

LEGISLATIVE BILL 31

Approved by the Governor February 12, 2009

Introduced by Pahls, 31.

FOR AN ACT relating to the Public Accountancy Act; to amend sections 1-105, 1-106, 1-109, 1-110, 1-111, 1-114, 1-116, 1-118, 1-119, 1-120, 1-122, 1-126, 1-134, 1-135, 1-136, 1-136.01, 1-136.02, 1-136.04, 1-137, 1-138, 1-148, 1-151, 1-152, 1-155, 1-156, 1-157, 1-158, 1-159, 1-161, 1-162, 1-162.01, 1-164.01, 1-164.02, 1-167, 1-168, 1-170, and 1-171, Reissue Revised Statutes of Nebraska; to define and redefine terms; to rename a fund; to change certificate and permit requirements; to provide for practice privileges; to eliminate obsolete provisions; to harmonize provisions; to provide an operative date; to repeal the original sections; and to outright repeal sections 1-123, 1-125, 1-133, 1-136.03, 1-153, 1-154, and 1-163, Reissue Revised Statutes of Nebraska.

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

Section 1. Section 1-105, Reissue Revised Statutes of Nebraska, is amended to read:

1-105 Sections 1-105 to 1-171 and sections 12, 13, and 23 of this act shall be known and may be cited as the Public Accountancy Act.

Sec. 2. Section 1-106, Reissue Revised Statutes of Nebraska, is amended to read:

1-106 For purposes of the Public Accountancy Act, unless the context otherwise requires:

(1) Board means the Nebraska State Board of Public Accountancy;

(2) Certificate means a certificate issued under sections 1-114 to 1-124;

(3) Firm means a proprietorship, partnership, corporation, or limited liability company engaged in the practice of public accountancy in this state entitled to register with the board;

(4) Partnership includes, but is not limited to, a limited liability partnership;

(5) Permit means a permit to engage in the practice of public accountancy in this state issued under section 1-136; and

(6) Practice privilege means the privilege of an accountant to practice public accountancy or hold himself or herself out as a certified public accountant in this state in accordance with section 12 of this act;

~~(6) (7) State means a state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction of the United States; and-~~

(8) Temporary practice privilege means the privilege of a foreign accountant to temporarily practice public accountancy in this state in accordance with section 13 of this act.

Sec. 3. Section 1-109, Reissue Revised Statutes of Nebraska, is amended to read:

1-109 (1) In December of each year, the board shall ~~have printed and published~~ make available for public distribution an annual register containing the names, arranged alphabetically by classifications, of all persons holding permits, the names of the members of the board, and such other matters as may be deemed proper by the board. ~~Copies of the~~ The register shall be ~~mailed~~ made available to each permitholder.

(2) The board shall employ an executive director, additional personnel, and any other assistance as it may require for the performance of its duties. Unless otherwise directed by the board, the executive director shall keep a record of all proceedings, transactions, and official acts of the board, be custodian of all the records of the board, and perform such other duties as the board may require.

Sec. 4. Section 1-110, Reissue Revised Statutes of Nebraska, is amended to read:

1-110 Each member of the board shall be paid one hundred dollars for each day or portion thereof spent in the discharge of his or her official duties and shall be reimbursed for his or her actual and necessary expenses incurred in the discharge of his or her official duties as provided in sections 81-1174 to 81-1177. Such compensation and expenses shall be paid from the Certified Public Accountants Fund.

Sec. 5. Section 1-111, Reissue Revised Statutes of Nebraska, is amended to read:

1-111 (1) All fees collected under the Public Accountancy Act and

all costs collected under subdivision (8) of section 1-148 shall be remitted by the board to the State Treasurer for credit to the Certified Public Accountants Fund which is hereby created. Such fund shall, if and when specifically appropriated by the Legislature during any biennium for that purpose, be paid out from time to time by the State Treasurer upon warrants drawn by the Director of Administrative Services on vouchers approved by the board, and such board and expense thereof shall not be supported or paid from any other fund of the state. Any money in the Certified Public Accountants Fund available for investment shall be invested by the state investment officer pursuant to the Nebraska Capital Expansion Act and the Nebraska State Funds Investment Act.

(2) ~~All~~ The board shall remit civil penalties collected under subdivision (5) of section 1-148 shall be remitted by the board to the State Treasurer for credit to the permanent school fund- distribution in accordance with Article VII, section 5, of the Constitution of Nebraska.

Sec. 6. Section 1-114, Reissue Revised Statutes of Nebraska, is amended to read:

1-114 (1) Prior to January 1, 1998, the board shall issue a certificate of certified public accountant to any person (a) who is a resident of this state or has a place of business therein or, as an employee, is regularly employed therein, (b) who has graduated from a college or university of recognized standing, and (c) who has passed a written examination in accounting, auditing, and such other related subjects as the board determines to be appropriate.

(2) On and after January 1, 1998, the board shall issue a certificate ~~of~~ as a certified public accountant to any person (a) who is a resident of this state or has a place of business in this state or, as an employee, is regularly employed in this state, and (b) who has passed an examination in accounting, auditing, and such other related subjects as the board determines to be appropriate, and (c) who has completed the educational requirements specified in section 1-116.

Sec. 7. Section 1-116, Reissue Revised Statutes of Nebraska, is amended to read:

1-116 ~~(1)~~ Prior to January 1, 1998, a person shall be eligible to take the examination described in section 1-114 if he or she meets the requirements of subdivision (1)(a) of section 1-114. ~~A person who takes the examination prior to January 1, 1998, remains eligible to take any examination held by the board on or before December 31, 2000, for a maximum of six sittings.~~

~~(2)~~ Except as otherwise provided in this subsection, any Any person making initial application on or after January 1, 1998, shall be eligible to take the examination described in section 1-114 shall be eligible to take the examination if he or she has completed at least one hundred fifty semester hours or two hundred twenty-five quarter hours of postsecondary academic credit and has earned a baccalaureate or higher degree from a college or university accredited by the North Central Association of Colleges and Universities or a similar agency as determined to be acceptable by the board. The person shall demonstrate that accounting, auditing, business, and other subjects at the appropriate academic level as required by the board are included within the required hours of postsecondary academic credit. A person who expects to complete the postsecondary academic credit and earn the degree as required by this subsection section within sixty days following when the examination is held shall be eligible to take such examination, but such person shall not receive any credit for such examination unless evidence satisfactory to the board showing that such person has completed the postsecondary academic credit and earned the degree as required by this subsection section is received by the board within ninety days following when the examination is held. The board shall not prescribe the specific curricula of colleges or universities. If the applicant is an individual, the application shall include the applicant's social security number.

Sec. 8. Section 1-118, Reissue Revised Statutes of Nebraska, is amended to read:

1-118 (1) The board may by rule and regulation prescribe the terms and conditions under which a person who does not pass the examination in one sitting may be reexamined. The board may also provide by rule and regulation for a reasonable waiting period for reexamination.

~~(2)~~ Any person who is eligible to take the examination under subsection (1) of section 1-116 and passes the examination in one or more of the subjects may be reexamined in the remaining subjects after January 1, 1998, without meeting the requirements of subsection (2) of section 1-116 subject to the rules and regulations of the board.

~~(3)~~ (2) A person shall be entitled to any number of reexaminations

under section 1-114 subject to the rules and regulations of the board.

Sec. 9. Section 1-119, Reissue Revised Statutes of Nebraska, is amended to read:

1-119 The board shall charge a fee as established by the board ~~not to exceed three hundred dollars on and after March 4, 2003, and prior to January 1, 2004,~~ and not to exceed two hundred dollars on and after January 1, 2004, for the initial examination provided for ~~in section 1-114, under the~~ Public Accountancy Act. An applicant for the examination may be required to pay additional fees as charged by and remitted or paid to a third party for administering the examination, if required by the board.

Sec. 10. Section 1-120, Reissue Revised Statutes of Nebraska, is amended to read:

1-120 The board shall charge fees as established by the board for reexaminations ~~under section 1-114, the~~ Public Accountancy Act. Such fees shall not exceed ~~seventy-five dollars on and after March 4, 2003, and prior to January 1, 2004,~~ and shall ~~not exceed~~ fifty dollars on and after January 1, 2004, for each subject in which a person is reexamined. An applicant for the reexamination may be required to pay additional fees as charged by and remitted or paid to a third party for administering the reexamination, if required by the board.

Sec. 11. Section 1-122, Reissue Revised Statutes of Nebraska, is amended to read:

1-122 ~~(1)~~ Any person who has been issued a certificate as a certified public accountant and who holds a permit issued under subdivision (1)(a) of section 1-136, which is in full force and effect, and any person who is classified as inactive under section 1-136, shall be styled and known as a certified public accountant and may also use the abbreviation C.P.A. The board shall maintain a list of active certified public accountants.

~~(2) Any person who may be known as a certified public accountant may also be known as a public accountant.~~

Sec. 12. (1) A person who does not hold a certificate as a certified public accountant or a permit issued under subdivision (1)(a) of section 1-136 and who possesses an active permit, certificate, or license which allows the person to engage in the practice of public accountancy as a certified public accountant in another state and whose principal place of business is outside this state shall have all the practice privileges of a certified public accountant who holds a permit issued under subdivision (1)(a) of section 1-136, including the use of the title or designation certified public accountant or C.P.A., without the need to hold a certificate or a permit issued under subdivision (1)(a) of section 1-136, or to notify or register with the board or pay any fee. However, a person is not eligible to exercise the practice privilege afforded under this section if the person has a permit, certificate, or license under current suspension or revocation for reasons other than nonpayment of fees or failure to comply with continuing professional educational requirements in another state.

(2) Any person of another state exercising the practice privilege afforded under this section and any partnership, limited liability company, or other allowed entity of certified public accountants which employ that person hereby simultaneously consent, as a condition of the exercise of the practice privilege:

(a) To the personal and subject-matter jurisdiction and disciplinary authority of the board;

(b) To comply with the Public Accountancy Act and the rules and regulations adopted and promulgated under the act;

(c) That in the event the authorization to engage in the practice of public accountancy in the state of the person's principal place of business is no longer valid, the person will cease offering or rendering professional services in this state individually and on behalf of the person's partnership, limited liability company, or other allowed entity of certified public accountants; and

(d) To the appointment of the state entity which issued the person's authorization to engage in the practice of public accountancy as the person's agent upon whom process may be served in any action or proceeding by the board against the person.

(3) The practice privilege afforded under this section or any other section shall not be interpreted to prevent any governmental body from requiring that public accounting services performed for a governmental body or for an entity regulated by a governmental body be performed by a person or firm holding a permit issued under section 1-136.

(4) Any person who exercises the practice privilege afforded under this section and who, for any entity with its home office in this state, performs attestation services, may only do so through a firm or an affiliated

entity which holds a permit issued under section 1-136.

Sec. 13. (1) The board may, in its discretion, grant a person who holds a certificate, degree, or license in a foreign country constituting a recognized qualification for the practice of public accountancy in such country, and who does not hold a certificate or permit issued by this state or any other state and whose principal place of business is outside this state, the privilege to temporarily practice in this state on professional business incident to his or her regular practice outside this state, if such privilege to temporarily practice is conducted in conformity with the rules and regulations of the board.

(2) Any person of another country exercising the temporary practice privilege granted under this section and any partnership, limited liability company, or other allowed entity of certified public accountants which employ that person hereby simultaneously consent, as a condition of the grant of the temporary practice privilege:

(a) To the personal and subject-matter jurisdiction and disciplinary authority of the board;

(b) To comply with the Public Accountancy Act and the rules and regulations adopted and promulgated under the act;

(c) That in the event the authorization to engage in the practice of public accountancy in the country of the person's principal place of business is no longer valid, the person will cease offering or rendering professional services in this state individually and on behalf of the person's partnership, limited liability company, or other allowed entity of certified public accountants; and

(d) To the appointment of the board as his or her agent upon whom process may be served in any action or proceeding by the board against the person.

(3) The temporary practice privilege afforded under this section or any other section shall not be interpreted to prevent any governmental body from requiring that public accounting services performed for a governmental body or for an entity regulated by a governmental body be performed by a person or firm who holds a permit issued under section 1-136.

(4) Any person who has been granted the temporary practice privilege afforded under this section and who, for any entity with its home office in this state, performs attestation services, may only do so through a firm or affiliated entity which holds a permit issued under section 1-136.

(5) Any person who has been granted the temporary practice privilege afforded under this section shall use only the title or designation under which he or she is generally known in his or her own country, followed by the name of his or her foreign country.

(6) The board shall charge each person who has been granted the temporary practice privilege afforded under this section a fee as established by the board not to exceed fifty dollars.

Sec. 14. Section 1-126, Reissue Revised Statutes of Nebraska, is amended to read:

1-126 A partnership or limited liability company engaged in this state in the practice of public accountancy may register with the board as a partnership or limited liability company of certified public accountants if it meets the following requirements:

(1) At least one partner of the partnership or member of the limited liability company shall be a certified public accountant of this state in good standing;

(2) Each partner of the partnership who is a certified public accountant or member of the limited liability company who is a certified public accountant personally engaged within this state in the practice of public accountancy as a partner or member thereof shall be a certified public accountant of this state in good standing;

(3) Each partner of the partnership who is a certified public accountant or member of the limited liability company who is a certified public accountant shall be a certified public accountant of some state in good standing; and

(4) Each resident manager in charge of an office of the partnership or limited liability company in this state shall be a certified public accountant of this state in good standing.

An application for such registration shall be made upon the affidavit of a general partner of such partnership or a member of such limited liability company who is a certified public accountant of this state in good standing. The board shall in each case determine whether the applicant is eligible for registration.

A partnership or limited liability company which is so registered and which holds a permit issued under subdivision ~~(1)-(e)~~ (1)(b) of section

1-136 may use the words certified public accountants or the abbreviation C.P.A.'s in connection with its partnership or limited liability company name.

Notification shall be given to the board, pursuant to board rules and regulations, regarding the admission to or withdrawal of a partner from any partnership or a member from any limited liability company so registered.

Sec. 15. Section 1-134, Reissue Revised Statutes of Nebraska, is amended to read:

1-134 A corporation organized pursuant to the Nebraska Professional Corporation Act which ~~on September 20, 1957,~~ had has a place of business in this state, ~~was permitted to engage in the practice of public accountancy in this state, was actually so engaged,~~ and which at that time had fully complied with all laws of this state relating to it may register with the board as a corporation engaged in the practice of public accountancy, ~~on or before January 1, 1958.~~ Registration also may be made by any corporation organized pursuant to the Nebraska Professional Corporation Act. Application for such registration must be made upon the affidavit of an officer of such corporation. The board shall in each case determine whether the applicant is eligible for registration. A corporation which is so registered and which holds a permit issued under subdivision ~~(1)-(f)~~ (1)(c) of section 1-136 may practice public accountancy and, in that connection, may use a corporate name which indicates, as a part of such name, that it is engaged in such practice, ~~if it had such corporate name on September 20, 1957.~~

Sec. 16. Section 1-135, Reissue Revised Statutes of Nebraska, is amended to read:

1-135 Each office established or maintained in this state for the practice of public accountancy in this state by a certified public accountant, by a partnership of certified public accountants or a limited liability company of certified public accountants registered under section 1-126, ~~by a public accountant registered under sections 1-128 to 1-130 as such sections existed on September 20, 1957,~~ by a partnership of public accountants or a limited liability company of public accountants registered under section ~~1-133,~~ by a foreign accountant registered under section 1-125, or by a corporation registered under section 1-134 shall be registered annually under the Public Accountancy Act with the board. The board shall charge an annual fee for the registration of each office as established by the board not to exceed one hundred dollars. The board shall by rule and regulation prescribe the procedure to be followed in effecting such registrations.

Each office shall be under the supervision of a manager who holds a permit issued under section 1-136 which is in full force and effect. Such manager may serve in such capacity at one office only, with the exception of a manager who is a sole owner of a firm or a sole proprietor, who may manage one additional office only. Such manager shall be directly responsible for the supervision and management of each office and may be subject to disciplinary action for the actions of the person or firm or any persons employed by each office of the person or firm within the State of Nebraska which relate to the practice of public accountancy.

Sec. 17. Section 1-136, Reissue Revised Statutes of Nebraska, is amended to read:

1-136 (1) Permits to engage in the practice of public accountancy in this state shall be issued by the board to (a) persons who are holders of the certificate of certified public accountant issued under sections 1-114 to 1-124 and who have met the experience requirements of section 1-136.02, (b) ~~foreign accountants registered under section 1-125,~~ (c) partnerships and limited liability companies of certified public accountants registered under section 1-126, (d) ~~persons registered as public accountants under sections 1-128 to 1-130 as such sections existed on September 20, 1957,~~ (e) ~~partnerships and limited liability companies of public accountants registered under section 1-133,~~ and (f) (c) corporations registered under section 1-134 as long as all offices of such certificate holders or registrants in this state for the practice of public accountancy are maintained and registered as required under section 1-135.

(2)(a) Except as provided in the case of permits subject to subdivision (2)(b) of this section, the board shall charge an annual permit fee as established by the board not to exceed one hundred fifty dollars. All permits subject to this subdivision shall expire on 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 as established by the board not to exceed one hundred fifty dollars. The board may prorate the fee for any permit subject to this subdivision issued for less than one year.

(b) The board shall charge a biennial permit fee as established by the board not to exceed three hundred dollars for permits issued under

~~subdivisions~~ subdivision (1) (a) ~~, (b)~~ and ~~(d)~~ of this section. All permits subject to this subdivision shall expire on June 30 of the first calendar year after the calendar year of issuance in which the age of the certificate holder or the registrant becomes divisible by two, and may be renewed biennially for a period of two years by certificate holders and registrants in good standing upon payment of a biennial renewal fee as established by the board not to exceed three hundred dollars. The board may prorate the fee for any permit subject to this subdivision issued for less than two years.

(3) Failure of a certificate holder or registrant to apply for a permit within (a) three years from the expiration date of the permit last obtained or renewed or (b) three years from the date upon which the certificate holder or registrant was issued a certificate or registration if no permit was ever issued to such person shall deprive him or her of the right to issuance or renewal of a permit unless the board, in its discretion, determines such failure to have been excusable. 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 established by the board not to exceed three hundred dollars.

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

Sec. 18. Section 1-136.01, Reissue Revised Statutes of Nebraska, is amended to read:

1-136.01 (1) As a condition for renewal of a permit issued under subdivision (1) (a) ~~, (b)~~ ~~or (d)~~ of section 1-136, the board, pursuant to rules and regulations adopted and promulgated by the board, may require permitholders to furnish evidence of participation in professional development in accounting, auditing, or related areas for fifteen days within the preceding three calendar years or, in order to facilitate the issuance of biennial permits as provided in subdivision (2) (b) of section 1-136, for ten days within the preceding two calendar years. The board may adopt and promulgate rules and regulations regarding such professional development.

(2) In determining compliance with the professional development requirement, the board may include credits earned during the current calendar year in addition to those earned in the preceding calendar years in which professional development is required under subsection (1) of this section. If such credits are included they shall not count toward the next succeeding permit renewal requirement.

Sec. 19. Section 1-136.02, Reissue Revised Statutes of Nebraska, is amended to read:

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

(a) Two years of public accounting experience satisfactory to the board, in any state, (i) in practice as a certified public accountant, ~~or a public accountant,~~ (ii) in employment as a staff accountant by anyone engaging in the practice of public accountancy, or (iii) in any combination of either of such types of experience;

(b) 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

(c) Experience gained through employment by the federal government as a special agent or an internal revenue agent in the Internal Revenue Service, a degree from a college or university of recognized standing, and certification by a District Director of Internal Revenue that such person has had at least three and one-half years of field experience as a special agent or internal revenue agent.

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

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

(b) At the time of the application for a permit the applicant, within the ten years immediately preceding application, has had at least two years' experience in the practice of public accountancy as a sole proprietor or as a staff accountant.

Sec. 20. Section 1-136.04, Reissue Revised Statutes of Nebraska, is amended to read:

1-136.04 Any person who has taken the examination described in section 1-114 ~~prior to January 1, 1978,~~ may qualify for issuance of a permit under subdivision (1)(a) of section 1-136 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 engaging in the practice of public accountancy, 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. 21. Section 1-137, Reissue Revised Statutes of Nebraska, is amended to read:

1-137 After notice and hearing as provided in sections 1-140 to 1-149, the board may take disciplinary action as provided in section 1-148 for any one or any combination of the following causes:

(1) Fraud or deceit in obtaining a certificate as a certified public accountant or the practice privilege or temporary practice privilege, registration, or a permit under the Public Accountancy Act;

(2) Dishonesty, fraud, or gross negligence in the practice of public accountancy;

(3) Violation of any of the provisions of sections 1-151 to 1-161;

(4) Violation of a rule of professional conduct adopted and promulgated by the board under the authority granted by the act;

(5) Conviction of a felony under the laws of any state or of the United States;

(6) Conviction of any crime, an element of which is dishonesty or fraud, under the laws of any state or of the United States;

(7) Cancellation, revocation, suspension, or refusal to renew authority to practice as a certified public accountant or a public accountant in any other state, for any cause other than failure to pay a registration fee in such other state;

(8) Suspension or revocation of the right to practice before any state or federal agency; or

(9) Failure of a certificate holder or registrant to obtain a permit issued under section 1-136, within either (a) three years from the expiration date of the permit last obtained or renewed by the certificate holder or registrant or (b) three years from the date upon which the certificate holder or registrant was issued his or her certificate or registration if no permit was ever issued to him or her, unless under section 1-136 such failure was excused by the board pursuant to section 1-136.

Sec. 22. Section 1-138, Reissue Revised Statutes of Nebraska, is amended to read:

1-138 After notice and hearing as provided in sections 1-140 to 1-149, the board shall revoke the registration and permit or the practice privilege of a partnership or a limited liability company of certified public accountants ~~or a partnership or a limited liability company of public accountants~~ if at any time it does not have all the qualifications prescribed by section 1-126 or ~~1-133, respectively,~~ sections 12 and 13 of this act, under which it qualified for registration or for the practice privilege or temporary practice privilege, respectively.

After notice and hearing as provided in sections 1-140 to 1-149, the board may take disciplinary action as provided in section 1-148 for any of the causes enumerated in section 1-137 or for any of the following additional causes:

(1) The revocation or suspension of the certificate or registration or the revocation or suspension or refusal to renew the permit of any partner or member; or

(2) The cancellation, revocation, suspension, or refusal to renew the authority of the partnership or any partner thereof or the limited liability company or any member thereof to practice public accountancy in any other state for any cause other than failure to pay a registration fee in such other state.

Sec. 23. A holder of a certificate as a certified public accountant or a permit issued under subdivision (1)(a) of section 1-136 who offers or renders services or uses his or her C.P.A. title or designation in another state shall be subject to disciplinary action in this state for such an act

committed in either state for which the certificate holder or permitholder would be subject to discipline for such an act committed in this state. The board shall investigate any complaint made by the board of accountancy or equivalent regulatory authority of another state.

Sec. 24. Section 1-148, Reissue Revised Statutes of Nebraska, is amended to read:

1-148 Upon the completion of any hearing, the board, by majority vote, shall have the authority through entry of a written order to take in its discretion any or all of the following actions:

(1) Issuance of censure or reprimand;
 (2) Suspension of judgment;
 (3) Placement of the permitholder, certificate holder, ~~or~~ registrant, or person exercising the practice privilege or the temporary practice privilege on probation;

(4) Placement of a limitation or limitations on the permit, certificate, or registration and upon the right of the permitholder, certificate holder, ~~or~~ registrant, or person exercising the practice privilege or the temporary practice privilege to practice the profession to such extent, scope, or type of practice for such time and under such conditions as are found necessary and proper;

(5) Imposition of a civil penalty not to exceed ten thousand dollars, except that the board shall not impose a civil penalty under this subdivision for any cause enumerated in subdivisions (5) through (9) of section 1-137 and subdivisions (1) and (2) of section 1-138. The amount of the penalty shall be based on the severity of the violation;

(6) Entrance of an order of suspension of the permit, certificate, ~~or~~ registration, or practice privilege or temporary practice privilege;

(7) Entrance of an order of revocation of the permit, certificate, ~~or~~ registration, or practice privilege or temporary practice privilege;

(8) Imposition of costs as in ordinary civil actions in the district court, which may include attorney and hearing officer fees incurred by the board and the expenses of any investigation undertaken by the board; or

(9) Dismissal of the action.

Sec. 25. Section 1-151, Reissue Revised Statutes of Nebraska, is amended to read:

1-151 ~~(1)~~ No person shall 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 such person is a certified public accountant unless such person ~~(a)~~ (1) is classified as inactive under section 1-136 or ~~(b)~~ (2) has been issued a certificate as a certified public accountant under sections 1-114 to 1-124 and holds a permit issued under subdivision (1)(a) of section 1-136 which is not revoked or suspended and all of such person's offices in this state for the practice of public accountancy are maintained and registered as required under section 1-135.

~~(2)~~ A foreign accountant who is registered under section 1-125 and who holds a permit issued under subdivision ~~(1)(b)~~ of section 1-136 which is not revoked or suspended may use the title under which he or she is generally known in his or her country, followed by the name of the country from which he or she received his or her certificate, license, or degree.

Sec. 26. Section 1-152, Reissue Revised Statutes of Nebraska, is amended to read:

1-152 No partnership or limited liability company shall assume or use the title or designation certified public accountant or public accountant or the abbreviation C.P.A. or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that such partnership or limited liability company is composed of certified public accountants unless such partnership or limited liability company is registered as a partnership of certified public accountants or a limited liability company of certified public accountants under section 1-126 and holds a permit issued under subdivision ~~(1)(e)~~ (1)(b) of section 1-136 which is not revoked or suspended and all of such partnership's or limited liability company's offices in this state for the practice of public accountancy are maintained and registered as required under section 1-135.

Sec. 27. Section 1-155, Reissue Revised Statutes of Nebraska, is amended to read:

1-155 ~~(1)~~ Except as otherwise provided in this section, no person, partnership, or limited liability company shall assume or use the title or designation certified accountant, public accountant, chartered accountant, enrolled accountant, licensed accountant, or registered 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., P.A., E.A.,

R.A., or L.A. or similar abbreviations likely to be confused with C.P.A. No person shall assume or use the title or designation enrolled agent or E.A. except a person so designated by the Internal Revenue Service. Any person who holds a permit issued under section 1-136 which is not revoked or suspended and all of whose offices in this state for the practice of public accountancy are maintained and registered as required under section 1-135 may hold himself or herself out to the public as an accountant or auditor.

~~(2) A foreign accountant registered under section 1-125, who holds a permit issued under subdivision (1)(b) of section 1-136 which is not revoked or suspended and all of whose offices in this state for the practice of public accountancy are maintained and registered as required under section 1-135 may use the title under which he or she is generally known in his or her country, followed by the name of the country from which he or she received his or her certificate, license, or degree.~~

Sec. 28. Section 1-156, Reissue Revised Statutes of Nebraska, is amended to read:

1-156 No corporation shall assume or use the title or designation certified public accountant or public accountant nor shall any corporation assume or use the title or designation certified accountant, chartered accountant, enrolled accountant, licensed accountant, registered accountant, or any other title or designation likely to be confused with certified public accountant ~~or public accountant~~ or any of the abbreviations C.P.A., P.A., C.A., E.A., R.A., L.A., or similar abbreviations likely to be confused with C.P.A., except that a corporation which is registered under section 1-134 and holds a permit issued under subdivision ~~(1)(f)~~ (1)(c) of section 1-136 which is not revoked or suspended and all of such corporation's offices in this state for the practice of public accountancy are maintained and registered as required under section 1-135, may use the words ~~public accountant~~, accountant, auditor, and other appropriate words to indicate that it is engaged in the practice of public accountancy but may not use the title or designation certified public accountant, public accountant, certified accountant, chartered accountant, enrolled accountant, licensed accountant, registered accountant, or any other title or designation likely to be confused with certified public accountant or any of the abbreviations C.P.A., C.A., E.A., L.A., R.A., or similar abbreviations likely to be confused with C.P.A.

Sec. 29. Section 1-157, Reissue Revised Statutes of Nebraska, is amended to read:

1-157 No person shall sign or affix his or her name or any trade or assumed name used by him or her in his or her profession or business with any wording indicating that he or she is an accountant or auditor or with any wording indicating that he or she has expert knowledge in accounting or auditing to any accounting or financial statement or to any opinion on, report on, or certificate to any accounting or financial statement unless he or she holds a permit issued under subdivision (1)(a), ~~(1)(b)~~, ~~or (1)(d)~~ of section 1-136 which is not revoked or suspended and all of his or her offices in this state for the practice of public accountancy are maintained and registered as required under section 1-135. This section shall not prohibit any officer, employee, partner, limited liability company member, or principal of any organization from affixing his or her signature to any statement or report in reference to the financial affairs of the organization with any wording designating the position, title, or office which he or she holds in the organization, nor shall this section prohibit any act of a public official or public employee in the performance of his or her duties as such.

Sec. 30. Section 1-158, Reissue Revised Statutes of Nebraska, is amended to read:

1-158 No person shall sign or affix a partnership or limited liability company name, with any wording indicating that it is a partnership or limited liability company composed of accountants, auditors, or persons having expert knowledge in accounting or auditing, to any accounting or financial statement, or to any report on or certificate to any accounting or financial statement, unless the partnership or limited liability company holds a permit issued under subdivision ~~(1)(e)~~ ~~or (1)(e)~~ (1)(b) of section 1-136 which is not revoked or suspended and all of its offices in this state for the practice of public accountancy are maintained and registered as required under section 1-135.

Sec. 31. Section 1-159, Reissue Revised Statutes of Nebraska, is amended to read:

1-159 No person shall sign or affix a corporate name with any wording indicating that it is a corporation performing services as accountants or auditors or composed of accountants or auditors or persons having expert knowledge in accounting or auditing, to any accounting or financial statement, or to any report on or certificate to any accounting or financial statement,

except that a corporation which is registered under section 1-134 and holds a permit issued under subdivision ~~(1)(f)~~ (1)(c) of section 1-136 which is not revoked or suspended may affix its corporate name which it had on September 20, 1957, with the wording indicated above.

Sec. 32. Section 1-161, Reissue Revised Statutes of Nebraska, is amended to read:

1-161 No person shall 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 or a limited liability company or in conjunction with the designation "and company" or "and Co." or a similar designation if, in any such case, there is in fact no bona fide partnership or limited liability company registered under section 1-126, ~~or 1-133,~~ except that a sole proprietor or partnership lawfully using such title or designation in conjunction with such names or designation on September 20, 1957, may continue to do so if he, she, or it otherwise complies with the Public Accountancy Act.

Sec. 33. Section 1-162, Reissue Revised Statutes of Nebraska, is amended to read:

1-162 Nothing contained in the Public Accountancy Act shall prohibit any person not a certified public accountant ~~or public accountant~~ from serving as an employee of, or an assistant to, a certified public accountant, ~~public accountant,~~ or partnership or limited liability company of certified public accountants ~~or public accountants~~ holding a permit issued under section 1-136 or a foreign accountant ~~registered~~ exercising the temporary practice privilege under section ~~1-125,~~ 13 of this act, except that such employee or assistant shall not issue any accounting or financial statement over his or her name.

Sec. 34. Section 1-162.01, Reissue Revised Statutes of Nebraska, is amended to read:

1-162.01 Notwithstanding the Nebraska Professional Corporation Act or the Public Accountancy Act or any other provision of law inconsistent with this section, firms may have persons as owners who are not certified public accountants ~~or public accountants~~ if the following conditions are met:

(1) Such persons shall not exceed forty-nine percent of the total number of owners of such firm;

(2) Such persons shall not hold, in the aggregate, more than forty-nine percent of such firm's equity capital or voting rights or receive, in the aggregate, more than forty-nine percent of such firm's profits or losses;

(3) Such persons shall not hold themselves out as certified public accountants; ~~or public accountants;~~

(4) Such persons shall not hold themselves out to the general public or to any client as an owner, partner, shareholder, limited liability company member, director, officer, or other official of the firm except in a manner specifically permitted by the rules and regulations of the board;

(5) Such persons shall not have ultimate responsibility for the performance of any audit, review, or compilation of financial statements or other forms of attestation related to financial information;

(6) Such persons shall not be owners of a firm engaged in the practice of public accountancy without board approval if such persons (a) have been convicted of any felony under the laws of any state, of the United States, or of any other jurisdiction, (b) have been convicted of any crime, an element of which is dishonesty or fraud, under the laws of any state, of the United States, or of any other jurisdiction, (c) have had their professional or vocational licenses, if any, suspended or revoked by a licensing agency of any state of the United States or of any other jurisdiction or such persons have otherwise been the subject of other final disciplinary action by any such agency, or (d) are in violation of any rule or regulation regarding character or conduct adopted and promulgated by the board relating to owners who are not certified public accountants ~~or public accountants;~~ and

(7) Such persons, regardless of where located, shall actively participate in the business of the firm.

The board shall adopt and promulgate rules and regulations for purposes of interpretation and enforcement of compliance with this section.

Sec. 35. Section 1-164.01, Reissue Revised Statutes of Nebraska, is amended to read:

1-164.01 Nothing in the Public Accountancy Act or the rules and regulations adopted and promulgated under the act shall be construed to prohibit any person who does not hold a permit issued under subdivision (1)(a), ~~(1)(b),~~ ~~or (1)(d)~~ of section 1-136 from preparing, compiling, or signing financial statements if an accompanying report, letter, or other statement does not express an opinion or other form of assurance as to the fairness, accuracy, or reliability of such statements.

Sec. 36. Section 1-164.02, Reissue Revised Statutes of Nebraska, is amended to read:

1-164.02 Nothing in the Public Accountancy Act or the rules and regulations adopted and promulgated under the act shall be construed to prohibit a person holding a certificate ~~of~~ as a certified public accountant from forming a business partnership or limited liability company with a person not holding a certificate or permit.

Sec. 37. Section 1-167, Reissue Revised Statutes of Nebraska, is amended to read:

1-167 The display or uttering by a person of a card, sign, advertisement, or other printed, engraved, or written instrument or device, bearing a person's name in conjunction with the words certified public accountant or any abbreviation thereof or public accountant or any abbreviation thereof shall be prima facie evidence in any action brought under section 1-165 or 1-166 that the person whose name is so displayed caused or procured the display or uttering of such card, sign, advertisement, or other printed, engraved, or written instrument or device and that such person is holding himself or herself out to be a certified public accountant ~~or a public accountant~~ holding a permit issued under section 1-136. In any such action evidence of the commission of a single act prohibited by the Public Accountancy Act shall be sufficient to justify an injunction or a conviction without evidence of a general course of conduct.

Sec. 38. Section 1-168, Reissue Revised Statutes of Nebraska, is amended to read:

1-168 All statements, records, schedules, working papers, and memoranda made by a certified public accountant ~~or public accountant~~ incident to or in the course of professional service to clients by such accountant, except reports submitted by a certified public accountant ~~or public accountant~~ to a client, shall be and remain the property of such accountant in the absence of an express agreement between such accountant and the client to the contrary. No such statement, record, schedule, working paper, or memorandum shall be sold, transferred, or bequeathed, without the consent of the client or his or her personal representative or assignee, to anyone other than one or more surviving partners or limited liability company members or new partners or limited liability company members of such accountant.

Sec. 39. Section 1-170, Reissue Revised Statutes of Nebraska, is amended to read:

1-170 Whenever any statute or rule or regulation adopted and promulgated by authority of any statute requires that any audit, report, financial statement, or other document for any department, division, board, commission, agency, or officer of this state be prepared by certified public accountants, such requirement, except as provided in section 1-171, shall be construed to mean certified public accountants ~~or public accountants~~ holding a permit issued under subdivision (1)(a) ~~or (1)(d)~~ of section 1-136 or a person exercising the practice privilege or temporary practice privilege.

Sec. 40. Section 1-171, Reissue Revised Statutes of Nebraska, is amended to read:

1-171 Whenever any federal regulation requires any audit, report, financial statement, or other document to be prepared by a certified public accountant, such requirement shall be construed to mean a certified public accountant holding a permit issued under subdivision (1)(a) of section 1-136 or a person exercising the practice privilege or temporary practice privilege.

Sec. 41. This act becomes operative on September 1, 2010.

Sec. 42. Original sections 1-105, 1-106, 1-109, 1-110, 1-111, 1-114, 1-116, 1-118, 1-119, 1-120, 1-122, 1-126, 1-134, 1-135, 1-136, 1-136.01, 1-136.02, 1-136.04, 1-137, 1-138, 1-148, 1-151, 1-152, 1-155, 1-156, 1-157, 1-158, 1-159, 1-161, 1-162, 1-162.01, 1-164.01, 1-164.02, 1-167, 1-168, 1-170, and 1-171, Reissue Revised Statutes of Nebraska, are repealed.

Sec. 43. The following sections are outright repealed: Sections 1-123, 1-125, 1-133, 1-136.03, 1-153, 1-154, and 1-163, Reissue Revised Statutes of Nebraska.