

MINUTES OF THE  
MEETING OF THE SENATE COMMITTEE  
ON COMMERCE AND LABOR

SIXTY-FIRST SESSION  
NEVADA STATE LEGISLATURE  
May 15, 1981

The Senate Committee on Commerce and Labor was called to order by Chairman Thomas R.C. Wilson, at 2:06 p.m., Friday, May 15, 1981, in Room 213 of the Legislative Building, Carson City, Nevada. Exhibit A is the Meeting Agenda. Exhibit B is the Attendance Roster.

COMMITTEE MEMBERS PRESENT:

Senator Thomas R.C. Wilson, Chairman  
Senator Richard Blakemore, Vice Chairman  
Senator Don Ashworth  
Senator Melvin Close  
Senator William Hernstadt  
Senator Clifford McCorkle  
Senator William Raggio

STAFF MEMBER PRESENT:

Betty Steele, Committee Secretary

SENATE BILL NO. 666 -- "Authorizes executive director of employment security department to prescribe alternative definitions of "week" for purposes of unemployment compensation."

Mr. Lawrence McCracken, director of the state employment security department, said that S.B. No. 666 gives consideration to a definition other than a calendar week, or as defined in the NRS, seven consecutive days. This bill will allow the periods to be fixed and applied to reflect the practice of particular employers. Mr. McCracken added that the cost to reprogram the computer for this flexible week will be \$30,000, and the department would need six to eight months to prepare administratively for the change. Mr. McCracken said S.B. No. 666 had been requested by the state's musicians union. (See Exhibit C.)

SENATE BILL NO. 548 (Exhibit D)

Senator Blakemore moved "Do Pass" Senate Bill No. 548.

Senator Hernstadt seconded the motion.

The motion carried.

SENATE COMMITTEE ON COMMERCE AND LABOR  
May 15, 1981

SENATE BILL NO. 667 -- "Authorizes coverage of industrial insurance for volunteers who work under public auspices for private organizations."

Mr. Robert Gibb, general counsel for the Nevada industrial commission, distributed copies of the current law governing the area of concern with volunteers requesting industrial compensation coverage. (See Exhibit E.) Mr. Gibb said he spoke with Senator Jean Ford, sponsor of S.B. No. 667, and the senator had stated that the specific reason for the bill was to obtain coverage for women volunteering for the Displaced Homemaker Center. Mr. Gibb said the problem lies in which entity should pay for the premium. He said the present law does not allow private organizations to pay the premium. However, if the funding for the Center is channelled through the Las Vegas Community College, the college could apply for the coverage.

Senator Ford testified that she approved the concept of the Center's administrative work and placement being handled by a public agency, with a written agreement to place the people for volunteer work and the public agency would pay the NIC premium.

ASSEMBLY BILL NO. 572 -- "Limits prohibitions against discrimination based on age."

Assemblyman James Banner spoke on A.B. No. 572. Assemblyman Banner said the bill was based on the federal Public Law No. 9202, as amended in January 1979. The assemblyman said the proposal is necessary because Nevada law only addresses discrimination for the ages of 40 to 70. Those individuals older or younger can be discriminated against.

Mr. William J. Heppe, from the state rehabilitation division, testified in opposition to A.B. No. 572 stating the bill gives employers the right to discriminate against those under 40 and over 69.

Mr. Harvey Whittemore, attorney-at-law representing the Nevada Resort Association, said the bill was requested in order to provide consistent definitions of the age period during which discrimination based upon age is covered. Mr. Whittemore said this proposal would expand the definitions in the state law from the current 40-65 to 40-70, in order to be consistent with the federal law.

SENATE COMMITTEE ON COMMERCE AND LABOR  
May 15, 1981

Mr. Claude Evans, representing the Nevada AFL-CIO, said the union opposes A.B. No. 572 because it does discriminate against those individuals under the age of 40. Mr. Evans said he did not feel the bill was necessary.

ASSEMBLY BILL NO. 467 -- "Increases penalty for first degree arson involving certain structures."

Mr. Steve Mihelic of the Carson City Fire Department, testified that Section 1 of the bill changes mobile homes from personal property to a dwelling house classification. Mr. Mihelic said the penalty for arson would be the same as applies to arson of conventional dwellings.

Mr. Bob Kern of the Reno Firefighters Association, said in terms of dollar value, arson is probably the most costly crime committed as compared with burglary or vandalism.

Senator Close said this bill was originally referred to his Senate Committee on Judiciary. However, that committee had A.B. No. 467 re-referred to the Senate Committee on Commerce and Labor in order to review Section 5 as the proposed penalty is inconsistent with the current law and the categories of crime and the penalty parameters. The senator commented that a similar bill, Senate Bill No. 542, was passed by the Committee on Commerce and Labor and amended by creating a fraud section for the state insurance division.

Mr. Mihelic said that S.B. No. 542 directs the arson investigation to the state insurance commissioner (fraud section). Assembly Bill No. 467 allows a firefighter/investigator to obtain information regarding the arson investigation from the state insurance division, and in turn to share knowledge of the incident with the division.

Chairman Wilson said the committee would review this proposal with the amended version of S.B. No. 542 when it returns from being reprinted.

SENATE BILL NO. 661 -- "Amends various provisions relating to public accounting."

Mr. Leroy Bergstrom, member of the Nevada State Board of Accounting, stated the board is unanimously in support of S.B. No. 661. Mr. Bergstrom said this bill is the result

SENATE COMMITTEE ON COMMERCE AND LABOR  
May 15, 1981

of a two-year process to substantially change the character of public accounting. Mr. Bergstrom gave a full history and exposition of the background of S.B. No. 661. He also distributed copies of a letter from the firm of Allison, Brunetti, MacKenzie & Taylor, Ltd., for the committee's information. (See Exhibit F.) Mr. Bergstrom cited the need for discipline of accounting corporations rather than individuals. He said the bill is based on model bills from the National Association of State Boards of Accountancy and the American Institute of Certified Public Accountants.

Mr. Bergstrom said that several sections of the original request have been deleted by the bill drafter. However, he would have amendments prepared to cover these areas.

Mr. Melvin Brunetti, Nevada State Board of Accountancy, discussed the restructuring of the grievance procedure before the state board. Mr. Brunetti stated in order to have effective performance of grievance, auditing needs to have representatives of their profession on the state board. An investigative board member will also be appointed in order to file the complaint before the board. And, a hearing officer will be appointed to expedite the matters of grievance.

Mr. Bergstrom continued to expalin S.B. No. 661 section-by-section and the areas to be amended due to the bill drafter's deletions.

Senator Don Ashworth moved to "Amend and Do Pass" Senate Bill No. 661, with the amendments being brought back to the committee for review when drafted. (Exhibit G.)

Senator Hernstadt seconded the motion.

The motion carried.

ASSEMBLY BILL NO. 347 (Exhibit H)-- "Requires group health insurance to cover services of psychologist."

Mr. Milos Terzich, Prudential Insurance Company, said this proposal has been defeated during past legislative sessions. In 1979, this bill was amended to have this type of coverage for individual policies and was supported by his company. If this coverage is allowed in individual policies, it should also be allowed in group policies, he added.

SENATE COMMITTEE ON COMMERCE AND LABOR  
May 15, 1981

A.B. No. 347 (Cont.)

Senator Don Ashworth moved "Do Pass" Assembly Bill No. 347.

Senator Raggio seconded the motion.

The motion carried.

ASSEMBLY BILL NO. 474 -- "Removes prohibition against investments in agricultural or ranch property by insurers."

Mr. Terzich said this legislation is questionable because a foreign insurer could invest in agricultural or ranch property, but not claim it as an admitted asset.

The committee agreed to hold this bill until the next committee meeting in order to have testimony from the state insurance commissioner.

SENATE BILL NO. 671 -- "Permits banks to mail statements of small savings accounts annually." (Exhibit I.)

Senator Don Ashworth moved "Do Pass" of Senate Bill No. 671.

Senator Hernstadt seconded the motion.

The motion carried.

SENATE BILL NO. 666

Senator Raggio moved to "Indefinitely Postpone" Senate Bill No. 666.

Senator Don Ashworth seconded the motion.

The motion carried. (Senator Close voted to "Abstain".)

SENATE BILL NO. 667 (Exhibit J.)

Senator McCorkle moved to "Amend and Do Pass" Senate Bill No. 667.

Senator Hernstadt seconded the motion.

The motion carried.

SENATE COMMITTEE ON COMMERCE AND LABOR  
May 15, 1981

ASSEMBLY BILL NO. 572 (Exhibit K.)

Senator Don Ashworth moved "Do Pass" of  
Assembly Bill No. 572.

Senator Raggio seconded the motion.

The motion carried. (Senators Wilson, Blakemore  
and Hernstadt voted "No".)

ASSEMBLY BILL NO. 614 -- This bill was held until the  
next committee meeting.

BILL DRAFT REQUEST NO. 54-2004 -- "Making various amendments  
to provisions of law governing mortgage companies."

The committee concurred for committee introduction of  
BDR No. 54-2004. (S.B. 695)

BILL DRAFT REQUEST NO. 2062 -- "Directs legislative committee  
to study desirability of allowing insurance coverage for  
workmen's compensation through private insurance companies."

The committee concurred for committee introduction of  
BDR No. 2062. (S.C.R. 65)

BILL DRAFT REQUEST NO. 2028 -- "Directs Department of Education  
to study ways of improving basic and primary instruction."

The committee concurred for committee introduction of  
BDR No. 2028.

BILL DRAFT REQUEST NO. 58-1871 -- "Relating to public utilities,  
providing for the protection of underground facilities."

The committee did not concur for committee introduction of  
BDR No. 58-1871.

BILL DRAFT REQUEST NO. 57-1989 -- "Relates to motor vehicle  
insurance, requires policies provided overage for all losses  
whenever the other party is uninsured or underinsured."

The committee concurred for committee introduction of  
BDR No. 57-1989. (S.B. 691)

SENATE AGENDA

COMMITTEE MEETINGS

EXHIBIT A

Committee on Commerce and Labor, Room 213.  
Day Friday, Date May 15, 1981, Time 1:30 p.m.

S.B. No. 671--Permits banks to mail statements of small savings accounts annually.

S.B. No. 666--Authorizes executive director of employment security department to prescribe alternative definitions of "week" for purposes of unemployment compensation.

S.B. No. 667--Authorizes coverage of industrial insurance for volunteers who work under public auspices for private organizations.

S.B. No. 653--Increases fee for license issued by private investigator's licensing board.

A.B. No. 572--Limits prohibitions against discrimination based on age.

S.B. No. 661--Amends various provisions relating to public accounting.

A.B. No. 347--Requires group health insurance to cover services of psychologist.

A.B. No. 467--Increases penalty for first degree arson involving certain structures.

A.B. No. 474--Removes prohibition against investments in agricultural or ranch property by insurers.

A.B. No. 614--Repeals provision for special licensing of physicians who are specialists.

SENATE COMMITTEE ON Commercial Labor

DATE: Friday, May 15, 1981

EXHIBIT B

PLEASE PRINT	PLEASE PRINT	PLEASE PRINT	PLEASE PRINT
NAME	ORGANIZATION & ADDRESS		TELEPHONE
Bob Long	ESD		4510
H. Brody	ESD		4500
Steve Mihalic	CARSON CITY F.D.	883 1914	997-2220
MARY O. KNAPP	ST RD OF ACCTV		882-4460
Charles W. Jorg	NV CPA Society		882-3201
Larry Bergstrom	NV St Board of Accountancy		789-7714
BOB KERN	RENO FIRE <sup>E</sup> FIGHTERS	AS 467 831-1580	329-0269
Miles Terrick	Confidential		882-6710
Gordon Livingston	Nev. St. Board of Accountancy		786-0231
MELVIN BRUNETTI	- - - - -		882-0202
Todd Russell	Nev. St. Board of Accountancy		882-0202
John P. Baker	Medical Exeter Reno		312-7010



## MEMORANDUM

STATE OF NEVADA  
EMPLOYMENT SECURITY DEPARTMENTFriday 5/15  
re/SB 666  
minutesTO Senator Thomas R. C. Wilson, Chairman and  
Members, Committee on Commerce and Labor DATE May 15, 1981

FROM Larry McCracken, Executive Director H SUBJECT SB 666

EXHIBIT C

SB 666, lines 3 through 6, provide the Executive Director with the option of considering a week to be other than a "calendar week" as currently defined by regulation. NRS 612.195 states: "'Week' means such period of 7 consecutive calendar days as the executive director may by regulations prescribe." Accordingly, ESD Regulation #21 further states in pertinent part that for determining weeks of unemployment, a week is "a period of 7 consecutive calendar days ending at midnight Saturday."

Language in the proposed SB 666, lines 5 and 6, reads: "The periods prescribed may be fixed and applied to reflect the practices of particular employers." This appears to be enabling language to allow the Executive Director to initiate a flexible week, and perhaps even assign the claimant his previous employer's payroll week.

There are 49 of 53 jurisdictions which similarly consider a calendar week, i.e., 7 day period ending at midnight Saturday, as the basis for determining a week of unemployment. In discussing this matter with the 4 states which do not, it has been determined that there are certain administrative difficulties imposed by a system such as proposed in SB 666. Although these are not insurmountable, this would appear to be the main reason why so few jurisdictions have adopted such a system in administering the UI program over a period of some 45 years.

The only other significant factor discovered during our consideration of this matter is that a flexible week for claiming unemployment benefits does result in a definite increase in the amount of benefits paid. This is so because, in most cases, the claimant would be entitled to a full week of benefits during both the first and last week of filing. In Nevada, at the current rate of payout, it is estimated that this procedure would increase benefits paid by slightly more than \$1 million per year.

Finally, if the Nevada Legislature did see fit to approve a law change adopting a flexible week for unemployment insurance claimants in this state, it should provide for at least 3 months between the date of adoption and the effective date. This is so because it is estimated that at least 6 to 9 man months of computer programming changes would be required for its implementation.

bam

S.B. - 666

MEMORANDUM

STATE OF NEVADA  
EMPLOYMENT SECURITY DEPARTMENT

Senator Thomas R. C. Wilson, Chairman  
Commerce and Labor Committee

TO \_\_\_\_\_ DATE January 30, 1981  
FROM Larry McCracken, Executive Director SUBJECT Flexible Week -  
Unemployment Insurance

The following information is furnished to you as requested at our meeting earlier this week on this same subject. NRS 612.195 states: "'Week' means such period of 7 consecutive calendar days as the executive director may by regulations prescribe." Accordingly, ESD Regulation #21 further states in pertinent part that for determining weeks of unemployment, a week is "a period of 7 consecutive calendar days ending at midnight Saturday."

There are only 4 states which do not similarly consider a calendar week, i.e., 7 day period ending at midnight Saturday, as the basis for determining a week of unemployment. In discussing this matter with some of these states, it has been determined that there are certain administrative difficulties imposed by such a system. Although these are not insurmountable, this would appear to be the main reason why only 4 of 53 jurisdictions have adopted such a system in administering the UI program over a period of some 45 years.

The only other significant factor discovered during our consideration of this matter, is that a flexible week for claiming unemployment benefits does result in a definite increase in the amount of benefits paid. This is so because, in most cases, the claimant would be entitled to a full week of benefits during both the first and last week of filing. In Nevada, at the current rate of payout, it is estimated that this procedure would increase benefits paid by slightly more than \$1 million per year.

Finally, if the Nevada Legislature did see fit to approve a law change adopting a flexible week for unemployment insurance claimants in this state, it should provide for at least 3 months between the date of adoption and the effective date. This is so because it is estimated that at least 6 to 9 man months of computer programming changes would be required for its implementation.

bam

EXHIBIT D

SENATE BILL NO. 548

**616.060 "Employee": Persons excluded. "Employee" excludes:**

1. Any person whose employment is both casual and not in the course of the trade, business, profession or occupation of his employer.
2. Any person engaged as a theatrical or stage performer or in an exhibition.
3. Musicians when their services are merely casual in nature and not lasting more than 2 consecutive days, and not recurring for the same employer, as in wedding receptions, private parties and similar miscellaneous engagements.
4. Any person engaged in household domestic service, farm, dairy, agricultural or horticultural labor, or in stock or poultry raising, except as otherwise provided in this chapter.
5. Any person performing services as a voluntary ski patrolman who receives no compensation for his services other than meals, lodging, or use of the ski tow or lift facilities.

[11:168:1947; A 1953, 99; 1955, 915]—(NRS A 1969, 1100; 1975, 1018; 1977, 194; 1979, 949)

**616.067 "Employee": Volunteer workers in public service programs. Persons who perform volunteer work in any formal program which is being conducted:**

1. Within a state or local public organization;
  2. By a federally assisted organization; or
  3. By a private, incorporated, nonprofit organization which provides services to the general community,
- and who are not specifically covered by any other provisions of this chapter, while engaged in such volunteer work, may be deemed by the commission, for purposes of this chapter, as employees of such organizations at a wage of \$100 per month and shall be entitled to the benefits of this chapter when such organizations approve such coverage and comply with the provisions of this chapter and implementing regulations thereunder.

(Added to NRS by 1975, 290)

**616.070 "Employee": Volunteer firemen. Volunteer firemen belonging to a regular organized and recognized fire department, while engaged in their duties in any voluntary community service which they may undertake, and while acting under the direction of the fire chief or any of his assistants in the protection of life or property, during fire, flood, earthquake, windstorm, ambulance service or other rescue work, shall be deemed, for the purpose of this chapter, employees of the city, town, county or district so recognizing them, at the wage of \$600 per month, and shall be entitled to the benefits of this chapter upon such city, town, county or district complying therewith.**

[Part 17:168:1947; A 1951, 485; 1953, 163]—(NRS A 1963, 745; 1965, 336; 1973, 497)

SUBSTITUTE BILL FOR S.B. 667

7/15/15  
Minutes  
N.C. Bob Sub

SUMMARY--Authorizes coverage of industrial insurance for volunteers who work under public auspices for private organizations. (BDR 53-1688)

Fiscal Note: Effect on Local Government: No.  
Effect on the State or on Industrial Insurance: Yes.

AN ACT relating to industrial insurance; authorizing coverage for persons who perform volunteer work under public auspices for private organizations; and providing other matters properly relating thereto.

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

Section 1. Chapter 616 of NRS is hereby amended by adding thereto a new section which shall read as follows:

Persons, other than students, who, under a written agreement between a public agency and a private organization, perform volunteer work for a private organization as part of a public program, and who are not specifically covered by any other provisions of this chapter, while engaging in such volunteer work, may be deemed by the commission, for purposes of this chapter, as employees of the public agency at a wage of \$100 per month and are entitled to the benefits of this chapter when the public agency complies with the provisions of this chapter and the regulations adopted under it.

Sec. 2. NRS 616.015 is hereby amended to read as follows:

616.015 (Unless a different meaning is clearly indicated by the context, the definitions set forth in NRS 616.020 to 616.120, inclusive, govern the construction and meaning of the terms and phrases used in this chapter.) As used in this chapter, unless the context otherwise requires, the words and terms defined in NRS 616.020 to 616.120, inclusive, and section 1 of this act have the meanings ascribed to them in those sections.

ALLISON, BRUNETTI, MACKENZIE & TAYLOR, LTD.

ATTORNEYS AND COUNSELORS AT LAW

Tri 5/15  
Brunetti  
SP-661

GEORGE V. ALLISON  
MELVIN BRUNETTI  
ANDREW MACKENZIE  
REESE H. TAYLOR, JR.  
STEPHEN D. HARTMAN  
MIKE SOUMBENIOTIS  
JAMES TODD RUSSELL  
MIKE E. PAVLAKIS  
JOAN C. WRIGHT

March 5, 1981

402 NORTH DIVISION STREET  
CARSON CITY, NEVADA 89701  
P. O. BOX 648  
TELEPHONE (702) 882-0202

EXHIBIT F

Senator Thomas R. C. Wilson  
Chairman, Senate Commerce Committee  
Nevada Legislature  
Carson City, Nevada 89701

Re: Nevada State Board of Accountancy  
Amendment of NRS Chapter 628, the  
Public Accountancy Law of 1960

Dear Spike:

I am enclosing a typed copy of NRS Chapter 628, the Public Accountancy Law of 1960 which has been amended to reflect the changes felt necessary by the Nevada State Board of Accountancy to keep up with the changes in the profession and to resolve the problems which the Board had encountered in regulating the accountancy profession and administering the chapter in the last two years.

The enclosed copy of NRS Chapter 628 and amendments are prepared in bill drafter's form, that is, the original law as it existed at the end of the 1979 Session was typed verbatim and then any amendments have been made and underlined and any deletions of the 1979 law have been bracketed. Unless the Legislative Counsel Bureau or the Legislature itself desires to make changes, we have amended NRS Chapter 628 word for word as the Board would like the amendments to be enacted by the Legislature.


The proposals in this draft were derived from the experience of the Board in the past two years and as a result of many hearings, meetings and consultations that the Board has had with the profession, public agencies involved in the accounting functions of government, and the public at large. I apologize for the lateness in submitting this legislation to you; however, it has taken the Board almost the past year to develop the concepts which were necessary to be embodied in amendments to NRS Chapter 628. A monumental amount of time was spent to work out the individual language necessary to accomplish the intended purpose. The amendments have also been made after consideration of the Model Accountancy

March 5, 1981  
Page 2

Acts prepared by the National Association Of State Boards of Accountancy, (NASBA) and the American Institute of Certified Public Accountants, (AICPA), which have been under consideration by the accountancy profession for many years and which now are in general form. We have studied the NSBA and the AICPA model acts and that has helped the Board in determining the best methods of amending NRS Chapter 628. I feel that the amount of time devoted to this project has produced an excellent product and should not require much time of the Legislative Counsel or of the Legislature unless the concepts which are presented by the amendments are objectionable. Even though the draft I am submitting contains the exact wording of the amendments and the bracketing of the deletions, the Legislative Counsel would, of course, have to put it in a bill form with section number, etc. It is my understanding that due to the lateness of the submission of the bill that it will have to be introduced as a committee bill and we would respectfully request that you introduce this bill for the Nevada State Board of Accountancy.

I am enclosing in addition to the proposed bill a brief summary of each amendment as it relates to each section of the law and the name and address of each witness who would testify as to the bill and the amendment.

Sincerely,



MELVIN BRUNETTI  
Attorney for the Nevada State  
Board of Accountancy

MB/kdc  
encl.

LIST OF WITNESSES

Proposed Amendments to NRS Chapter 628

Public Accountancy Law of 1960

John Rhodes, CPA  
President, Nevada State Board of Accountancy  
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C. William Geyer, CPA  
Member, Nevada State Board of Accountancy  
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Leroy Bergstrom, CPA  
Member, Nevada State Board of Accountancy  
Kafoury, Armstrong & Co.  
Valley Bank Plaza  
Suite 800  
50 West Liberty Street  
Reno, Nevada 89501  
Telephone: 322-9471

Melvin Brunetti, Esq.  
Allison, Brunetti, MacKenzie & Taylor, Ltd.  
Attorney for the Nevada State Board of Accountancy  
402 North Division Street  
Carson City, Nevada 89701  
Telephone: 882-0202



**NEVADA STATE BOARD OF ACCOUNTANCY**

**1981 Nevada Legislature**

**General Explanations of the Amendments  
to Chapter 628  
Public Accountancy Law of 1960**

**March 6, 1981**

GENERAL EXPLANATIONS OF THE AMENDMENTS TO  
CHAPTER 628, THE PUBLIC ACCOUNTANCY LAW OF 1960

628.020

This section has been added to the statute to define and recite the purpose of the law.

628.025

This section has been amended to expand the number of definitions used in the statute, primarily the definitions of "attest" and "practice of public accountancy" which definitions are necessary to enable better interpretation and enforcement of the statute.

628.045

628.045 starts a series of amendments whereby the designation "public accountant" has been changed throughout the chapter to "registered public accountant" to tie into the new definition at 628.025, subparagraph 8. A provision to phase in a laymember is written into this section. The section also contains the first housekeeping amendments whereby a "permit" to practice public accounting has been edited in certain places in the statute to read "live permit."

628.046

This is a new section to stagger the three year terms of the seven board members so that two board members' terms expire each year for two successive years and three board members' terms expire in the third year. This provision is necessary because of certain changes made by the 1977 Legislature with regard to terms of board members which now results in four of the board members' terms expiring on October 31, 1983, and one member's term expiring on October 31, 1982.

628.075

Housekeeping.

628.130

Housekeeping.

628.160

Since the inception of the law in 1960, this section has allowed the board of accountancy to adopt rules of professional conduct in a manner that is in conflict with the Nevada Administrative Procedure Act. We feel it is important to continue to amend or adopt new rules of profes-

sional conduct in accordance with this section, and a new section 3 has been proposed to exclude the board from the requirements of the Nevada Administrative Procedure Act only as to the promulgation of rules of professional conduct. All other regulations of the board would continue to be proposed and adopted through the Nevada Administrative Procedure Act.

628.170

This amendment is a major revision in the law to change the grievance committee's function from decision making and recommending action to the board regarding grievances, to factual investigation of grievances. The amendment also establishes an investigative member from the board of accountancy to act as a liason with the grievance investigative committees to expedite grievance handling and to help the grievance investigative committees process complaints. The board has found that this amendment is necessary to more properly handle the grievance investigative procedure. Once the investigation is completed by the committees, the investigative board member then makes his recommendation to the board which then proceeds under the notice and hearing section to handle the grievance. There are also housekeeping provisions in this section.

628.190

Housekeeping

628.200

Housekeeping, and additionally subsection 3 allows the board by regulation to substitute continuing education programs for a partial satisfaction of the experience required by this section. The board has found that it is advisable to supplement the experience gained by actual practice with continuing education programs to assist the candidate fulfill his experience requirements.

628.210

Housekeeping.

628.230

Housekeeping.

628.240

Housekeeping and further amendments to codify a practice which has been allowed by the board for years which allows college seniors to take the uniform CPA exam before graduation because of the national testing date schedule.

628.250

This is a first in a series of amendments throughout the act which allows the board to collect fees as determined by board regulation rather than have the amount of the fee set in the statute. The board has found that due to its regulatory process requirements, certain fees must be changed from time to time, and waiting for the legislature to meet each two years is either too late for proper budgetary purposes or expensive and time consuming for the board. Under the Nevada Administrative Procedure Act, any such regulation would have to be reviewed by the legislative commission providing the proper safeguard on the board's action. The levying of fees does not affect the state budgetary process or funds as the fees are paid entirely by the licensed practitioners.

628.260

The amendments are housekeeping provisions related to the manner in which the CPA exam is administered and the manner in which candidates may hold a passing grade from examination to examination.

628.270

This section has been repealed because it is no longer applicable and related only to the provisions of the law which in 1960 started upgrading the educational and experience requirements for a CPA certificate. There is no longer any candidate who is subject to the changes in educational and experience requirements as provided by the law prior to April 21, 1971.

628.280

The amendment allows the board to set the amount of the fee by regulation.

628.290

Housekeeping.

628.310

This is the reciprocity section of the Act allowing the waiver of the CPA examination for persons who are CPA's in other states or jurisdictions of the United States approved by board regulation. The amendments contain some housekeeping language and specifically state that the examination will be waived for those persons holding out-of-state CPA certificates who possess the qualifications of education, experience and testing which were in effect in the State of Nevada on the date that the person received his out-of-state CPA certificate.

628.320

This section has been repealed as the board cannot adequately administer temporary certificates. It takes as much cost and effort to issue a temporary certificate as a permanent certificate and to our knowledge none have ever been issued.

The title prior to 628.325 has deleted certain words as a matter of housekeeping because provisions relating to foreign accountants have been repealed later in the statute.

628.330

Has been repealed. This section allows persons holding foreign certificates, licenses or degrees recognized as qualifying for practicing public accounting in a foreign country to be registered in Nevada under that foreign title. The board has had several applications from persons from foreign countries attempting to register foreign accounting qualifications which are misleading and do not meet the standards as set in NRS Chapter 628. It would be a detriment to the public to allow these persons to practice under a foreign designation as they are not qualified under the laws of the State of Nevada to practice public accounting and they would endanger and confuse the public. No such person has ever been registered in the State of Nevada.

628.340

Housekeeping. The amendment also allows partners of national accounting firms with offices in Nevada to come to Nevada for a short engagement with local partners without causing a technical violation of the law. It also allows CPA professional corporations to be partners in partnerships and CPA partnerships to be general partners in a CPA partnership. These changes are necessary to allow accountants to use the tax laws which provide certain benefits to professionals who incorporate for pension and profit sharing purposes. This section also allows the board to charge registration fees for partnerships and corporations as set by board regulation.

628.350

Housekeeping.

628.360

These amendments contain housekeeping changes relating to public accountant professional corporations and partnerships which are the same as those contained in 628.340 relating to corporations and partnerships of certified public accountants.

628.370

Housekeeping.

628.380

The amendments make some housekeeping changes, and cleans up some redundant language. The amendments provide that only individuals will hold live permits to practice and that partnerships and corporations will be registered rather than also being required to obtain permits to practice. The fees provided for in this section are to be set by board regulation. A new section provides for a retired or inactive status for a holder of a certificate of certified public accountant or for a registered public accountant. At the present time, there is no way for a retired person to hold the actual facsimile certificate or registration or that standing without continuing to pay the annual permit fees.

628.385

Housekeeping.

628.386

Housekeeping.

628.387

Housekeeping.

628.388

Housekeeping.

628.390

A major change has been made in the causes for revocation contained in this section to allow the board and the practitioner to have a more definite statement of the causes for revocation. The amendments also add the ability of the board, after notice and hearing, to impose an administrative fine not to exceed \$1,000 and to collect the cost of the proceedings. Experience has shown that the ability of the board to impose fines and costs would help the enforcement of the provisions of this chapter as certain violations cannot be handled exclusively by revocation or suspension. The administrative fine would greatly enhance the board's effectiveness with compliance and protection of the public. Subsection 2 has been added which allows the board to suspend execution of any suspension or revocation and place the CPA or PA on probation with limitations as the board may see fit, including specific continuing education or practice review. The board has, with consent, used the probation method for several years with great effectiveness in cases where the board found that a

practioner was insufficient in his reporting standards or other practice methods. Rather than suspend his license with no further positive action as to his qualifications and then allow the practioner to resume practice at some future date still uneducated, or with uncorrected bad habits or practices, the board has suspended the person's ability to practice, stayed the execution of that suspension and required that all of the practioner's work be reviewed by a qualified practioner before it was released to the public. This practice upgrades the deficient practioner and protects the public. This amendment would codify that effective probation method.

628.400

This section deals with revocation and suspension of partnership and corporation registrations, and adds the ability of the board to impose fines and costs on the partnership and corporation firms. This section imposes on firms procedures which are similar to those which are imposed upon individual practioners under 628.390. The board has found through its experience that most accountants practice in firms and in some instances the problems of enforcement or harm to the public occurs as a result of not only an individual practioner's actions but also the firm's actions. This section is used to take action against the entire firm.

628.410

This section contains some housekeeping provisions but more importantly at subparagraph 5 new language has been inserted allow a grievance or enforcement hearing to be conducted by less than the full seven member board. The amendment would allow the matter to be heard by one member appointed by the board as a hearing officer with the balance of the board of not less than three members reviewing the record and making a final decision on the case. This amendment ties into the provisions of the Nevada Administrative Procedure Act, NRS 233B.122, 233B.124, 233B.125 and 233B.126 tend to indicate that a hearing officer for a case could be appointed with the record to be reviewed and decision made by the full board. To prevent disqualification of one board member requiring an appointment by the governor of a substituting board member and to reduce the cost of a full board hearing for every grievance matter, the board has proposed the charges in subsection 5.

628.420

Housekeeping.

628.430

Housekeeping.

628.440

A significant amendment has been made to this section relating to the certified public accountant or public accountant who is not licensed in Nevada but licensed in another state and who desires or must come to the State of Nevada to do an accounting engagement of an extended duration but does not want to become licensed in the State of Nevada. His practice in Nevada may be necessary because of a client moving an operation to Nevada or having interstate offices. The board is under this section issuing six-month temporary permits to practice to these persons and many difficulties have been encountered with regard to the issuance and monitoring of such permits. A majority of these permits are issued to out-of-state accountants who are performing gaming audits. Difficulties have been encountered with the gaming control board relating to the quality of the work being done by the out-of-state accountants and the ability of the board of accountancy to police or regulate such audits. The impact of these permits on the board has been substantial and the board has proposed these amendments for better regulation of these out-of-state certified public accountants and public accountants and their firms. Provisions have been added to this section to allow the board to refuse to issue further temporary engagement permits during such time as a temporary permit holder is involved in a pending and unresolved complaint against him or his firm.

628.450

Housekeeping and a repeal of subsection 2 referring to foreign accountants.

628.460

Housekeeping.

628.470

Housekeeping.

628.480

Housekeeping.

628.490

Housekeeping and a deletion in subparagraph 3 of references to foreign accountants.

628.510

Housekeeping.



628.520

Housekeeping.

628.540

Housekeeping.

628.550

This section contains an amendment which codifies the rules of professional conduct provisions and customary practice with regard to use of past partners' or shareholders' names in the name of the firm or its successor firm.

EXHIBIT G

SENATE BILL NO. 661

EXHIBIT H

ASSEMBLY BILL NO. 347

EXHIBIT I

SENATE BILL NO. 671

EXHIBIT J

SENATE BILL NO. 667

EXHIBIT K

ASSEMBLY BILL NO. 572