

ONE HUNDRED FIRST LEGISLATURE - FIRST SESSION - 2009
COMMITTEE STATEMENT
LB31

Hearing Date: Tuesday January 20, 2009
Committee On: Banking, Commerce and Insurance
Introducer: Pahls
One Liner: Change Public Accountancy Act provisions

Roll Call Vote - Final Committee Action:
Advanced to General File with amendment(s)

Vote Results:

Aye: 8 Senators Christensen, Gloor, Langemeier, McCoy, Pahls, Pankonin,
Pirsch, Utter

Nay:

Absent:

Present Not Voting:

Proponents:

Senator Rich Pahls
Jim Titus
Robert McChesney

Representing:

Introducer
State Board of Public Accountancy
NE Society of CPAs

Opponents:

Representing:

Neutral:

William Mueller

Representing:

NE Society of Independent Accountants

Summary of purpose and/or changes:

OVERVIEW

LB 31 would amend the Public Accountancy Act to allow for greater mobility of CPAs from other states and accountants from other countries into Nebraska, but also would enhance regulation by Nebraska over such persons.

The bill would allow non-Nebraska CPAs to exercise practice privileges in Nebraska immediately without the need to obtain licensure by reciprocity, to register, or to pay a fee. The bill also would allow the Nebraska State Board of Public Accountancy to grant foreign accountants temporary practice privileges incident to their regular practice and in conformity with the rules and regulations of the board. The bill would require the board to charge foreign accountants who are granted temporary practice privileges a fee not to exceed fifty dollars.

The bill would strengthen the board's regulatory authority by providing that a non-Nebraska CPA exercising the practice privilege or a foreign accountant exercising the temporary practice privilege consents, along with his or her firm, to the jurisdiction and disciplinary authority of the board. The bill would provide that any non-Nebraska CPA exercising the practice privilege or foreign accountant exercising the temporary practice privilege who performs attestation services for a Nebraska entity may do only through a firm which holds a Nebraska permit.

The bill would make a Nebraska CPA subject to discipline in this state for acts committed in other states.

The bill also would amend sections throughout the Public Accountancy Act to make updating and clean-up changes.

Among these, the bill would provide that the annual register of permit holders and board members shall be made available by the board to the permit holders instead of printed and mailed to them. The bill would change the name of the board's cash fund from "Public Accountancy Fund" to "Certified Public Accountancy Fund." The bill would eliminate obsolete provisions throughout the act including those regarding "public accountants," who were, as a group, grandfathered under the act in 1957 and of whom, the last one has retired.

SUMMARY

The bill would provide, section by section, as follows:

Section 1 would amend section 1-105 of the Public Accountancy Act to provide that new sections 12, 13, and 23 of the bill shall be assigned within the act.

Section 2 would amend section 1-106 of the Public Accountancy Act to provide for two new definitions: "practice privilege" and "temporary practice privilege."

Section 3 would amend section 1-109 of the Public Accountancy Act to provide that the Nebraska State Board of Public Accountancy shall "make available" rather than "have printed and published" an annual register of the names of permit holders and board members.

Section 4 would amend section 1-110 of the Public Accountancy Act to change the name of the Public Accountants Fund to the "Certified" Public Accountants Fund.

Section 5 would amend section 1-111 of the Public Accountancy Act to change the name of the Public Accountants Fund to the "Certified" Public Accountants Fund and to update provisions regarding the disposition of fines imposed by the Nebraska State Board of Public Accountancy.

Section 6 would amend section 1-114 of the Public Accountancy Act to clarify provisions regarding issuance of certificates.

Section 7 would amend section 1-116 of the Public Accountancy Act to clarify provisions regarding eligibility to take the CPA examination and to eliminate obsolete provisions.

Section 8 would amend section 1-118 of the Public Accountancy Act to eliminate obsolete provisions.

Section 9 would amend section 1-119 of the Public Accountancy Act to clarify provisions and to eliminate obsolete provisions.

Section 10 would amend section 1-120 of the Public Accountancy Act to clarify provisions and to eliminate obsolete provisions.

Section 11 would amend section 1-122 of the Public Accountancy Act to eliminate obsolete provisions regarding public accountants.

Section 12 would enact a new section in the Public Accountancy Act to provide that a person who does not hold a Nebraska certificate or permit and who possesses an active CPA permit, certificate, or license in another state and whose principal place of business is outside Nebraska shall have all the practice privileges of a person who holds a Nebraska permit. This section would provide that a person of another state exercising the practice privilege and his or her employing partnership, limited liability company, or other entity thereby consent to the jurisdiction and disciplinary authority of the Nebraska State Board of Public Accountancy. This section would provide that any person who exercises the practice privilege and who, for any entity in this state, performs attestation services, may do so only through a firm or affiliated entity which holds a Nebraska permit.

Section 13 would enact a new section in the Public Accountancy Act to provide that the Nebraska State Board of Public

Accountancy may grant a person who holds a public accountancy certificate, degree, or license in a foreign country, and who does not hold a certificate or permit issued by any state and whose principal place of business is outside this state, the privilege to temporarily practice in this state incident to his or her regular practice outside of this state, if such temporary practice is conducted in conformity with the rules and regulations of the board. This section would provide that any person of another country exercising the temporary practice privilege and his or her employing partnership, limited liability company or other entity thereby consent to the jurisdiction and disciplinary authority of the board. This section would provide that any person granted the temporary practice privilege and who, for any entity in this state, performs attestation services, may do so only through a firm or affiliated entity which holds a Nebraska permit. This section would provide that any person granted the temporary practice privilege shall use only the title under which he or she is generally known in his or her own country, followed by the name of the foreign country. This section would provide that the board shall charge each person granted the temporary practice privilege a fee not to exceed fifty dollars.

Section 14 would amend section 1-126 of the Public Accountancy Act to harmonize an internal reference.

Section 15 would amend section 1-134 of the Public Accountancy Act to eliminate obsolete provisions regarding public accountants and to harmonize an internal reference.

Section 16 would amend section 1-135 of the Public Accountancy Act to eliminate obsolete provisions regarding public accountants and foreign accountants.

Section 17 would amend section 1-136 of the Public Accountancy Act to eliminate obsolete provisions regarding foreign accountants and public accountants and to harmonize an internal reference.

Section 18 would amend section 1-136.01 of the Public Accountancy Act to harmonize an internal reference.

Section 19 would amend section 1-136.02 of the Public Accountancy Act to eliminate obsolete provisions regarding public accountants.

Section 20 would amend section 1-136.04 of the Public Accountancy Act to eliminate obsolete provisions.

Section 21 would amend section 1-137 of the Public Accountancy Act to insert references to the practice privilege and the temporary practice privilege.

Section 22 would amend section 1-138 of the Public Accountancy Act to insert references to the practice privilege and the temporary practice privilege and to eliminate obsolete provisions regarding public accountants.

Section 23 would enact a new section in the Public Accountancy Act to provide that the holder of a Nebraska certificate or permit who offers or renders services in another state shall be subject to disciplinary action in this state for such an act committed in either state for which he or she would be subject to discipline for such an act committed in this state.

Section 24 would amend section 1-148 of the Public Accountancy Act to insert references to the practice privilege and the temporary practice privilege.

Section 25 would amend section 1-151 of the Public Accountancy Act to eliminate obsolete provisions regarding foreign accountants.

Section 26 would amend section 1-152 of the Public Accountancy Act to prohibit unauthorized use of the title or designation "public accountant" and to harmonize an internal reference.

Section 27 would amend section 1-155 of the Public Accountancy Act to prohibit unauthorized use of the title or designation "public accountant" and to eliminate obsolete provisions regarding public accountants and foreign accountants.

Section 28 would amend section 1-156 of the Public Accountancy Act to eliminate obsolete provisions regarding public accountants, to harmonize an internal reference, and to prohibit unauthorized use of the title or designation "public accountant."

Section 29 would amend section 1-157 of the Public Accountancy Act to harmonize an internal reference.

Section 30 would amend section 1-158 of the Public Accountancy Act to harmonize an internal reference.

Section 31 would amend section 1-159 of the Public Accountancy Act to harmonize an internal reference and to eliminate obsolete provisions.

Section 32 would amend section 1-161 of the Public Accountancy Act to eliminate obsolete provisions.

Section 33 would amend section 1-162 of the Public Accountancy Act to eliminate obsolete provisions regarding public accountants, to insert a reference to the temporary practice privilege, and to harmonize an internal reference.

Section 34 would amend section 1-162.01 of the Public Accountancy act to eliminate obsolete provisions regarding public accountants.

Section 35 would amend section 1-164.01 of the Public Accountancy Act to harmonize an internal reference.

Section 36 would amend section 1-164.02 of the Public Accountancy Act to clarify provisions regarding certificates.

Section 37 would amend section 1-167 of the Public Accountancy Act to eliminate obsolete provisions regarding public accountants.

Section 38 would amend section 1-168 of the Public Accountancy Act to eliminate obsolete provisions regarding public accountants.

Section 39 would amend section 1-170 of the Public Accountancy Act to eliminate obsolete provisions regarding public accountants, to harmonize an internal reference, and to insert a reference to the practice privilege and the temporary practice privilege.

Section 40 would amend section 1-171 of the Public Accountancy Act to insert a reference to the practice privilege and the temporary practice privilege.

Section 41 would provide that the bill becomes operative on September 1, 2010.

Section 42 would provide for repealers of amendatory sections.

Section 43 would provide for the outright repeal of obsolete sections of the Public Accountancy Act: sections 1-123, 1-125, 1-133, 1-136.03, 1-153, 1-154, and 1-163.

Explanation of amendments:

The committee amendments would amend section 1-155 of the Public Accountancy Act (section 27 of the bill) to provide that no person may assume or use the title "enrolled agent" or "E.A." other than a person so designated by the Internal Revenue Service.

