

Senate BILL NO. 232

INTRODUCED BY

Benedict

A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A STATUTE OF LIMITATIONS FOR CIVIL ACTIONS TO RECOVER DAMAGES ARISING OUT OF THE PRACTICE OF PUBLIC ACCOUNTING; AND PROVIDING AN APPLICABILITY DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

NEW SECTION. Section 1. Action for damages arising out of practice of public accounting. (1)

An action based on negligence brought against an accountant or an accounting firm by a person for recovery of damages must be commenced not later than:

- (a) 1 year from the date that the alleged act, omission, or neglect is discovered or should have been discovered by the exercise of reasonable diligence;
- (b) 3 years after completion of the service that is the basis of the action; or
- (c) 3 years after the date of the initial issuance of the accountant's report on the financial statements or other information.

(2) This section applies to an action based on negligence brought against an accountant or accounting firm practicing in this state by any person or entity that claims to have been injured as a result of financial statements or other information that is examined, compiled, reviewed, certified, audited, or otherwise reported on or for which an opinion is given by the accountant or firm as a result of an agreement to provide public accounting services.

NEW SECTION. Section 2. Codification instruction. [Section 1] is intended to be codified as an integral part of Title 27, chapter 2, part 2, and the provisions of Title 27, chapter 2, part 2, apply to [section 1].

NEW SECTION. Section 3. Applicability. [This act] applies to causes of actions accruing on or after [the effective date of this act].

-END-

1 SENATE BILL NO. 232
2 INTRODUCED BY BENEDICT

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A STATUTE OF LIMITATIONS FOR CIVIL ACTIONS
5 TO RECOVER DAMAGES ARISING OUT OF THE PRACTICE OF PUBLIC ACCOUNTING; AND PROVIDING
6 AN APPLICABILITY DATE."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 **NEW SECTION. Section 1. Action for damages arising out of practice of public accounting.** (1)
11 An action based on negligence brought against an accountant or an accounting firm by a person for
12 recovery of damages must be commenced not later than 3 YEARS:

13 (a) ~~1 year~~ from the date that the alleged act, omission, or neglect is discovered or should have
14 been discovered by the exercise of reasonable diligence BUT IN NO CASE MAY THE ACTION BE
15 COMMENCED AFTER 10 YEARS FROM THE DATE OF THE ACT, OMISSION, OR NEGLECT;

16 (b) ~~3 years~~ after completion of the service that is the basis of the action; or

17 (c) ~~3 years~~ after the date of the initial issuance of the accountant's report on the financial
18 statements or other information.

19 (2) This section applies to an action based on negligence brought against an accountant or
20 accounting firm practicing in this state by any person or entity that claims to have been injured as a result
21 of financial statements or other information that is examined, compiled, reviewed, certified, audited, or
22 otherwise reported on or for which an opinion is given by the accountant or firm as a result of an
23 agreement to provide public accounting services.

24
25 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an
26 integral part of Title 27, chapter 2, part 2, and the provisions of Title 27, chapter 2, part 2, apply to
27 [section 1].

28
29 **NEW SECTION. Section 3. Applicability.** [This act] applies to causes of actions accruing on or
30 after [the effective date of this act].

-END-

1 SENATE BILL NO. 232

2 INTRODUCED BY BENEDICT

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A STATUTE OF LIMITATIONS FOR CIVIL ACTIONS
5 TO RECOVER DAMAGES ARISING OUT OF THE PRACTICE OF PUBLIC ACCOUNTING; AND PROVIDING
6 AN APPLICABILITY DATE."

7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

9
10 NEW SECTION. **Section 1. Action for damages arising out of practice of public accounting.** (1)

11 An action based on negligence brought against an accountant or an accounting firm by a person for
12 recovery of damages must be commenced not later than 3 YEARS:

13 (a) ~~1-year~~ from the date that the alleged act, omission, or neglect is discovered or should have
14 been discovered by the exercise of reasonable diligence BUT IN NO CASE MAY THE ACTION BE
15 COMMENCED AFTER 10 YEARS FROM THE DATE OF THE ACT, OMISSION, OR NEGLIGENCE;

16 (b) ~~3-years~~ after completion of the service that is the basis of the action; or

17 (c) ~~3-years~~ after the date of the initial issuance of the accountant's report on the financial
18 statements or other information.

19 (2) This section applies to an action based on negligence brought against an accountant or
20 accounting firm practicing in this state by any person or entity that claims to have been injured as a result
21 of financial statements or other information that is examined, compiled, reviewed, certified, audited, or
22 otherwise reported on or for which an opinion is given by the accountant or firm as a result of an
23 agreement to provide public accounting services.

24
25 NEW SECTION. **Section 2. Codification instruction.** [Section 1] is intended to be codified as an
26 integral part of Title 27, chapter 2, part 2, and the provisions of Title 27, chapter 2, part 2, apply to
27 [section 1].

28
29 NEW SECTION. **Section 3. Applicability.** [This act] applies to causes of actions accruing on or
30 after [the effective date of this act].

-END-

- 1 -

1 SENATE BILL NO. 232

2 INTRODUCED BY BENEDICT

3
4 A BILL FOR AN ACT ENTITLED: "AN ACT CREATING A STATUTE OF LIMITATIONS FOR CIVIL ACTIONS
5 TO RECOVER DAMAGES ARISING OUT OF THE PRACTICE OF PUBLIC ACCOUNTING; AND PROVIDING
6 AN APPLICABILITY DATE."7
8 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:9
10 **NEW SECTION. Section 1. Action for damages arising out of practice of public accounting.** (1)11 An action based on negligence brought against an accountant or an accounting firm by a person for
12 recovery of damages must be commenced not later than 3 YEARS:13 (a) ~~1-year~~ from the date that the alleged act, omission, or neglect is discovered or should have
14 been discovered by the exercise of reasonable diligence BUT IN NO CASE MAY THE ACTION BE
15 COMMENCED AFTER 10 YEARS FROM THE DATE OF THE ACT, OMISSION, OR NEGLIGENCE;16 (b) ~~3-years~~ after completion of the service that is the basis of the action; or17 (c) ~~3-years~~ after the date of the initial issuance of the accountant's report on the financial
18 statements or other information.19 (2) This section applies to an action based on negligence brought against an accountant or
20 accounting firm practicing in this state by any person or entity that claims to have been injured as a result
21 of financial statements or other information that is examined, compiled, reviewed, certified, audited, or
22 otherwise reported on or for which an opinion is given by the accountant or firm as a result of an
23 agreement to provide public accounting services.24
25 **NEW SECTION. Section 2. Codification instruction.** [Section 1] is intended to be codified as an
26 integral part of Title 27, chapter 2, part 2, and the provisions of Title 27, chapter 2, part 2, apply to
27 [section 1].28
29 **NEW SECTION. Section 3. Applicability.** [This act] applies to causes of actions accruing on or
30 after [the effective date of this act].

-END-