other jurisdiction from which the person received his or her original certificate are determined by the Board to satisfy the requirements for education of this State.

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

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

(b) The applicant's certificate:

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

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



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

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

(d) The applicant:

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

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

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

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

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

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

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

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

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

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



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

- (a) A certificate pursuant to NRS 628.190; ~~for~~
- (b) A permit pursuant to NRS 628.380 ~~it~~; *or*
- (c) *A registration pursuant to NRS 628.335.*

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

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

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

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

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

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

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

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

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

(2) *The certified public accounting firm.*

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

628.335 1. The Board shall grant or renew registration to a partnership, corporation, limited-liability company or sole



proprietorship that demonstrates its qualifications therefor in accordance with this chapter.

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

- (a) Performs attest services;
- (b) Performs compilation services;
- (c) Is engaged in the practice of public accounting; or
- (d) Is styled and known as a certified public accountant or uses the abbreviation "C.P.A."

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

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

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

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

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

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

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

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

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



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

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

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

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

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

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

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

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

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

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

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





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

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

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

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

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

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

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

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

(d) Each manager in charge of an office of the corporation in this State and each shareholder or director who is regularly and personally engaged within this State in the practice of public accounting must be ~~either~~ a certified public accountant of this State in good standing . ~~for, if the corporation is required to register~~



~~pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.]~~

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

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

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

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

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

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

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

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

(c) At least one member of the limited-liability company must be ~~either~~ a certified public accountant of this State in good standing . ~~for, if the limited liability company is required to register pursuant to paragraph (a) of subsection 3 of NRS 628.335, a natural person granted practice privileges pursuant to NRS 628.315.]~~



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

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

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

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

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

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

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



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

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

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

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

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

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

(f) Conviction of any crime:

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

(2) Involving moral turpitude,

↳ under the laws of any state or jurisdiction.

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

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

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

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

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

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

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

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

2. After giving notice and conducting a hearing, the Board may deny an application to take the examination prescribed by the Board pursuant to NRS 628.190, deny a person admission to such an



examination, invalidate a grade received for such an examination or deny an application for a certificate issued pursuant to NRS 628.190 to 628.310, inclusive, to a person who has:

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

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

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

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

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

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

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

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

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

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

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



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

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

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

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

4. As used in this section:

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

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

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

(b) "Practitioner" means:

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

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

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

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

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



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

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

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

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

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

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

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

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

2. Anyone who:

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



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

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

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

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

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

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

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

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

2. The provisions of subsection 1 do not prohibit:

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

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

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





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

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

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

628.520 A person shall not sign or affix the name of a partnership, corporation, limited-liability company or sole proprietorship with any wording indicating that it is a partnership, corporation, limited-liability company or sole proprietorship composed of accountants or auditors or persons having expert knowledge or special expertise in accounting or auditing, to any accounting or financial statement, or attest to any accounting or financial statement, unless the partnership, corporation, limited-liability company or sole proprietorship is:

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

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

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

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

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

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

2. The provisions of subsection 1 do not prohibit:

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



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

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

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

(a) Registered under NRS 628.335; or

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

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

(a) The legal form of the firm;

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

(c) Any other matter.

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

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

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

