

# SENATE BILL REPORT

## SB 6063

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As of February 21, 2001

**Title:** An act relating to certified public accountants.

**Brief Description:** Prohibiting certified public accountants from receiving certain forms of fees.

**Sponsors:** Senators Benton and Carlson.

**Brief History:**

**Committee Activity:** Labor, Commerce & Financial Institutions: 2/22/01.

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### SENATE COMMITTEE ON LABOR, COMMERCE & FINANCIAL INSTITUTIONS

**Staff:** Catherine Mele (786-7470)

**Background:** Before February 5, 2001, certified public accountants (CPAs) could only accept commissions, referral fees, and contingent fees under limited circumstances. For example, under the old rule, a licensee in public practice could not accept a commission or referral fee for the sale or referral to a client of products or services of others, or for contingent fees for attestation services.

Recently the Board of Accountancy adopted a new rule effective February 5, 2001. The new rule states that CPAs may not accept such fees when performing attestation services for a client or for the period covered by any historical financial statements involved in the attest services. If the CPA accepts commissions, referral fees, or contingent fees, the CPA must disclose the arrangement in writing and in advance for client acceptance, disclose the method of calculating the fee or amount of the fee, and specify the CPA's role as the client's advisor.

**Summary of Bill:** Certified public accountants holding a certificate or a license may not accept a commission, referral fee, or contingent fee for the performance of a professional service or the referral of a client to a product or service.

**Appropriation:** None.

**Fiscal Note:** Not requested.

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