

ONE HUNDRED SIXTH LEGISLATURE - FIRST SESSION - 2019
COMMITTEE STATEMENT
LB49

Hearing Date: Tuesday January 22, 2019
Committee On: Banking, Commerce and Insurance
Introducer: Stinner
One Liner: Change provisions relating to accounting firm ownership

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

Vote Results:

Aye: 8 Senators Gragert, Howard, Kolterman, La Grone, Lindstrom,
McCollister, Quick, Williams

Nay:

Absent:

Present Not Voting:

Oral Testimony:

Proponents:

Joni Sundquist

Representing:

Nebraska Society of CPA's

Opponents:

Representing:

Neutral:

Jim Titus

Representing:

Nebraska Board of Public Accountancy

Summary of purpose and/or changes:

This bill would amend section 1-162.01 of the Public Accountancy Act to provide additional categories of non-CPAs that may be owners of CPA firms. This section would provide that such non-CPA owners, in addition to natural persons, shall be: an employee stock ownership plan under federal law; a partnership or limited liability company; or a corporation. This section would provide that such non-CPA owners shall not comprise a majority of the owners of a firm and shall not hold one half or more of the equity capital of the firm and possess majority voting rights of the firm.

This section would provide that such non-CPA owners, if a partnership, limited liability company, or corporation: shall hold a permit to engage in the practice of public accountancy otherwise required of a partnership, limited liability company, or corporation; do not have the ultimate responsibility for the firm's performance of audits, reviews, or compilations of financial statements or other forms of attestation; and shall have their owners who are natural persons otherwise comply with the existing requirements of this section as if they were direct owners in the firm.

This section would provide that such beneficial owners under an employee stock ownership plan shall be natural persons actively participating in the business of the firm or an entity controlled by the firm. This section would provide that all of the trustees of employee stock ownership plans shall be natural persons who are certified public accountants.

Explanation of amendments:

The committee amendments would provide that individual non-CPA owners (1) shall actively participate in the business of the firm if they are direct owners or (2) shall actively participate in the business of the partnership, limited liability

company, or corporation through which they have beneficial ownership of the firm.

Matt Williams, Chairperson