

LEGISLATIVE BILL 869

Approved by the Governor March 18, 1986

Introduced by Labeledz, 5; Pappas, 42

AN ACT relating to accountants; to amend section 1-136, Revised Statutes Supplement, 1984; to eliminate corporate surety bond and insurance policy requirements; to repeal the original section; and to declare an emergency.

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

Section 1. That section 1-136, Revised Statutes Supplement, 1984, be amended to read as follows:

1-136. Permits to engage in the practice of public accounting in this state shall be issued by the board to persons who are holders of the certificate of certified public accountant issued under the provisions of sections 1-114 to 1-124 and who have met the experience requirements of section 1-136.02, to persons and partnerships registered under the provisions of sections 1-125 to 1-133, and to corporations registered under the provisions of section 1-134 as long as all offices of such certificate holder or registrant are maintained and registered as required under the provisions of section 1-135. There shall be an annual permit fee in an amount to be determined, from time to time, by the board, not to exceed one hundred dollars. All permits 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 of not to exceed one hundred dollars. The board may prorate the renewal fee to one half the annual renewal fee for any permit issued for six months or less. Failure of a certificate holder or registrant to apply for such annual permit to practice within (1) three years from the expiration date of the permit to practice last obtained or renewed or (2) three years from the date upon which the certificate holder or registrant was granted a certificate or registration if no permit was ever issued to such person shall deprive him or her of the right to renewal unless the board, in its discretion, determines such failure to have been due to excusable neglect. 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 the

board shall from time to time determine, but not in excess of one hundred dollars. Any certificate holder or registrant who has not lost his or her right to issuance or renewal and who is not actively engaged in the practice of public accounting 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 to engage in public accounting nor be deemed the holder of a live permit as defined in section 1-151, but shall be carried upon an inactive roll to be maintained by the board upon the payment of an annual inactive fee established by the board of not more than forty per cent of the fee charged persons actively engaged in the practice of public accounting as provided in this section. A person so classified shall not be deprived of the right to issuance or renewal of permit and may, upon application to the board and upon payment of the current annual permit fee, be granted a current annual permit. Every permit holder shall furnish a corporate bond in the amount of one hundred thousand dollars conditioned for the payment of any judgment or judgments which may be assessed against such person because of any act of negligence or any incompetency of such person occurring while he or she is the holder of such permit, except that the aggregate liability of the surety for all such judgments shall in no event exceed the amount of such bond. In lieu of such one hundred thousand dollar bond, such permit holder may file a certification from an insurance carrier that such permit holder is insured, as an individual or a member of a partnership, under an accountancy liability policy of at least one hundred thousand dollars, except that any such insurance policy may provide for a deductible clause based on the size of the office. For an office with ten or less employees a deductible of one thousand dollars may be allowed, for an office with eleven to twenty employees a deductible of two thousand five hundred dollars may be allowed, for an office with twenty-one to fifty employees a deductible of five thousand dollars may be allowed, for an office with fifty-one to one hundred fifty employees a deductible of ten thousand dollars may be allowed, and for an office with one hundred fifty-one or more employees a deductible of twenty-five thousand dollars may be allowed. If any such bond or insurance shall by its terms expire or if it is canceled by the surety or insurer, the surety or insurer shall within ten days thereafter give notice of such cancellation to the official issuing such permits who shall thereupon

notify, by mail, the holder of such permit whose bond or insurance has so expired or been canceled that such person may no longer act under the authority of such permit. In lieu of the one hundred thousand dollar bond or the insurance certification provided in this section, a permit holder, while employed by the Auditor of Public Accounts, may be bonded under a blanket corporate surety bond for faithful performance and honesty under section 11-201.

Sec. 2. That original section 1-136, Revised Statutes Supplement, 1984, is repealed.

Sec. 3. Since an emergency exists, this act shall be in full force and take effect, from and after its passage and approval, according to law.