

# STATE OF NEBRASKA



## PUBLIC ACCOUNTANCY ACT AS AMENDED

**JANUARY 31, 2007**

**Nebraska State Board of Public Accountancy  
P.O. Box 94725  
Lincoln, NE 68509-4725  
(402) 471-3595**



# PUBLIC ACCOUNTANCY ACT OF 1957

## TABLE OF CONTENTS

Act, how cited,	1-169	
Audits, who may perform,	1-170 et seq.	
Board of Public Accountancy, Nebraska, State		
Compensation,	1-110	
Conflicts of interest,	1-108.01	
Created,	1-107	
Defined,	1-106	
Duties,	1-108, 1-109	
Membership,	1-107	
Professional conduct	1-112	
Purpose,	1-105.01	
Rules and regulations,	1-108 et seq., 1-112	
Certified public accountants,		
Abbreviation, use of,	1-122, 1-151 et seq.	
Certificate of foreign country, how treated,	1-125	
Temporary practice, authorized,	1-163	
Educational requirements, advisory committee,	1-113	
Examinations,	1-115	
Eligibility,	1-116	
Experience requirement,	1-117	
Fee,	1-119, 1-121	
Reciprocity,	1-124	
Reexamination,	1-118	
Fee,	1-120 et seq.	
Waiver,	1-124	
Prior law, effect,	1-123	
Qualifications,	1-114	
Civil penalties, where credited,	1-111	
Continuing education,	1-136.01	
Corporation,		
Disciplinary actions,	1-139	
Name, use requirement,	1-159	
Registration,	1-134, 1-162.01	
Title, use of, prohibited,	1-156	
Disciplinary action,		
Actions permitted,	1-148	
Appeal,	1-149	
Board,		
Action by majority,	1-148	
Initiate proceedings,	1-140	
Legal representation,	1-147	
Subpoena power,	1-144	
Grounds,		
Corporation,	1-139	
Individual,	1-137	
Limited liability company,	1-138	

Partnership,	1-138
Hearing,	
Accused, privileges,	1-143
Evidence,	1-144 et seq.
Failure to appear,	1-142
Record,	1-145
Notice,	1-141
Renewal of right to practice,	1-150
Rules of evidence,	1-145
Employees, permitted,	1-162
Executive director,	1-109
Fund, Public Accountants,	1-111
Injunction,	1-165
Limited liability company or partnership,	
Abbreviation, use of,	1-152
Designation, false use of,	1-161
Disciplinary action,	1-138
Name, use of, requirement,	1-158
Permitted, when,	1-164.02
Public accountant, use of term,	1-154
Registration,	1-126, 1-133, 1-162.01
Titles, use,	1-152, 1-154 et seq.
Office registration requirements,	1-135
Permit to practice,	1-136
Experience, effect,	1-136.03 et seq.
Foreign licensure, temporary practice permitted,	1-163
Practice without permit, requirement,	1-160
Reciprocity,	1-136.02
Renewal, continuing education,	1-136.01
Requirements,	1-136.02 et seq., 1-157
Professional conduct,	1-112
Public accountant, use of term,	1-153 et seq.
Register,	1-109
Registration,	
Armed forces, service, effect,	1-130 et seq.
Corporation,	1-134, 1-162.01
Fees,	1-135
Limited liability company,	1-133, 162.01
Office,	1-135
Partnership,	1-133, 1-162.01
Rules and regulations,	1-112
Services not prohibited,	1-164 et seq.
Temporary practice, foreign licensee,	1-163
Title, use of,	1-151 et seq., 1-164.03
Violation,	1-166 et seq.
Trade name, use,	1-157
Work product, property rights,	1-168

## PUBLIC ACCOUNTANCY ACT, AS AMENDED

**DISCLAIMER.** The statutes presented here are intended to be exact and accurate reproductions of the statutes found in the Revised Statutes of Nebraska. However, they may not include all the revisions and changes, and errors may be present as a result of the reproduction process. It is recommended that the user consult the Revised Statutes of Nebraska and appropriate supplements for accuracy.

1-101. Repealed. Laws 1957, c. 1, s. 65.

1-102. Repealed. Laws 1957, c. 1, s. 65.

1-103. Repealed. Laws 1957, c. 1, s. 65.

1-104. Repealed. Laws 1957, c. 1, s. 65.

1-105. Repealed. Laws 1957, c. 1, s. 65.

**1-105.01. Nebraska State Board of Public Accountancy; purpose.** It is the purpose of the Nebraska State Board of Public Accountancy to protect the welfare of the citizens of the state by assuring the competency of persons regulated under the Public Accountancy Act through

- (1) administration of certified public accountant examinations,
- (2) issuance of certificates and permits to qualified persons and firms,
- (3) monitoring the requirements for continued issuance of certificates and permits, and
- (4) disciplining certificate and permit holders who fail to comply with the technical or ethical

standards of the public accountancy profession

Source: Laws 1984, LB 473, S. 1; Laws 1997, LB 114, S. 2.

**1-106. Board, defined.** 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 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) 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.

Source: Laws 1957, c. 1, S. 1, p. 55; Laws 1991, LB 75, S. 1; Laws 1997, LB 114, S. 3.

**1-107. Nebraska State Board of Public Accountancy; creation; membership; appointment; qualifications; terms; vacancies; removal; reappointment.** There is hereby created the Nebraska State Board of Public Accountancy. The board shall consist of eight members appointed by the Governor.

Six members of the board shall be holders of permits issued under subdivision (1) (a) of section 1-136, and two members of the board shall be laypersons.

All members of the board shall be citizens of the United States and residents of Nebraska. Two of the members of the board, who are holders of permits, shall reside in each congressional district. Two members shall be appointed to the board each year for terms of four years. Vacancies occurring during a term shall be filled by appointment for the unexpired term. Upon the expiration of his or her term of office a member shall continue to serve until his or her successor has been appointed and qualified.

The Governor shall remove from the board any member whose permit has become void or has been revoked or suspended and may, after hearing, remove any member of the board for neglect of duty or other just cause. No person who has served two complete terms of four years shall be eligible for reappointment.

Appointment to fill an unexpired term shall not be considered a complete term.

Source: Laws 1957, c. 1, S. 2, p. 55; Laws 1961, c. 1, S. 1, p. 59; Laws 1971, LB 858, S. 1; Laws 1979, LB 414, S. 1; Laws 1981, LB 92, S. 1; Laws 1984, LB 473, S. 2; Laws 1997, LB 114, S.4.

**1-108. Board; chairman; secretary; rules and regulations; quorum; seal; records.** The board shall elect annually a chairperson from its members. The board shall receive and account for all fees and other money received by it under the Public Accountancy Act. The board may adopt and promulgate rules and regulations for the orderly conduct of its affairs and the administration of the act. A majority of the members of the board shall constitute a quorum for the transaction of business. The board shall adopt a seal. The board shall keep records of its proceedings, and in any proceedings in court, civil or criminal, arising out of or founded upon any provision of the act, copies of such records certified as correct under the seal of the board shall be admissible in evidence as tending to prove the content of the records.

Source: Laws 1957, c. 1, S. 3, p. 56; Laws 1997, LB 114, S. 5.

**1-108.01. Board; conflicts of interest; rules and regulations.** The board shall adopt and promulgate rules and regulations which establish definitions of conflicts of interest for its members and which establish procedures to be followed in case such conflicts arise.

Source: Laws 1984, LB 473, S. 3; Laws 1997, LB 114, S. 6.

**1-109. Board; annual register; contents; personnel; executive director; duties.** (1) In December of each year, the board shall have printed and published 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 register shall be mailed to each permit holder.

(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.

Source: Laws 1957, c. 1, S. 4, p. 57; Laws 1981, LB 92, S. 2; Laws 1994, LB 1005, S. 1; Laws 1997, LB 114, S. 7.

**1-110. Board member; salary; expenses.** 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 811174 to 81-1177. Such compensation and expenses shall be paid from the Public Accountants Fund.

Source: Laws 1957, c. 1, S. 5, p. 57; Laws 1961, c. 2, S. 1, p. 61; Laws 1981, LB 204, S. 1; Laws 1981, LB 92, S. 3; Laws 1997, LB 114, S. 8.

**1-111. Fees, costs, and penalties; collection; Public Accountants Fund; created; use; investment.** (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 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 Public Accountants Fund available for investment shall be invested by the state investment officer pursuant to the provisions of sections 72-1237 to 72-1276.

(2) All 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.

Source: Laws 1957, c. 1, S. 6, p. 57; Laws 1969, c. 1, S. 1, p. 61; Laws 1969, c. 584, S. 24, p. 2356; Laws 1994, LB 957, S. 2; Laws 1997, LB 114, S. 9.

Cross Reference: Fees, appropriation to General Fund, see section 33-150.

**1-112. Board; professional conduct; rules and regulations.** The board may adopt and promulgate rules and regulations of professional conduct appropriate to establish and maintain a high standard of integrity and dignity in the profession of public accountancy and to govern the administration and enforcement of the Public Accountancy Act. The rules and regulations shall be adopted and promulgated pursuant to the Administrative Procedure Act.

Source: Laws 1957, c. 1, S. 7, p. 58; Laws 1993, LB 41, S. 1; Laws 1997, LB 114, S. 10.

Cross Reference: Administrative Procedure Act, see section 84-920.

**1-113. Advisory committee; membership.** (1) The board shall appoint an advisory committee consisting of at least seven members. A majority of the members shall be appointed as representatives of the postsecondary educational institutions of Nebraska engaged in the instruction of accounting and auditing, including the University of Nebraska, the Nebraska state colleges, and private universities and colleges. One member of the advisory committee shall be a certified public accountant who is a member of the board.

(2) The advisory committee shall meet at least annually and shall advise the board upon the rules and regulations for section 1-116 relating to educational requirements. The board may also consult the advisory committee on any other issues which it deems appropriate.

Source: Laws 1991, LB 75, S. 2; Laws 1997, LB 114, S. 11.

**1-114. Certificate of certified public accountant; granted; qualifications.** (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 an 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 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.

Source: Laws 1957, c. 1, S. 9, p. 58; Laws 1963, c. 1, S. 1, p. 59; Laws 1974, LB 811, S. 1; Laws 1977, LB 290, S. 1; Laws 1984, LB 473, S. 4; Laws 1991, LB 75, S. 3; Laws 1997, LB 114, S. 12; Laws 2003, LB 214, S.15.

**1-115. Certified public accountant; examinations, when held; use of prepared questions and grading service.** The examinations described in section 1-114 shall be held by the board and shall take place as often as the board determines to be desirable, but such examinations shall be held not less frequently than once each year. The board may make such use of all or any part of the Uniform Certified Public Accountants' Examination or Advisory Grading Service, or either of them, as it deems appropriate to assist it in performing its duties

Source: Laws 1957, c. 1, S. 10, p. 59; Laws 1976, LB 619, S. 1; Laws 1984, LB 473, S. 5; Laws 1991, LB 75, S. 4.

*Effective date September 6, 1991.*

**1-116. Certified public accountant; examination; eligibility.** (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 person making initial application on or after January 1, 1998, shall be eligible to take the examination described in section 1-114 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 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 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.

Source: Laws 1957, c. 1, S. 11, p. 59; Laws 1976, LB 619, S. 2; Laws 1984, LB 473, S. 6; Laws 1991, LB 75, S. 5; Laws 1997, LB 114, S. 13; Laws 1999, LB 346, S.1.

**1-117. Certified public accountant; completion of examination; additional requirements.** Any person who has successfully completed the examination described in section 1-114 shall have no status as a certified public accountant unless and until he or she has the requisite experience and also has been issued a certificate as a certified public accountant.

Source: Laws 1957, c. 1, S. 12, p. 59; Laws 1976, LB 619, S. 3; Laws 1984, LB 473, S. 7; Laws 1991, LB 75, S. 6; Laws 1997, LB 114, S. 14.

**1-118. Certified public accountant; reexamination; waiting period.** (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) A person shall be entitled to any number of reexaminations under section 1-114 subject to the rules and regulations of the board.

Source: Laws 1957, c. 1, S. 13, p. 59; Laws 1976, LB 619, S. 4; Laws 1984, LB 473, S. 8; Laws 1991, LB 75, S. 7; Laws 1997, LB 114, S. 15; Laws 2003, LB 214, S. 2.

**1-119. Certified public accountant; examination fee.** The board shall charge a fee as established by the board not to exceed three hundred dollars on and after the effective date of this act 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. 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.

Source: Laws 1957, c. 1, S. 14, p. 60; Laws 1976, LB 619, S. 5; Laws 1976, LB 961, S. 1; Laws 1979, LB 278, S. 1; Laws 1984, LB 473, S. 9; Laws 1991, LB 75, S. 8; Laws 1997, LB 114, S. 16; Laws 2003, LB 214, S. 3.

**1-120. Certified public accountant; reexamination fee.** The board shall charge fees as established by the board for reexaminations under section 1-114. Such fees shall not exceed seventy-five dollars on and after the effective date of this act 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.

Source: Laws 1957, c. 1, S. 15, p. 60; Laws 1976, LB 619, S. 6; Laws 1979, LB 278, S. 2; Laws 1984, LB 473, S. 10; Laws 1991, LB 75, S. 9; Laws 1997, LB 114, S. 17; Laws 2003, LB 214, S. 4.

**1-121. Certified public accountant; fees; when payable.** The applicable fee shall be paid by the applicant at the time he or she applies for initial examination or reexamination.

Source: Laws 1957, c. 1, S. 16, p. 60; Laws 1991, LB 75, S. 10; Laws 1997, LB 114, S. 18.

**1-122. Certified public accountant; certificate; use of abbreviation C.P.A.** (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 1136, 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.

Source: Laws 1957, c. 1, S. 17, p. 60; Laws 1984, LB 473, S. 11; Laws 1997, LB 114, S. 19.

**1-123. Certified public accountant; certificate under prior law.** Persons who, on September 20, 1957, held certified public accountant certificates theretofore issued under the laws of this state shall not be required to obtain additional certificates under the Public Accountancy Act but shall otherwise be subject to the act, and such certificates theretofore issued shall, for all purposes, be considered certificates issued under the act and subject to its provisions.

Source: Laws 1957, c. 1, S. 18, p. 60; Laws 1997, LB 114, S. 20.

**1-124. Certified public accountant; holder of certificate of other state or foreign country; waiver of examination; fee.** (1) (a) The board may, in its discretion, waive the examination described in section 1-114 and may issue a reciprocal certificate as a certified public accountant to any person who possesses the qualifications specified in subdivision (2) (a) of section 1-114 and section 1-116 and who is the holder of a certificate as a certified public accountant, then in full force and effect, issued under the laws of any state or is the holder of a certificate, license, or degree in a foreign country constituting a recognized qualification for the practice of public accountancy in such country, comparable to that of a certified public accountant of this state, which is then in full force and effect.

(b) The board shall waive the examination described in section 1-114 and the educational requirements specified in section 1-116 and shall issue a reciprocal certificate as a certified public accountant to any person who possesses the qualifications specified in subdivision (2) (a) of section 1-114, who is the holder of a certificate as a certified public accountant, then in full force and effect, issued under the laws of any state, who meets all other current requirements of the board for issuance of a certificate as a certified public accountant, and who, at the time of the application for a reciprocal certificate as a certified public accountant, has had, within the ten years immediately preceding application, at least four years experience in the practice of public accountancy specified in subsection (1) of section 1-136.02.

(2) The board shall charge each person obtaining a reciprocal certificate issued under this section a fee as established by the board not to exceed four hundred dollars.

Source: Laws 1957, c. 1, S. 19, p. 60; Laws 1976, LB 619, S. 7; Laws 1976, LB 961, S. 2; Laws 1977, LB 290, S. 2; Laws 1979, LB 278, S. 3; Laws 1984, LB 473, S. 12; Laws 1991, LB 75, S. 11; Laws 1997, LB 114, S. 21; Laws 2003, LB 214, S. 5; Laws 2007, LB 24, S. 1.

**1-125. Certified public accountant; holder of certificate, license, or degree of foreign country; registration.** The board may, in its discretion, permit the registration of any foreign accountant who is the holder of a certificate, license, or degree in a foreign country constituting a recognized qualification for the practice of public accountancy in such country. A foreign accountant so registered 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 country from which he or she received a certificate, license, or degree.

Source: Laws 1957, c. 1, S. 20, p. 61; Laws 1984, LB 473, S. 13; Laws 1997, LB 114, S. 22.

**1-126. Certified public accountant; partnership or limited liability company; registration; requirements.** 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) (c) 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.

Source: Laws 1957, c. 1, S. 21, p. 61; Laws 1993, LB 121, S. 46; Laws 1994, LB 957, S. 3; Laws 1997, LB 114, S. 23.

1-127. Repealed. Laws 1993, LB 41, S. 7.

1-128. Repealed. Laws 1984, LB 473, S. 27.

1-129. Repealed. Laws 1984, LB 473, S. 27.

1-130. Repealed. Laws 1997, LB 114, S. 65.

1-131. Repealed. Laws 1997, LB 114, S. 65.

1-132. Repealed. Laws 1997, LB 114, S. 65.

**1-133. Public accountant; partnership or limited liability company; registration; requirements.** 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 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 or a public accountant of this state in good standing;

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

(3) Each resident manager in charge of an office of a partnership or limited liability company in this state shall be a certified public accountant or a 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 holds a permit to practice in this state as a certified public accountant or as a public accountant. 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) of section 1-136 may use the words public accountants 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 member from any limited liability company so registered.

Source: Laws 1957, c. 1, S. 28, p. 63; Laws 1993, LB 121, S. 47; Laws 1994, LB 957, S. 4; Laws 1997, LB 114, S. 24.

**1-134. Public accounting; corporation; registration.** A corporation which, on September 20, 1957, had 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) 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.

Source: Laws 1957, c. 1, S. 29, p. 64; Laws 1971, LB 858, S. 2; Laws 1997, LB 114, S. 25.

**1-135. Public accounting; offices; registration; fee; manager; restrictions on use of title.** 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.

Source: Laws 1957, c. 1, S. 30, p. 64; Laws 1976, LB 961, S. 3; Laws 1979, LB 278, S. 4; Laws 1984, LB 473, S. 16; Laws 1993, LB 121, S. 48; Laws 1994, LB 957, S. 5; Laws 1997, LB 114, S. 26; Laws 2003, LB 214 S. 6, LB 258 S. 1.

**1-136. Public accounting; permits; issuance; annual fee; failure to renew; effect; inactive list.** (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) 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 (1) (a), (1) (b), and (1) (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.

Source: Laws 1957, c. 1, S. 31, p. 65; Laws 1959, c. 1, S. 1, p. 57; Laws 1976, LB 961, S. 4; Laws 1977, LB 290, S. 4; Laws 1979, LB 278, S. 5; Laws 1981, LB 92, S. 4; Laws 1984, LB 473, S. 17; Laws 1986, LB 869, S. 1; Laws 1993, LB 121, S. 49; Laws 1997, LB 114, S. 27.; Laws 2003, LB 214, S. 7.

**1-136.01. Permit; renewal; professional development; rules and regulations.** (1) As a condition for renewal of a permit issued under subdivision (1) (a), (1) (b), or (1) (d) of section 1-136, the board, pursuant to rules and regulations adopted and promulgated by the board, may require permit holders 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.

Source: Laws 1971, LB 858, S. 3; Laws 1979, LB 278, S. 6; Laws 1984, LB 473, S. 18; Laws 1997, LB 114, S. 28.

**1-136.02. Permit; when issued.** (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.

Source: Laws 1977, LB 290, S. 3; Laws 1993, LB 41, S. 2; Laws 1997, LB 114, S. 29; Laws 2007, LB 24, S. 2.

**1-136.03. Auditing experience; Department of Revenue, office of the Auditor of Public Accounts.**

For the purposes of section 1-136.02, auditing experience on and after January 1, 1973, as an auditor in the Department of Revenue or in the office of the Auditor of Public Accounts shall qualify toward the total experience requirements under sections 1-114, 1-124, 1-136, and 1-136.02 to 1-136.04.

Source: Laws 1977, LB 290, S. 5.

**1-136.04. Permit issuance; experience in lieu of being a college or university graduate.** 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.

Source: Laws 1977, LB 290, S. 6; Laws 1984, LB 473, S. 19; Laws 1991, LB 75, S. 13; Laws 1997, LB 114, S. 30.

**1-137. Individual certificates, registration, and permits; disciplinary action; grounds.** 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 certified public accountant, 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.

Source: Laws 1957, c. 1, S. 32, p. 66; Laws 1974, LB 811, S. 2; Laws 1981, LB 92, S. 5; Laws 1993, LB 41, S. 3; Laws 1997, LB 114, S. 31.

**1-138. Partnership or limited liability company; disciplinary action; grounds.** After notice and hearing as provided in sections 1-140 to 1-149, the board shall revoke the registration and permit 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, under which it qualified for registration.

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.

Source: Laws 1957, c. 1, S. 33, p. 67; Laws 1993, LB 41, S. 4; Laws 1993, LB 121, S. 50; Laws 1997, LB 114, S. 32.

Note: The Revisor of Statutes has pursuant to section 49-769 correlated LB 41, section 4, with LB 121, section 50, to reflect all amendments.

**1-139. Corporation; disciplinary action; grounds.** 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 if the corporation, or any of its officers, employees, or agents, while acting for or on behalf of such corporation, is guilty of any act, neglect, or failure to act which would have been cause for such act as against an individual under section 1-137.

Source: Laws 1957, c. 1, S. 34, p. 68; Laws 1993, LB 41, S. 5; Laws 1997, LB 114, S. 33.

**1-140. Disciplinary action; board; initiation of proceedings.** The board may initiate proceedings under the Public Accountancy Act either on its own motion or on the complaint of any person.

Source: Laws 1957, c. 1, S. 35, p. 68; Laws 1997, LB 114, S. 34.

**1-141. Disciplinary action; notice to accused; how given.** A written notice stating the nature of the charge or charges against the accused and the time and place of the hearing before the board on such charges shall be served on the accused not less than thirty days prior to the date of said hearing either personally or by mailing a copy thereof by either registered or certified mail to the address of the accused last known to the board.

Source: Laws 1957, c. 1, S. 36, p. 68.

**1-142. Disciplinary action; failure of accused to appear and defend; hearing; order.** If, after having been served with the notice of hearing pursuant to section 1-141, the accused fails to appear at the hearing and defend, the board may proceed to hear evidence against him or her and may enter such order as is justified by the evidence, which order shall be final unless he or she petitions for a review as set forth in section 1-149, except that within thirty days from the date of any order, upon a showing of good cause for failing to appear and defend, the board may reopen the proceedings and may permit the accused to submit evidence in his or her behalf.

Source: Laws 1957, c. 1, S. 37, p. 69; Laws 1997, LB 114, S. 35.

**1-143. Disciplinary action; appearance by accused; privileges.** At any hearing the accused may appear in person and by counsel, produce evidence and witnesses on his or her own behalf, cross-examine witnesses, and examine such evidence as may be produced against him or her. The accused shall be entitled, on application to the board, to the issuance of subpoenas to compel the attendance of witnesses on his or her behalf.

Source: Laws 1957, c. 1, S. 38, p. 69; Laws 1997, LB 114, S. 36.

**1-144. Disciplinary action; hearing; board; powers.** The board, or any member thereof, may issue subpoenas to compel the attendance of witnesses and the production of documents and may administer oaths, take testimony, hear proofs, and receive exhibits in evidence in connection with or upon hearing under the Public Accountancy Act. In case of disobedience to a subpoena the board may invoke the aid of any court of this state in requiring the attendance and testimony of witnesses and the production of documentary evidence.

Source: Laws 1957, c. 1, S. 39, p. 69; Laws 1997, LB 114, S. 37.

**1-145. Disciplinary action; board; rules of evidence.** The board shall not be bound by rules of evidence.

Source: Laws 1957, c. 1, S. 40, p. 69; Laws 1997, LB 114, S. 38.

**1-146. Disciplinary action; record of hearing.** A stenographic record of the hearing shall be kept and a

transcript thereof filed with the board.

Source: Laws 1957, c. 1, S. 41, p. 69.

**1-147. Disciplinary action; board; legal representation.** At all hearings, the Attorney General of this state, or one of his assistants designated by him, or such other legal counsel as may be employed, shall appear and represent the board.

Source: Laws 1957, c. 1, S. 42, p. 69.

**1-148. Disciplinary action; action of board; majority vote required.** 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 permit holder, certificate holder, or registrant on probation;
- (4) Placement of a limitation or limitations on the permit, certificate, or registration and upon the right of the permit holder, certificate holder, or registrant 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;
- (7) Entrance of an order of revocation of the permit, certificate, or registration;
- (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.

Source: Laws 1957, c. 1, S. 43, p. 70; Laws 1993, LB 41, S. 6; Laws 1994, LB 957, S. 6; Laws 1997, LB 114, S. 39.

**1-149. Disciplinary action; appeal; procedure.** Any decision of the board may be appealed, and the appeal shall be in accordance with the Administrative Procedure Act.

Source: Laws 1957, c. 1, S. 44, p. 70; Laws 1988, LB 352, S. 1.

*Operative date July 1, 1989.*

Cross Reference: Administrative Procedure Act, see section 84-920.

**1-150. Renewal of right to practice; procedure.** Upon application in writing and after hearing pursuant to notice, the board may issue a new certificate to a certified public accountant whose certificate has been revoked, may permit the reregistration of a person whose registration has been revoked, or may reissue or modify the suspension of any permit which has been revoked or suspended.

Source: Laws 1957, c. 1, S. 45, p. 71; Laws 1997, LB 114, S. 40.

**1-151. Certified public accountant; person; use of term C.P.A.; requirements.** (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) is classified as inactive under section 1-136 or (b) 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) 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.

Source: Laws 1957, c. 1, S. 46, p. 71; Laws 1984, LB 473, S. 20; Laws 1997, LB 114, S. 41.

**1-152. Certified public accountant; partnership or limited liability company; use of term C.P.A.; requirements.** No partnership or limited liability company 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 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) (c) 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.

Source: Laws 1957, c. 1, S. 47, p. 72; Laws 1993, LB 121, S. 51; Laws 1997, LB 114, S. 42.

**1-153. Public accountant; person; use of term; requirements.** No person shall 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 such person is a public accountant unless such person is registered as a public accountant under sections 1-128 to 1-130 as such sections existed on September 20, 1957, and holds a permit issued under subdivision (1) (d) 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 or unless such person 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.

Source: Laws 1957, c. 1, S. 48, p. 72; Laws 1997, LB 114, S. 43.

**1-154. Public accountant; partnership or limited liability company; use of term; requirements.** No partnership or limited liability company shall 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 such partnership or limited liability company is composed of public accountants unless such partnership or limited liability company is registered as a partnership of public accountants or a limited liability company of public accountants under section 1-133 or 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) (c) or (1) (e) 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.

Source: Laws 1957, c. 1, S. 49, p. 72; Laws 1993, LB 121, S. 52; Laws 1997, LB 114, S. 44.

**1-155. Use of terms, prohibited; exception.** (1) No person, partnership, or limited liability company shall assume or use the title or designation certified 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. 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.

Source: Laws 1957, c. 1, S. 50, p. 73; Laws 1993, LB 121, S. 53; Laws 1997, LB 114, S. 45.

**1-156. Corporation; use of terms, prohibited; exception.** 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) 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, 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.

Source: Laws 1957, c. 1, S. 51, p. 73; Laws 1997, LB 114, S. 46.

**1-157. Accountant or auditor; use of terms; when permitted.** 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.

Source: Laws 1957, c. 1, S. 52, p. 74; Laws 1993, LB 121, S. 54; Laws 1994, LB 884, S. 1; Laws 1997, LB 114, S. 47.

**1-158. Partnership or limited liability company; use of terms; requirements.** 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) (c) or (1) (e) 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.

Source: Laws 1957, c. 1, S. 53, p. 74; Laws 1993, LB 121, S. 55; Laws 1997, LB 114, S. 48.

**1-159. Corporation; use of terms; requirements.** 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) 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.

Source: Laws 1957, c. 1, S. 54, p. 75; Laws 1997, LB 114, S. 49.

**1-160. Public accounting; absence of permit; requirement to so state; exceptions.** No person, partnership, limited liability company, or corporation not holding a permit issued under section 1-136 which is not revoked or suspended shall hold himself, herself, or itself out to the public as an accountant or auditor by use of either or both of such words on any sign, card, or letterhead or in any advertisement or directory without indicating thereon or therein that such person, partnership, limited liability company,

or corporation does not hold such a permit. This section shall not prohibit any officer, employee, partner, member, or principal of any organization from describing himself or herself by the position, title, or office he or she holds in such organization nor any act of any public official or public employee in the performance of his or her duties as such.

Source: Laws 1957, c. 1, S. 55, p. 75; Laws 1993, LB 121, S. 56; Laws 1997, LB 114, S. 50.

**1-161. Certified public accountant; public accountant; false use of partnership or limited liability company designation; prohibition; exception.** 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.

Source: Laws 1957, c. 1, S. 56, p. 75; Laws 1993, LB 121, S. 57; Laws 1997, LB 114, S. 51.

**1-162. Certified public accountant; public accountant; employees and assistants; not prohibited.** 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 under section 1-125, except that such employee or assistant shall not issue any accounting or financial statement over his or her name.

Source: Laws 1957, c. 1, S. 57, p. 76; Laws 1993, LB 121, S. 58; Laws 1997, LB 114, S. 52.

**1-162.01. Public accounting practice; unlicensed owners permitted; conditions; rules and regulations.** 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.

Source: Laws 1994, LB 957, S. 1; Laws 1997, LB 114, S. 53; Laws 1999, LB 346, S.2.

Cross Reference: Professional Corporation Act, Nebraska, see section 21-2201.

**1-163. Certified public accountant; public accountant; other states and foreign countries; temporary practice permitted.** Nothing contained in the Public Accountancy Act shall prohibit a certified public accountant or a registered public accountant of another state, or any accountant who holds a certificate, degree, or license in a foreign country constituting a recognized qualification for the practice of public accountancy in such country, from temporarily practicing in this state on professional business incident to his or her regular practice outside this state if such temporary practice is conducted in conformity with the rules and regulations of professional conduct adopted and promulgated by the board.

Source: Laws 1957, c. 1, S. 58, p. 76; Laws 1997, LB 114, S. 54.

**1-164. Banking, law, agricultural services; not prohibited.** Nothing contained in the Public Accountancy Act shall prohibit any person from carrying on the regular business of banking, nor prohibit any person from carrying on the regular practice of law, nor prohibit any farm organization or agricultural cooperative association, or the employees thereof, from rendering accounting, auditing, or business analysis services when such services are rendered only to its members or to other farm organizations or agricultural cooperative associations.

Source: Laws 1957, c. 1, S. 59, p. 76; Laws 1997, LB 114, S. 55.

**1-164.01. Services related to financial statements; not prohibited.** 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.

Source: Laws 1984, LB 473, S. 22; Laws 1997, LB 114, S. 56.

**1-164.02. Formation of business partnership or limited liability company; not prohibited.** 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 certified public accountant from forming a business partnership or limited liability company with a person not holding a certificate or permit.

Source: Laws 1984, LB 473, S. 23; Laws 1993, LB 121, S. 59; Laws 1997, LB 114, S. 57.

**1-164.03. Use of title accountant; not prohibited.** Nothing in the Public Accountancy Act or the rules and regulations adopted and promulgated under the act shall be construed to prohibit a person not holding a certificate or permit from using the title accountant in his or her business practices.

Source: Laws 1984, LB 473, S. 24; Laws 1997, LB 114, S. 58.

**1-165. Board; unlawful practice; injunction.** Whenever, in the judgment of the board, any person has engaged, or is about to engage, in any acts or practices which constitute, or will constitute, a violation of sections 1-151 to 1-161, the board may make application to the appropriate court for an order enjoining such acts or practices, and upon a showing by the board that such person has engaged, or is about to engage, in any such acts or practices, an injunction, a restraining order, or such other order as may be appropriate shall be granted by such court without bond.

Source: Laws 1957, c. 1, S. 60, p. 76; Laws 1997, LB 114, S. 59.

**1-166. Unlawful use of terms; penalty.** Any person who violates sections 1-151 to 1-161 shall be guilty of a Class II misdemeanor. If a member of the board has reason to believe that any person is liable to punishment under this section, the board may certify the facts to the Attorney General of this state, who may in his or her discretion cause appropriate proceedings to be brought.

Source: Laws 1957, c. 1, S. 61, p. 77; Laws 1977, LB 40, S. 1; Laws 1997, LB 114, S. 60.

**1-167. Unlawful use of terms; advertising; prima facie evidence of violation.** 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.

Source: Laws 1957, c. 1, S. 62, p. 77; Laws 1997, LB 114, S. 61.

**1-168. Certified public accountant; public accountant; working papers and memoranda; property rights.** 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.

Source: Laws 1957, c. 1, S. 63, p. 77; Laws 1993, LB 121, S. 60; Laws 1994, LB 884, S. 2.

Effective date April 5, 1994.

**1-169. Act, how cited.** Sections 1-105.01 to 1-171 and this section shall be known and may be cited as the Public Accountancy Act.

Source: Laws 1957, c. 1, S. 64, p. 78; Laws 1991, LB 75, S. 14; Laws 1994, LB 957, S. 7; Laws 1997, LB 114, S. 1.

**1-170. Audit, report, financial statement; public agency of state; made by whom.** 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.

Source: Laws 1965, c. 1, S. 1, p. 59; Laws 1997, LB 114, S. 62.

**1-171. Audit, report, financial statement; federal regulation; made by whom.** 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.

Source: Laws 1965, c. 1, S. 2, p. 59; Laws 1997, LB 114, S. 63.

1-172. Repealed. Laws 1992, LB 859, s. 1.