
SENATE BILL 5435

State of Washington

61st Legislature

2009 Regular Session

By Senators Marr, Swecker, Holmquist, McDermott, Shin, and Tom; by request of State Board of Accountancy

Read first time 01/22/09. Referred to Committee on Labor, Commerce & Consumer Protection.

1 AN ACT Relating to protecting financial and medical information
2 presented to the board of accountancy; and amending RCW 18.04.405.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

4 **Sec. 1.** RCW 18.04.405 and 2001 c 294 s 22 are each amended to read
5 as follows:

6 (1) A licensee, certificate holder, or licensed firm, or any of
7 their employees shall not disclose any confidential information
8 obtained in the course of a professional transaction except with the
9 consent of the client or former client or as disclosure may be required
10 by law, legal process, the standards of the profession, or as
11 disclosure of confidential information is permitted by RCW 18.04.350
12 (~~((+3))~~) (7) and (~~((+4))~~) (8), 18.04.295(8), 18.04.390, and this section
13 in connection with quality assurance, or peer reviews, investigations,
14 and any proceeding under chapter 34.05 RCW.

15 (2) This section shall not be construed as limiting the authority
16 of this state or of the United States or an agency of this state, the
17 board, or of the United States to subpoena and use such confidential
18 information obtained by a licensee, or any of their employees in the
19 course of a professional transaction in connection with any

1 investigation, public hearing, or other proceeding, nor shall this
2 section be construed as prohibiting a licensee or certified public
3 accountant whose professional competence has been challenged in a court
4 of law or before an administrative agency from disclosing confidential
5 information as a part of a defense to the court action or
6 administrative proceeding.

7 (3) The proceedings, records, and work papers of a review committee
8 shall be privileged and shall not be subject to discovery, subpoena, or
9 other means of legal process or introduction into evidence in any civil
10 action, arbitration, administrative proceeding, or board proceeding and
11 no member of the review committee or person who was involved in the
12 peer review process shall be permitted or required to testify in any
13 such civil action, arbitration, administrative proceeding, or board
14 proceeding as to any matter produced, presented, disclosed, or
15 discussed during or in connection with the peer review process, or as
16 to any findings, recommendations, evaluations, opinions, or other
17 actions of such committees, or any members thereof. Information,
18 documents, or records that are publicly available are not to be
19 construed as immune from discovery or use in any civil action,
20 arbitration, administrative proceeding, or board proceeding merely
21 because they were presented or considered in connection with the
22 quality assurance or peer review process.

23 (4) The financial records of CPAs and clients including, but not
24 limited to, asset transfer documents and related legal documents
25 prepared by those authorized to practice law, the CPA's work product
26 derived from the confidential financial records of clients, financial
27 statements, tax returns, and confidential medical information
28 pertaining to the CPA or clients that are provided to the board in the
29 course of an investigation or in conjunction with an application for
30 licensure under this chapter are not subject to disclosure under the
31 public records act, chapter 42.56 RCW, are privileged, and are not
32 subject to discovery, subpoena, or other means of legal process or
33 introduction into evidence in any civil action or arbitration.
34 Information, documents, or records that are publicly available are not
35 to be construed as exempt from disclosure or discovery or use in any
36 civil action or arbitration merely because they were presented or

1 considered in connection with a board investigation or application to
2 the board in conjunction with licensure.

--- END ---