

SENATE BILL REPORT

SB 5628

As Passed Senate, March 13, 1999

Title: An act relating to uniform continuing professional education requirement and licensing requirements for certified public accountants.

Brief Description: Modifying license duration and continuing education requirements for accountants.

Sponsors: Senators Gardner, Heavey, Shin, Prentice, Winsley and T. Sheldon.

Brief History:

Committee Activity: Commerce, Trade, Housing & Financial Institutions: 2/23/99, 3/2/99 [DP].

Passed Senate, 3/13/99, 43-0.

SENATE COMMITTEE ON COMMERCE, TRADE, HOUSING & FINANCIAL INSTITUTIONS

Majority Report: Do pass.

Signed by Senators Prentice, Chair; Shin, Vice Chair; Benton, Gardner, Hale, Rasmussen, T. Sheldon, West and Winsley.

Staff: David Pringle (786-7448)

Background: The Board of Accountancy regulates Certified Public Accountants (CPAs) to protect the public interest and promote dependable financial information. The board prescribes the qualifications of CPAs including licensing and continuing professional education requirements.

Certificates of CPAs are renewed on a biennial basis with renewal subject to completion of 80 hours of continuing education during the preceding two-year period.

Public accounting licenses must be renewed biennially, and are subject to satisfactory proof of sufficient accumulation of approved continuing education.

Summary of Bill: The CPA continuing education requirement is 120 hours during the preceding three-year period.

The Board of Accountancy provides for the transition to the three-year continuing professional education requirement terms. The board may also adopt by rule other education standards that comply with those proposed by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy.

CPA licenses must be renewed every three years, with renewal subject to the accumulation of 120 hours of continuing education.

Appropriation: None.

Fiscal Note: Requested on January 22, 1999.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: A three-year term would make our state more consistent with the Uniform Accountancy Act, which has been developed by many groups around the country. This will make credentials more portable between states, reduce reporting burdens and potentially save on administrative costs in the future.

Testimony Against: None.

Testified: Jim Boldt, Washington Association of Certified Public Accountants (pro).

House Amendment(s): The education standards the board may adopt by rule are changed. Rather than complying with the continuing professional education standards as proposed by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy, the standards must be consistent with those of other states to provide the most consistent national standards.