
SENATE BILL 5519

State of Washington

67th Legislature

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By Senators Dozier, Mullet, Brown, Gildon, Rivers, J. Wilson, and L. Wilson

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1 AN ACT Relating to replacing an inactive certificate status with
2 an inactive license designation; amending RCW 18.04.015, 18.04.025,
3 18.04.055, 18.04.065, 18.04.105, 18.04.180, 18.04.195, 18.04.195,
4 18.04.215, 18.04.215, 18.04.295, 18.04.320, 18.04.335, 18.04.345,
5 18.04.345, 18.04.350, 18.04.350, 18.04.370, 18.04.405, and 18.04.430;
6 providing an effective date; and providing an expiration date.

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

8 **Sec. 1.** RCW 18.04.015 and 2001 c 294 s 1 are each amended to
9 read as follows:

10 (1) It is the policy of this state and the purpose of this
11 chapter:

12 (a) To promote the dependability of information which is used for
13 guidance in financial transactions or for accounting for or assessing
14 the status or performance of commercial and noncommercial
15 enterprises, whether public, private or governmental; and

16 (b) To protect the public interest by requiring that:

17 (i) Persons who hold themselves out as licensees (~~or certificate~~
18 ~~holders~~)) conduct themselves in a competent, ethical, and
19 professional manner;

20 (ii) A public authority be established that is competent to
21 prescribe and assess the qualifications of certified public

1 accountants (~~(, including certificate holders who are not licensed for~~
2 ~~the practice of public accounting)~~);

3 (iii) Persons other than licensees refrain from using the words
4 "audit," "review," and "compilation" when designating a report
5 customarily prepared by someone knowledgeable in accounting;

6 (iv) A public authority be established to provide for consumer
7 alerts and public protection information to be published regarding
8 persons or firms who violate the provisions of chapter 294, Laws of
9 2001 or board rule and to provide general consumer protection
10 information to the public; and

11 (v) The use of accounting titles likely to confuse the public be
12 prohibited. However as of June 30, 2024, an individual holding a CPA-
13 inactive certificate must be designated as a licensee with an
14 inactive status.

15 (2) The purpose of chapter 294, Laws of 2001 is to make revisions
16 to chapter 234, Laws of 1983 and chapter 103, Laws of 1992 to:
17 Fortify the public protection provisions of chapter 294, Laws of
18 2001; establish one set of qualifications to be a licensee; revise
19 the regulations of certified public accountants; make revisions in
20 the ownership of certified public accounting firms; assure to the
21 greatest extent possible that certified public accountants from
22 Washington state are substantially equivalent with certified public
23 accountants in other states and can therefore perform the duties of
24 certified public accountants in as many states and countries as
25 possible; assure certified public accountants from other states and
26 countries have met qualifications that are substantially equivalent
27 to the certified public accountant qualifications of this state; and
28 clarify the authority of the board of accountancy with respect to the
29 activities of persons holding licenses and certificates under this
30 chapter. It is not the intent of chapter 294, Laws of 2001 to in any
31 way restrict or limit the activities of persons not holding licenses
32 or certificates under this chapter except as otherwise specifically
33 restricted or limited by chapter 234, Laws of 1983 and chapter 103,
34 Laws of 1992.

35 (3) A purpose of chapter 103, Laws of 1992, revising provisions
36 of chapter 234, Laws of 1983, is to clarify the authority of the
37 board of accountancy with respect to the activities of persons
38 holding certificates under this chapter. Furthermore, it is not the
39 intent of chapter 103, Laws of 1992 to in any way restrict or limit
40 the activities of persons not holding certificates under this chapter

1 except as otherwise specifically restricted or limited by chapter
2 234, Laws of 1983.

3 **Sec. 2.** RCW 18.04.025 and 2016 c 127 s 1 are each amended to
4 read as follows:

5 Unless the context clearly requires otherwise, the definitions in
6 this section apply throughout this chapter.

7 (1) "Attest" means providing the following services:

8 (a) Any audit or other engagement to be performed in accordance
9 with the statements on auditing standards;

10 (b) Any review of a financial statement to be provided in
11 accordance with the statements on standards for accounting and review
12 services;

13 (c) Any engagement to be performed in accordance with the
14 statements on standards for attestation engagements; and

15 (d) Any engagement to be performed in accordance with the public
16 company accounting oversight board auditing standards.

17 (2) "Board" means the board of accountancy created by RCW
18 18.04.035.

19 (3) "Certificate" means ~~((a certificate as a certified public
20 accountant issued prior to July 1, 2001, as authorized under the
21 provisions of this chapter.~~

22 ~~(4) "Certificate holder" means the holder of a certificate as a
23 certified public accountant who has not become a licensee, has
24 maintained CPE requirements, and who does not practice public
25 accounting.~~

26 ~~(5))~~ an alternative license type issued by the board indicating
27 that the certificate holder had passed the CPA examination, but has
28 not verified the certificate holder's experience and was not fully
29 licensed as a certified public accountant to practice public
30 accounting. The board must allow renewal of certificates until June
31 30, 2024, at which time any then current and valid certificates
32 automatically convert to a CPA license in an inactive status. As of
33 July 1, 2024, board-issued certificates are no longer a recognized
34 form of licensure.

35 (4) "Certified public accountant" or "CPA" means a person holding
36 a certified public accountant license or certificate.

37 ~~((6))~~ (5) "Compilation" means providing a service to be
38 performed in accordance with statements on standards for accounting
39 and review services that is presenting in the form of financial

1 statements, information that is the representation of management
2 (owners) without undertaking to express any assurance on the
3 statements.

4 ~~((7))~~ (6) "CPE" means continuing professional education.

5 ~~((8))~~ (7) "Firm" means a sole proprietorship, a corporation, or
6 a partnership. "Firm" also means a limited liability company formed
7 under chapter 25.15 RCW.

8 ~~((9))~~ (8) "Holding out" means any representation to the public
9 by the use of restricted titles as set forth in RCW 18.04.345 by a
10 person or firm that the person or firm holds a license under this
11 chapter and that the person or firm offers to perform any
12 professional services to the public as a licensee. "Holding out"
13 shall not affect or limit a person or firm not required to hold a
14 license under this chapter from engaging in practices identified in
15 RCW 18.04.350.

16 ~~((10))~~ (9) "Inactive" means the ~~((certificate is in an inactive
17 status because a person who held a valid certificate before July 1,
18 2001, has not met the current requirements of licensure and has been
19 granted inactive certificate holder))~~ status of a license that is
20 prohibited from practicing public accounting. A person holding an
21 inactive license may apply to the board to return the license to an
22 active status through an approval process established by the board.

23 ~~((11))~~ (10) "Individual" means a living, human being.

24 ~~((12))~~ (11) "License" means a license to practice public
25 accountancy issued to an individual under this chapter, or a license
26 issued to a firm under this chapter.

27 ~~((13))~~ (12) "Licensee" means the holder of a license to
28 practice public accountancy issued under this chapter.

29 ~~((14))~~ (13) "Manager" means a manager of a limited liability
30 company licensed as a firm under this chapter.

31 ~~((15))~~ (14) "NASBA" means the national association of state
32 boards of accountancy.

33 ~~((16))~~ (15) "Peer review" means a study, appraisal, or review
34 of one or more aspects of the attest or compilation work of a
35 licensee or licensed firm in the practice of public accountancy, by a
36 person or persons who hold licenses and who are not affiliated with
37 the person or firm being reviewed, including a peer review, or any
38 internal review or inspection intended to comply with quality control
39 policies and procedures, but not including ~~((the "quality assurance~~

1 ~~review" under subsection (20) of this section)~~ a quality assurance
2 review.

3 ~~((17))~~ (16) "Person" means any individual, nongovernmental
4 organization, or business entity regardless of legal form, including
5 a sole proprietorship, firm, partnership, corporation, limited
6 liability company, association, or not-for-profit organization, and
7 including the sole proprietor, partners, members, and, as applied to
8 corporations, the officers.

9 ~~((18))~~ (17) "Practice of public accounting" means performing or
10 offering to perform by a person or firm holding itself out to the
11 public as a licensee, for a client or potential client, one or more
12 kinds of services involving the use of accounting or auditing skills,
13 including the issuance of "reports," or one or more kinds of
14 management advisory, or consulting services, or the preparation of
15 tax returns, or the furnishing of advice on tax matters. "Practice of
16 public accounting" shall not include practices that are permitted
17 under the provisions of RCW 18.04.350(10) by persons or firms not
18 required to be licensed under this chapter.

19 ~~((19))~~ (18) "Principal place of business" means the office
20 location designated by the licensee for purposes of substantial
21 equivalency and reciprocity.

22 ~~((20))~~ (19) "Quality assurance review" means a process
23 established by and conducted at the direction of the board of study,
24 appraisal, or review of one or more aspects of the attest or
25 compilation work of a licensee or licensed firm in the practice of
26 public accountancy, by a person or persons who hold licenses and who
27 are not affiliated with the person or firm being reviewed.

28 ~~((21))~~ (20) "Report," when used with reference to any attest or
29 compilation service, means an opinion, report, or other form of
30 language that states or implies assurance as to the reliability of
31 the attested information or compiled financial statements and that
32 also includes or is accompanied by any statement or implication that
33 the person or firm issuing it has special knowledge or competence in
34 the practice of public accounting. Such a statement or implication of
35 special knowledge or competence may arise from use by the issuer of
36 the report of names or titles indicating that the person or firm is
37 involved in the practice of public accounting, or from the language
38 of the report itself. "Report" includes any form of language which
39 disclaims an opinion when such form of language is conventionally
40 understood to imply any positive assurance as to the reliability of

1 the attested information or compiled financial statements referred to
2 and/or special competence on the part of the person or firm issuing
3 such language; and it includes any other form of language that is
4 conventionally understood to imply such assurance and/or such special
5 knowledge or competence. "Report" does not include services
6 referenced in RCW 18.04.350 (10) or (11) provided by persons not
7 holding a license under this chapter as provided in RCW
8 18.04.350(14).

9 ~~((22))~~ (21) "Review committee" means any person carrying out,
10 administering or overseeing a peer review authorized by the reviewee.

11 ~~((23))~~ (22) "Rule" means any rule adopted by the board under
12 authority of this chapter.

13 ~~((24))~~ (23) "Sole proprietorship" means a legal form of
14 organization owned by one person meeting the requirements of RCW
15 18.04.195.

16 ~~((25))~~ (24) "State" includes the states of the United States,
17 the District of Columbia, Puerto Rico, Guam, the United States Virgin
18 Islands, and the Commonwealth of the Northern Mariana Islands at such
19 time as the board determines that the Commonwealth of the Northern
20 Mariana Islands is issuing licenses under the substantially
21 equivalent standards in RCW 18.04.350(2)(a).

22 (25) "Substantial equivalency" or "substantially equivalent"
23 means a determination by the board or its designee that the
24 education, examination, and experience requirements contained in the
25 statutes and administrative rules of another jurisdiction are
26 comparable to or exceed the education, examination, and experience
27 requirements contained in this chapter or that an individual CPA's
28 education, examination, and experience qualifications are comparable
29 to or exceed the education, examination, and experience requirements
30 contained in this chapter. In ascertaining substantial equivalency
31 and substantially equivalent as used in this chapter the board shall
32 take into account the qualifications without regard to the sequence
33 in which experience, education, or examination requirements were
34 attained.

35 **Sec. 3.** RCW 18.04.055 and 2019 c 71 s 1 are each amended to read
36 as follows:

37 The board may adopt and amend rules under chapter 34.05 RCW for
38 the orderly conduct of its affairs. The board shall prescribe rules

1 consistent with this chapter as necessary to implement this chapter.
2 Included may be:

3 (1) Rules of procedure to govern the conduct of matters before
4 the board;

5 (2) Rules of professional conduct for all licensees(~~7~~
6 ~~certificate holders,~~) and nonlicensee owners of licensed firms, in
7 order to establish and maintain high standards of competence and
8 ethics including rules dealing with independence, integrity,
9 objectivity, and freedom from conflicts of interest;

10 (3) Rules specifying actions and circumstances deemed to
11 constitute holding oneself out as a licensee in connection with the
12 practice of public accountancy;

13 (4) Rules specifying the manner and circumstances of the use of
14 the titles "certified public (~~accountant" and "CPA," by holders of~~
15 ~~certificates who do not also hold licenses)~~) accountant," "CPA,"
16 "CPA-inactive," and "CPA-retired" by holders of a license under this
17 chapter;

18 (5) Rules specifying the educational requirements to take the
19 certified public accountant examination;

20 (6) Rules designed to ensure that licensees' "reports" meet the
21 definitional requirements for that term as specified in RCW
22 18.04.025;

23 (7) Requirements for CPE to maintain or improve the professional
24 competence of licensees as a condition to maintaining their license
25 (~~and certificate holders as a condition to maintaining their~~
26 ~~certificate under RCW 18.04.215));~~

27 (8) Rules governing firms issuing or offering to issue attest or
28 compilation reports or providing public accounting services as
29 defined in RCW 18.04.025 using the title "certified public
30 accountant" or "CPA" including, but not limited to, rules concerning
31 their style, name, title, and affiliation with any other
32 organization, and establishing reasonable practice and ethical
33 standards to protect the public interest;

34 (9) The board may by rule implement a quality assurance review
35 program as a means to monitor licensees' quality of practice and
36 compliance with professional standards. The board may exempt from
37 such program, licensees who undergo periodic peer reviews in programs
38 of the American Institute of Certified Public Accountants, NASBA, or
39 other programs recognized and approved by the board;

1 (10) The board may by rule require licensed firms to obtain
2 professional liability insurance if in the board's discretion such
3 insurance provides additional and necessary protection for the
4 public;

5 (11) Rules specifying the experience requirements in order to
6 qualify for a license;

7 ~~((Rules specifying the requirements for certificate holders
8 to qualify for a license under this chapter which must include
9 provisions for meeting CPE and experience requirements prior to
10 application for licensure;~~

11 ~~(13))~~ Rules specifying the registration requirements, including
12 ethics examination and fee requirements, for resident nonlicensee
13 partners, shareholders, and managers of licensed firms;

14 ~~((14))~~ (13) Rules specifying the ethics CPE requirements for
15 ~~((certificate holders))~~ an individual with an inactive license and
16 owners of licensed firms, including the process for reporting
17 compliance with those requirements;

18 ~~((15))~~ (14) Rules specifying the experience and CPE
19 requirements for licensees offering or issuing reports; and

20 ~~((16))~~ (15) Any other rule which the board finds necessary or
21 appropriate to implement this chapter.

22 **Sec. 4.** RCW 18.04.065 and 2015 c 215 s 6 are each amended to
23 read as follows:

24 The board shall set its fees at a level adequate to pay the costs
25 of administering this chapter. All fees for licenses, registrations
26 of nonlicensee partners, shareholders, and managers of licensed
27 firms, renewals of licenses, renewals of registrations of nonlicensee
28 partners, shareholders, and managers of licensed firms, ~~((renewals of
29 certificates,))~~ reinstatements of lapsed licenses, ~~((reinstatements
30 of lapsed certificates,))~~ reinstatements of lapsed registrations of
31 nonlicensee partners, shareholders, and managers of licensed firms,
32 practice privileges under RCW 18.04.350, and delinquent filings
33 received under the authority of this chapter shall be deposited in
34 the certified public accountants' account created by RCW 18.04.105.
35 Appropriation from such account shall be made only for the cost of
36 administering the provisions of this chapter or for the purpose of
37 administering the certified public accounting scholarship program
38 created in chapter 28B.123 RCW.

1 **Sec. 5.** RCW 18.04.105 and 2016 c 127 s 3 are each amended to
2 read as follows:

3 (1) A license to practice public accounting shall be granted by
4 the board to any person:

5 (a) Who is of good character. Good character, for purposes of
6 this section, means lack of a history of dishonest or felonious acts.
7 The board may refuse to grant a license on the ground of failure to
8 satisfy this requirement only if there is a substantial connection
9 between the lack of good character of the applicant and the
10 professional and ethical responsibilities of a licensee and if the
11 finding by the board of lack of good character is supported by a
12 preponderance of evidence. When an applicant is found to be
13 unqualified for a license because of a lack of good character, the
14 board shall furnish the applicant a statement containing the findings
15 of the board and a notice of the applicant's right of appeal;

16 (b) Who has met the educational standards established by rule as
17 the board determines to be appropriate;

18 (c) Who has passed an examination;

19 (d) Who has had one year of experience which is gained:

20 (i) Through the use of accounting, issuing reports, management
21 advisory, financial advisory, tax, tax advisory, or consulting
22 skills;

23 (ii) While employed in government, industry, academia, or public
24 practice; and

25 (iii) Meeting the competency requirements in a manner as
26 determined by the board to be appropriate and established by board
27 rule; and

28 (e) Who has paid appropriate fees as established by rule by the
29 board.

30 (2) The examination described in subsection (1)(c) of this
31 section shall test the applicant's knowledge of the subjects of
32 accounting and auditing, and other related fields the board may
33 specify by rule. The time for holding the examination is fixed by the
34 board and may be changed from time to time. The board shall prescribe
35 by rule the methods of applying for and taking the examination,
36 including methods for grading examinations and determining a passing
37 grade required of an applicant for a license. The board shall to the
38 extent possible see to it that the grading of the examination, and
39 the passing grades, are uniform with those applicable to all other
40 states. The board may make use of all or a part of the uniform

1 certified public accountant examination and advisory grading service
2 of the American Institute of Certified Public Accountants and may
3 contract with third parties to perform administrative services with
4 respect to the examination as the board deems appropriate to assist
5 it in performing its duties under this chapter. The board shall
6 establish by rule provisions for transitioning to a new examination
7 structure or to a new media for administering the examination.

8 (3) The board shall charge each applicant an examination fee for
9 the initial examination or for reexamination. The applicable fee
10 shall be paid by the person at the time he or she applies for
11 examination, reexamination, or evaluation of educational
12 qualifications. Fees for examination, reexamination, or evaluation of
13 educational qualifications shall be determined by the board under
14 this chapter (~~(18.04—RCW)~~). There is established in the state
15 treasury an account to be known as the certified public accountants'
16 account. All fees received from candidates to take any or all
17 sections of the certified public accountant examination shall be used
18 only for costs related to the examination.

19 (4) (~~(Persons who on June 30, 2001, held valid certificates~~
20 ~~previously issued under this chapter shall be deemed to be~~
21 ~~certificate holders, subject to the following:~~

22 ~~(a) Certificate holders may, prior to June 30, 2006, petition the~~
23 ~~board to become licensees by documenting to the board)~~ Individuals
24 whose certificates are current and valid on June 30, 2024, will
25 automatically be converted to a licensee in an inactive status. To
26 activate a license and become an active licensee, the individual must
27 apply to the board to activate his or her license and must meet the
28 following requirements:

29 (a) For applications to activate, the licensees must submit to
30 the board documentation that they have gained one year of experience
31 through the use of accounting, issuing reports, management advisory,
32 financial advisory, tax, tax advisory, or consulting skills, without
33 regard to the eight-year limitation set forth in (b) of this
34 subsection, while employed in government, industry, academia, or
35 public practice.

36 ~~(b) ((Certificate holders who do not petition to become licensees~~
37 ~~prior to June 30, 2006, may after that date petition the board to~~
38 ~~become licensees by documenting))~~ For applications submitted to the
39 board before January 1, 2024, the individual must provide
40 documentation to the board that they have one year of experience

1 acquired within eight years prior to applying for a license through
2 the use of accounting, issuing reports, management advisory,
3 financial advisory, tax, tax advisory, or consulting skills in
4 government, industry, academia, or public practice.

5 ~~(c) ((Certificate holders who petition the board pursuant to (a)~~
6 ~~or (b) of this subsection must also meet))~~ Meet competency
7 requirements in a manner as determined by the board to be appropriate
8 and established by board rule.

9 ~~(d) ((Any certificate holder petitioning the board pursuant to~~
10 ~~(a) or (b) of this subsection to become a licensee must submit))~~
11 Submit to the board satisfactory proof of having completed an
12 accumulation of one hundred twenty hours of CPE during the thirty-six
13 months preceding the date of filing the petition.

14 ~~(e) ((Any certificate holder petitioning the board pursuant to~~
15 ~~(a) or (b) of this subsection to become a licensee must pay))~~ Pay the
16 appropriate fees established by rule by the board.

17 ~~(5) ((Certificate holders shall comply with the prohibition~~
18 ~~against the practice of public accounting in RCW 18.04.345.~~

19 ~~(6) Persons who on June 30, 2001, held valid certificates~~
20 ~~previously issued under this chapter are deemed to hold inactive~~
21 ~~certificates, subject to renewal as inactive certificates, until they~~
22 ~~have petitioned the board to become licensees and have met the~~
23 ~~requirements of subsection (4) of this section. No individual who did~~
24 ~~not hold a valid certificate before July 1, 2001, is eligible to~~
25 ~~obtain an inactive certificate.~~

26 ~~(7) Persons deemed to hold inactive certificates under subsection~~
27 ~~(6) of this section shall comply with the prohibition against the~~
28 ~~practice of public accounting in subsection (8)(b) of this section~~
29 ~~and RCW 18.04.345, but are not required to display the term inactive~~
30 ~~as part of their title, as required by subsection (8)(a) of this~~
31 ~~section until renewal. Certificates renewed to any persons after June~~
32 ~~30, 2001, are inactive certificates and the inactive certificate~~
33 ~~holders are subject to the requirements of subsection (8) of this~~
34 ~~section.~~

35 ~~(8) Persons holding an inactive certificate:~~

36 ~~(a) Must use or attach the term "inactive" whenever using the~~
37 ~~title CPA or certified public accountant or referring to the~~
38 ~~certificate, and print the word "inactive" immediately following the~~
39 ~~title, whenever the title is printed on a business card, letterhead,~~
40 ~~or any other document, including documents published or transmitted~~

1 through electronic media, in the same font and font size as the
2 title; and

3 ~~(b) Are prohibited from practicing public accounting))~~
4 Individuals who did not hold a valid certificate on the conversion
5 date of June 30, 2024, and who wish to apply for a license must apply
6 as a new licensee and meet the requirements under subsection (1) of
7 this section for initial licensure.

8 (6) Any licensee in good standing may request to have his or her
9 license placed on inactive status. All licensees in inactive status,
10 including those who converted from certificate to a license, are
11 subject to the following conditions:

12 (a) The licensee is prohibited from practicing public accounting;

13 (b) The licensee must pay a renewal fee to maintain this status;

14 (c) The licensee must comply with the applicable CPE
15 requirements;

16 (d) The licensee is subject to the requirements of this chapter
17 and the rules adopted by the board.

18 **Sec. 6.** RCW 18.04.180 and 2004 c 159 s 3 are each amended to
19 read as follows:

20 (1) The board shall issue a license to a holder of a certificate/
21 valid license issued by another state that entitles the holder to
22 practice public accountancy, provided that:

23 (a) Such state makes similar provision to grant reciprocity to a
24 holder of a valid certificate or license in this state;

25 (b) The applicant meets the CPE requirements of RCW
26 18.04.215(~~(+5))~~) (4);

27 (c) The applicant meets the good character requirements of RCW
28 18.04.105(1) (a); and

29 (d) The applicant passed the examination required for issuance of
30 his or her certificate or license with grades that would have been
31 passing grades at that time in this state and meets all current
32 requirements in this state for issuance of a license at the time
33 application is made; or at the time of the issuance of the
34 applicant's license in the other state, met all the requirements then
35 applicable in this state; or has three years of experience within the
36 five years immediately preceding application or had five years of
37 experience within the ten years immediately preceding application in
38 the practice of public accountancy that meets the requirements
39 prescribed by the board.

1 (2) The board may accept NASBA's designation of the applicant as
2 substantially equivalent to national standards as meeting the
3 requirement of subsection (1)(d) of this section.

4 (3) A licensee who has been granted a license under the
5 reciprocity provisions of this section shall notify the board within
6 thirty days if the license or certificate issued in the other
7 jurisdiction has lapsed or if the status of the license or
8 certificate issued in the other jurisdiction becomes otherwise
9 invalid.

10 **Sec. 7.** RCW 18.04.195 and 2019 c 71 s 2 are each amended to read
11 as follows:

12 (1) The board shall grant or renew licenses to practice as a CPA
13 firm to applicants that demonstrate their qualifications therefore in
14 accordance with this section.

15 (a) The following must hold a license issued under this section:

16 (i) Any firm with an office in this state performing or offering
17 to perform attest services as defined in RCW 18.04.025(1) or
18 compilations as defined in RCW 18.04.025(~~((6))~~) (5); or

19 (ii) Any firm that does not have an office in this state but
20 offers or renders attest services described in RCW 18.04.025 in this
21 state, unless it meets each of the following requirements:

22 (A) Complies with the qualifications described in subsection
23 (3)(c), (4)(a), or (5)(c) of this section;

24 (B) Meets the board's quality assurance review program
25 requirements authorized by RCW 18.04.055(9) and the rules
26 implementing such section;

27 (C) Performs such services through an individual with practice
28 privileges under RCW 18.04.350(2); and

29 (D) Can lawfully do so in the state where said individuals with
30 practice privileges have their principal place of business.

31 (b) A chartered professional accounting firm registered in the
32 Canadian province of British Columbia may provide compilation or
33 attest services in accordance with RCW 18.04.350(15) without
34 obtaining a Washington state CPA firm license.

35 (c) A firm that is not subject to the requirements of subsection
36 (1)(a) of this section may perform compilation services described in
37 RCW 18.04.025(~~((6))~~) (5) and other nonattest professional services
38 while using the title "CPA" or "CPA firm" in this state without a
39 license issued under this section only if:

1 (i) The firm performs such services through an individual with
2 practice privileges under RCW 18.04.350(2); and

3 (ii) The firm can lawfully do so in the state where said
4 individuals with practice privileges have their principal place of
5 business.

6 (2) A sole proprietorship that performs or offers to perform
7 attest or compilation services as defined in RCW 18.04.025 is
8 required to obtain a license under subsection (1) of this section
9 (~~(+and+)~~) and shall license, as a firm, every three years with the
10 board.

11 (a) The sole proprietor shall hold and renew a license to
12 practice under RCW 18.04.105 and 18.04.215, or, in the case of a sole
13 proprietorship that must obtain a license pursuant to subsection
14 (1)(a)(iii) of this section, be a licensee of another state who meets
15 the requirements in RCW 18.04.350(2);

16 (b) Each resident individual in charge of an office located in
17 this state shall hold and renew a license to practice under RCW
18 18.04.105 and 18.04.215; and

19 (c) The licensed firm must meet requirements established by rule
20 by the board.

21 (3) A partnership that performs or offers to perform attest or
22 compilation services as defined in RCW 18.04.025 is required to
23 obtain a license under subsection (1) of this section(~~(+r+)~~)l shall
24 license as a firm every three years with the board, and shall meet
25 the following requirements:

26 (a) At least one general partner of the partnership shall hold
27 and renew a license to practice under RCW 18.04.105 and 18.04.215,
28 or, in the case of a partnership that must obtain a license pursuant
29 to subsection (1)(a)(iii) of this section, be a licensee of another
30 state who meets the requirements in RCW 18.04.350(2);

31 (b) Each resident individual in charge of an office in this state
32 shall hold and renew a license to practice under RCW 18.04.105 and
33 18.04.215;

34 (c) At least a simple majority of the ownership of the licensed
35 firm in terms of financial interests and voting rights of all
36 partners or owners shall be held by persons who are licensees or
37 holders of a valid license issued under this chapter or by another
38 state. The principal partner of the partnership and any partner
39 having authority over issuing reports shall hold a license under this
40 chapter or issued by another state; and

1 (d) The licensed firm must meet requirements established by rule
2 by the board.

3 (4) A corporation that performs or offers to perform attest or
4 compilation services as defined in RCW 18.04.025 is required to
5 obtain a license under subsection (1) of this section(~~(+)~~)L shall
6 license as a firm every three years with the board(~~(+)~~)L and shall
7 meet the following requirements:

8 (a) At least a simple majority of the ownership of the licensed
9 firm in terms of financial interests and voting rights of all
10 shareholders or owners shall be held by persons who are licensees or
11 holders of a valid license issued under this chapter or by another
12 state and is principally employed by the corporation or actively
13 engaged in its business. The principal officer of the corporation and
14 any officer or director having authority over issuing reports shall
15 hold a license under this chapter or issued by another state;

16 (b) At least one shareholder of the corporation shall hold a
17 license under RCW 18.04.105 and 18.04.215, or, in the case of a
18 corporation that must obtain a license pursuant to subsection
19 (1)(a)(iii) of this section, be a licensee of another state who meets
20 the requirements in RCW 18.04.350(2);

21 (c) Each resident individual in charge of an office located in
22 this state shall hold and renew a license under RCW 18.04.105 and
23 18.04.215;

24 (d) A written agreement shall bind the corporation or its
25 shareholders to purchase any shares offered for sale by, or not under
26 the ownership or effective control of, a qualified shareholder, and
27 bind any holder not a qualified shareholder to sell the shares to the
28 corporation or its qualified shareholders. The agreement shall be
29 noted on each certificate of corporate stock. The corporation may
30 purchase any amount of its stock for this purpose, notwithstanding
31 any impairment of capital, as long as one share remains outstanding;

32 (e) The corporation shall comply with any other rules pertaining
33 to corporations practicing public accounting in this state as the
34 board may prescribe; and

35 (f) The licensed firm must meet requirements established by rule
36 by the board.

37 (5) A limited liability company that performs or offers to
38 perform attest or compilation services as defined in RCW 18.04.025 is
39 required to obtain a license under subsection (1) of this

1 section(~~(f,r)~~), shall license as a firm every three years with the
2 board, and shall meet the following requirements:

3 (a) At least one member of the limited liability company shall
4 hold a license under RCW 18.04.105 and 18.04.215, or, in the case of
5 a limited liability company that must obtain a license pursuant to
6 subsection (1)(a)(iii) of this section, be a licensee of another
7 state who meets the requirements in RCW 18.04.350(2);

8 (b) Each resident manager or member in charge of an office
9 located in this state shall hold and renew a license under RCW
10 18.04.105 and 18.04.215;

11 (c) At least a simple majority of the ownership of the licensed
12 firm in terms of financial interests and voting rights of all owners
13 shall be held by persons who are licensees or holders of a valid
14 license issued under this chapter or by another state. The principal
15 member or manager of the limited liability company and any member
16 having authority over issuing reports shall hold a license under this
17 chapter or issued by another state; and

18 (d) The licensed firm must meet requirements established by rule
19 by the board.

20 (6) Application for a license as a firm with an office in this
21 state shall be made upon the affidavit of the proprietor or
22 individual designated as managing partner, member, or shareholder for
23 Washington. This individual shall hold a license under RCW 18.04.215.

24 (7) In the case of a firm licensed in another state and required
25 to obtain a license under subsection (1)(a)(iii) of this section, the
26 application for the firm license shall be made upon the affidavit of
27 an individual who qualifies for practice privileges in this state
28 under RCW 18.04.350(2) who has been authorized by the applicant firm
29 to make the application. The board shall determine in each case
30 whether the applicant is eligible for a license.

31 (8) The board shall be given notification within ninety days
32 after the admission or withdrawal of a partner, shareholder, or
33 member engaged in this state in the practice of public accounting
34 from any partnership, corporation, or limited liability company so
35 licensed.

36 (9) Licensed firms that fall out of compliance with the
37 provisions of this section due to changes in firm ownership, after
38 receiving or renewing a license, shall notify the board in writing
39 within ninety days of its falling out of compliance and propose a
40 time period in which they will come back into compliance. The board

1 may grant a reasonable period of time for a firm to be in compliance
2 with the provisions of this section. Failure to bring the firm into
3 compliance within a reasonable period of time, as determined by the
4 board, may result in suspension, revocation, or imposition of
5 conditions on the firm's license.

6 (10) Fees for the license as a firm and for notification of the
7 board of the admission or withdrawal of a partner, shareholder, or
8 member shall be determined by the board. Fees shall be paid by the
9 firm at the time the license application form or notice of admission
10 or withdrawal of a partner, shareholder, or member is filed with the
11 board.

12 (11) Nonlicensee owners of licensed firms are:

13 (a) Required to fully comply with the provisions of this chapter
14 and board rules;

15 (b) Required to be an individual;

16 (c) Required to be of good character, as defined in RCW
17 18.04.105(1)(a), and an active individual participant in the licensed
18 firm or affiliated entities as these terms are defined by board rule;
19 and

20 (d) Subject to discipline by the board for violation of this
21 chapter.

22 (12) Resident nonlicensee owners of licensed firms are required
23 to meet:

24 (a) The ethics examination, registration, and fee requirements as
25 established by the board rules; and

26 (b) The ethics CPE requirements established by the board rules.

27 (13)(a) Licensed firms must notify the board within thirty days
28 after:

29 (i) Sanction, suspension, revocation, or modification of their
30 professional license or practice rights by the securities exchange
31 commission, internal revenue service, or another state board of
32 accountancy;

33 (ii) Sanction or order against the licensee or nonlicensee firm
34 owner by any federal or other state agency related to the licensee's
35 practice of public accounting or violation of ethical or technical
36 standards established by board rule; or

37 (iii) The licensed firm is notified that it has been charged with
38 a violation of law that could result in the suspension or revocation
39 of the firm's license by a federal or other state agency, as
40 identified by board rule, related to the firm's professional license,

1 practice rights, or violation of ethical or technical standards
2 established by board rule.

3 (b) The board must adopt rules to implement this subsection and
4 may also adopt rules specifying requirements for licensees to report
5 to the board sanctions or orders relating to the licensee's practice
6 of public accounting or violation of ethical or technical standards
7 entered against the licensee by a nongovernmental professionally
8 related standard-setting entity.

9 **Sec. 8.** RCW 18.04.195 and 2019 c 71 s 3 are each amended to read
10 as follows:

11 (1) The board shall grant or renew licenses to practice as a CPA
12 firm to applicants that demonstrate their qualifications therefore in
13 accordance with this section.

14 (a) The following must hold a license issued under this section:

15 (i) Any firm with an office in this state performing or offering
16 to perform attest services as defined in RCW 18.04.025(1) or
17 compilations as defined in RCW 18.04.025(~~((6))~~) (5); or

18 (ii) Any firm that does not have an office in this state but
19 offers or renders attest services described in RCW 18.04.025 in this
20 state, unless it meets each of the following requirements:

21 (A) Complies with the qualifications described in subsection
22 (3)(c), (4)(a), or (5)(c) of this section;

23 (B) Meets the board's quality assurance review program
24 requirements authorized by RCW 18.04.055(9) and the rules
25 implementing such section;

26 (C) Performs such services through an individual with practice
27 privileges under RCW 18.04.350(2); and

28 (D) Can lawfully do so in the state where said individuals with
29 practice privileges have their principal place of business.

30 (b) A firm that is not subject to the requirements of subsection
31 (1)(a) of this section may perform compilation services described in
32 RCW 18.04.025(~~((6))~~) (5) and other nonattest professional services
33 while using the title "CPA" or "CPA firm" in this state without a
34 license issued under this section only if:

35 (i) The firm performs such services through an individual with
36 practice privileges under RCW 18.04.350(2); and

37 (ii) The firm can lawfully do so in the state where said
38 individuals with practice privileges have their principal place of
39 business.

1 (2) A sole proprietorship that performs or offers to perform
2 attest or compilation services as defined in RCW 18.04.025 is
3 required to obtain a license under subsection (1) of this section
4 (~~(+and+)~~) and shall license, as a firm, every three years with the
5 board.

6 (a) The sole proprietor shall hold and renew a license to
7 practice under RCW 18.04.105 and 18.04.215, or, in the case of a sole
8 proprietorship that must obtain a license pursuant to subsection
9 (1)(a)(iii) of this section, be a licensee of another state who meets
10 the requirements in RCW 18.04.350(2);

11 (b) Each resident individual in charge of an office located in
12 this state shall hold and renew a license to practice under RCW
13 18.04.105 and 18.04.215; and

14 (c) The licensed firm must meet requirements established by rule
15 by the board.

16 (3) A partnership that performs or offers to perform attest or
17 compilation services as defined in RCW 18.04.025 is required to
18 obtain a license under subsection (1) of this section(~~(+r+)~~) and shall
19 license as a firm every three years with the board, and shall meet
20 the following requirements:

21 (a) At least one general partner of the partnership shall hold
22 and renew a license to practice under RCW 18.04.105 and 18.04.215,
23 or, in the case of a partnership that must obtain a license pursuant
24 to subsection (1)(a)(iii) of this section, be a licensee of another
25 state who meets the requirements in RCW 18.04.350(2);

26 (b) Each resident individual in charge of an office in this state
27 shall hold and renew a license to practice under RCW 18.04.105 and
28 18.04.215;

29 (c) At least a simple majority of the ownership of the licensed
30 firm in terms of financial interests and voting rights of all
31 partners or owners shall be held by persons who are licensees or
32 holders of a valid license issued under this chapter or by another
33 state. The principal partner of the partnership and any partner
34 having authority over issuing reports shall hold a license under this
35 chapter or issued by another state; and

36 (d) The licensed firm must meet requirements established by rule
37 by the board.

38 (4) A corporation that performs or offers to perform attest or
39 compilation services as defined in RCW 18.04.025 is required to
40 obtain a license under subsection (1) of this section(~~(+r+)~~) and shall

1 license as a firm every three years with the board(~~(+)~~), and shall
2 meet the following requirements:

3 (a) At least a simple majority of the ownership of the licensed
4 firm in terms of financial interests and voting rights of all
5 shareholders or owners shall be held by persons who are licensees or
6 holders of a valid license issued under this chapter or by another
7 state and is principally employed by the corporation or actively
8 engaged in its business. The principal officer of the corporation and
9 any officer or director having authority over issuing reports shall
10 hold a license under this chapter or issued by another state;

11 (b) At least one shareholder of the corporation shall hold a
12 license under RCW 18.04.105 and 18.04.215, or, in the case of a
13 corporation that must obtain a license pursuant to subsection
14 (1)(a)(iii) of this section, be a licensee of another state who meets
15 the requirements in RCW 18.04.350(2);

16 (c) Each resident individual in charge of an office located in
17 this state shall hold and renew a license under RCW 18.04.105 and
18 18.04.215;

19 (d) A written agreement shall bind the corporation or its
20 shareholders to purchase any shares offered for sale by, or not under
21 the ownership or effective control of, a qualified shareholder, and
22 bind any holder not a qualified shareholder to sell the shares to the
23 corporation or its qualified shareholders. The agreement shall be
24 noted on each certificate of corporate stock. The corporation may
25 purchase any amount of its stock for this purpose, notwithstanding
26 any impairment of capital, as long as one share remains outstanding;

27 (e) The corporation shall comply with any other rules pertaining
28 to corporations practicing public accounting in this state as the
29 board may prescribe; and

30 (f) The licensed firm must meet requirements established by rule
31 by the board.

32 (5) A limited liability company that performs or offers to
33 perform attest or compilation services as defined in RCW 18.04.025 is
34 required to obtain a license under subsection (1) of this
35 section(~~(+)~~), shall license as a firm every three years with the
36 board, and shall meet the following requirements:

37 (a) At least one member of the limited liability company shall
38 hold a license under RCW 18.04.105 and 18.04.215, or, in the case of
39 a limited liability company that must obtain a license pursuant to

1 subsection (1)(a)(iii) of this section, be a licensee of another
2 state who meets the requirements in RCW 18.04.350(2);

3 (b) Each resident manager or member in charge of an office
4 located in this state shall hold and renew a license under RCW
5 18.04.105 and 18.04.215;

6 (c) At least a simple majority of the ownership of the licensed
7 firm in terms of financial interests and voting rights of all owners
8 shall be held by persons who are licensees or holders of a valid
9 license issued under this chapter or by another state. The principal
10 member or manager of the limited liability company and any member
11 having authority over issuing reports shall hold a license under this
12 chapter or issued by another state; and

13 (d) The licensed firm must meet requirements established by rule
14 by the board.

15 (6) Application for a license as a firm with an office in this
16 state shall be made upon the affidavit of the proprietor or
17 individual designated as managing partner, member, or shareholder for
18 Washington. This individual shall hold a license under RCW 18.04.215.

19 (7) In the case of a firm licensed in another state and required
20 to obtain a license under subsection (1)(a)(iii) of this section, the
21 application for the firm license shall be made upon the affidavit of
22 an individual who qualifies for practice privileges in this state
23 under RCW 18.04.350(2) who has been authorized by the applicant firm
24 to make the application. The board shall determine in each case
25 whether the applicant is eligible for a license.

26 (8) The board shall be given notification within ninety days
27 after the admission or withdrawal of a partner, shareholder, or
28 member engaged in this state in the practice of public accounting
29 from any partnership, corporation, or limited liability company so
30 licensed.

31 (9) Licensed firms that fall out of compliance with the
32 provisions of this section due to changes in firm ownership, after
33 receiving or renewing a license, shall notify the board in writing
34 within ninety days of its falling out of compliance and propose a
35 time period in which they will come back into compliance. The board
36 may grant a reasonable period of time for a firm to be in compliance
37 with the provisions of this section. Failure to bring the firm into
38 compliance within a reasonable period of time, as determined by the
39 board, may result in suspension, revocation, or imposition of
40 conditions on the firm's license.

1 (10) Fees for the license as a firm and for notification of the
2 board of the admission or withdrawal of a partner, shareholder, or
3 member shall be determined by the board. Fees shall be paid by the
4 firm at the time the license application form or notice of admission
5 or withdrawal of a partner, shareholder, or member is filed with the
6 board.

7 (11) Nonlicensee owners of licensed firms are:

8 (a) Required to fully comply with the provisions of this chapter
9 and board rules;

10 (b) Required to be an individual;

11 (c) Required to be of good character, as defined in RCW
12 18.04.105(1)(a), and an active individual participant in the licensed
13 firm or affiliated entities as these terms are defined by board rule;
14 and

15 (d) Subject to discipline by the board for violation of this
16 chapter.

17 (12) Resident nonlicensee owners of licensed firms are required
18 to meet:

19 (a) The ethics examination, registration, and fee requirements as
20 established by the board rules; and

21 (b) The ethics CPE requirements established by the board rules.

22 (13)(a) Licensed firms must notify the board within thirty days
23 after:

24 (i) Sanction, suspension, revocation, or modification of their
25 professional license or practice rights by the securities exchange
26 commission, internal revenue service, or another state board of
27 accountancy;

28 (ii) Sanction or order against the licensee or nonlicensee firm
29 owner by any federal or other state agency related to the licensee's
30 practice of public accounting or violation of ethical or technical
31 standards established by board rule; or

32 (iii) The licensed firm is notified that it has been charged with
33 a violation of law that could result in the suspension or revocation
34 of the firm's license by a federal or other state agency, as
35 identified by board rule, related to the firm's professional license,
36 practice rights, or violation of ethical or technical standards
37 established by board rule.

38 (b) The board must adopt rules to implement this subsection and
39 may also adopt rules specifying requirements for licensees to report
40 to the board sanctions or orders relating to the licensee's practice

1 of public accounting or violation of ethical or technical standards
2 entered against the licensee by a nongovernmental professionally
3 related standard-setting entity.

4 **Sec. 9.** RCW 18.04.215 and 2018 c 224 s 5 are each amended to
5 read as follows:

6 (1) Three-year licenses shall be issued by the board:

7 (a) To persons meeting the requirements of RCW 18.04.105(1),
8 18.04.180, or 18.04.183.

9 ~~(b) ((To certificate holders meeting the requirements of RCW
10 18.04.105(4)).~~

11 ~~(c))~~ To firms under RCW 18.04.195, meeting the requirements of
12 RCW 18.04.205.

13 (2) The board shall, by rule, provide for a system of
14 ~~((certificate and))~~ license renewal and reinstatement. Applicants for
15 renewal or reinstatement shall, at the time of filing their
16 applications, list with the board all states and foreign
17 jurisdictions in which they hold or have applied for certificates,
18 permits or licenses to practice.

19 ~~(3) ((An inactive certificate is renewed every three years with
20 renewal subject to the requirements of ethics CPE and the payment of
21 fees, prescribed by the board. Failure to renew the inactive
22 certificate shall cause the inactive certificate to lapse and be
23 subject to reinstatement. The board shall adopt rules providing for
24 fees and procedures for renewal and reinstatement of inactive
25 certificates.~~

26 ~~(4))~~ A license is issued every three years with renewal subject
27 to requirements of CPE and payment of fees, prescribed by the board.
28 Failure to renew the license shall cause the license to lapse and
29 become subject to reinstatement. Persons holding a lapsed license are
30 prohibited from using the title ~~(("CPA" or "certified public
31 accountant."))~~ "CPA," "certified public accountant," "CPA-inactive,"
32 or "CPA-retired." Persons holding a lapsed license are prohibited
33 from practicing public accountancy. The board shall adopt rules
34 providing for fees and procedures for issuance, renewal, and
35 reinstatement of licenses.

36 ~~((5))~~ (4) The board shall adopt rules providing for CPE for
37 active or inactive licensees ~~((and certificate holders))~~. The rules
38 shall:

1 (a) Provide that ~~((a))~~ an active licensee shall verify to the
2 board that he or she has completed at least an accumulation of one
3 hundred twenty hours of CPE during the last three-year period to
4 maintain the active license;

5 Provide that an individual with an inactive license must
6 verify to the board that he or she has completed a board-approved
7 ethics course for CPE during the last three-year period to maintain
8 the inactive license;

9 (c) Establish CPE requirements; and

10 ~~((e))~~ (d) Establish when new licensees shall verify that they
11 have completed the required CPE.

12 ~~((6))~~ (5) A certified public accountant who holds a license
13 issued by another state, and applies for a license in this state, may
14 practice in this state from the date of filing a completed
15 application with the board, until the board has acted upon the
16 application provided the application is made prior to holding out as
17 a certified public accountant in this state and no sanctions or
18 investigations, deemed by the board to be pertinent to public
19 accountancy, by other jurisdictions or agencies are in process.

20 ~~((7))~~ (6)(a) A licensee shall submit to the board satisfactory
21 proof of having completed an accumulation of one hundred twenty hours
22 of CPE recognized and approved by the board during the preceding
23 three years. Failure to furnish this evidence as required shall make
24 the license lapse and subject to reinstatement procedures, unless the
25 board determines the failure to have been due to retirement or
26 reasonable cause.

27 (b) The board in its discretion may renew a ~~((certificate or))~~
28 license despite failure to furnish evidence of compliance with
29 requirements of CPE upon condition that the applicant follow a
30 particular program of CPE. In issuing rules and individual orders
31 with respect to CPE requirements, the board, among other
32 considerations, may rely upon guidelines and pronouncements of
33 recognized educational and professional associations, may prescribe
34 course content, duration, and organization, and may take into account
35 the accessibility of CPE to licensees ~~((and certificate holders))~~ and
36 instances of individual hardship.

37 ~~((8))~~ (7) Fees for renewal or reinstatement of ~~((certificates~~
38 ~~and))~~ licenses in this state shall be determined by the board under
39 this chapter. Fees shall be paid by the applicant at the time the
40 application form is filed with the board. The board, by rule, may

1 provide for proration of fees for licenses (~~(or certificates)~~) issued
2 between normal renewal dates.

3 ~~((9))~~ (8)(a) Licensees(~~(certificate holders)~~) and
4 nonlicensee owners must notify the board within thirty days after:

5 (i) Sanction, suspension, revocation, or modification of their
6 professional license or practice rights by the securities exchange
7 commission, internal revenue service, or another state board of
8 accountancy;

9 (ii) Sanction or order against the licensee(~~(certificate~~
10 ~~holder)~~) or nonlicensee owner by any federal or other state agency
11 related to the licensee's practice of public accounting or the
12 licensee's(~~(certificate holder's)~~) or nonlicensee owner's
13 violation of ethical or technical standards established by board
14 rule; or

15 (iii) The licensee(~~(certificate holder)~~) or nonlicensee owner
16 is notified that he or she has been charged with a violation of law
17 that could result in the suspension or revocation of a license (~~(or~~
18 ~~certificate)~~) by a federal or other state agency, as identified by
19 board rule, related to the licensee's(~~(certificate holder's)~~) or
20 nonlicensee owner's professional license, practice rights, or
21 violation of ethical or technical standards established by board
22 rule.

23 (b) The board must adopt rules to implement this subsection and
24 may also adopt rules specifying requirements for licensees(~~(~~
25 ~~certificate holders)~~) and nonlicensee owners to report to the board
26 sanctions or orders relating to the licensee's practice of public
27 accounting or the licensee's(~~(certificate holder's)~~) or
28 nonlicensee owner's violation of ethical or technical standards
29 entered against the licensee(~~(certificate holder)~~) or nonlicensee
30 owner by a nongovernmental professionally related standard-setting
31 entity.

32 ~~((10))~~ (9) A chartered professional accounting firm registered
33 in the Canadian province of British Columbia and its owners and
34 employees that provide compilation or attest services in accordance
35 with RCW 18.04.350(15) are not required to obtain a CPA firm license
36 or individual CPA licenses and will not be subject to license fees.

37 **Sec. 10.** RCW 18.04.215 and 2003 c 290 s 2 are each amended to
38 read as follows:

39 (1) Three-year licenses shall be issued by the board:

1 (a) To persons meeting the requirements of RCW 18.04.105(1),
2 18.04.180, or 18.04.183.

3 ~~(b) ((To certificate holders meeting the requirements of RCW
4 18.04.105(4)).~~

5 ~~(e))~~ To firms under RCW 18.04.195, meeting the requirements of
6 RCW 18.04.205.

7 (2) The board shall, by rule, provide for a system of
8 ~~((certificate and))~~ license renewal and reinstatement. Applicants for
9 renewal or reinstatement shall, at the time of filing their
10 applications, list with the board all states and foreign
11 jurisdictions in which they hold or have applied for certificates,
12 permits or licenses to practice.

13 ~~(3) ((An inactive certificate is renewed every three years with
14 renewal subject to the requirements of ethics CPE and the payment of
15 fees, prescribed by the board. Failure to renew the inactive
16 certificate shall cause the inactive certificate to lapse and be
17 subject to reinstatement. The board shall adopt rules providing for
18 fees and procedures for renewal and reinstatement of inactive
19 certificates.~~

20 ~~(4))~~ A license is issued every three years with renewal subject
21 to requirements of CPE and payment of fees, prescribed by the board.
22 Failure to renew the license shall cause the license to lapse and
23 become subject to reinstatement. Persons holding a lapsed license are
24 prohibited from using the title ~~((("CPA" or "certified public
25 accountant."))~~ "CPA," "certified public accountant," "CPA-inactive,"
26 or "CPA-retired." Persons holding a lapsed license are prohibited
27 from practicing public accountancy. The board shall adopt rules
28 providing for fees and procedures for issuance, renewal, and
29 reinstatement of licenses.

30 ~~((5))~~ (4) The board shall adopt rules providing for CPE for
31 active or inactive licensees and certificate holders. The rules
32 shall:

33 (a) Provide that ~~((a))~~ an active licensee shall verify to the
34 board that he or she has completed at least an accumulation of one
35 hundred twenty hours of CPE during the last three-year period to
36 maintain the active license;

37 (b) Provide that an individual with an inactive license must
38 verify to the board that he or she has completed a board-approved
39 ethics course for CPE during the last three-year period to maintain
40 the inactive license;

1 (c) Establish CPE requirements; and
2 ~~((+e))~~ (d) Establish when new licensees shall verify that they
3 have completed the required CPE.
4 ~~((+6))~~ (5) A certified public accountant who holds a license
5 issued by another state, and applies for a license in this state, may
6 practice in this state from the date of filing a completed
7 application with the board, until the board has acted upon the
8 application provided the application is made prior to holding out as
9 a certified public accountant in this state and no sanctions or
10 investigations, deemed by the board to be pertinent to public
11 accountancy, by other jurisdictions or agencies are in process.
12 ~~((+7))~~ (6)(a) A licensee shall submit to the board satisfactory
13 proof of having completed an accumulation of one hundred twenty hours
14 of CPE recognized and approved by the board during the preceding
15 three years. Failure to furnish this evidence as required shall make
16 the license lapse and subject to reinstatement procedures, unless the
17 board determines the failure to have been due to retirement or
18 reasonable cause.
19 (b) The board in its discretion may renew a ~~((certificate or))~~
20 license despite failure to furnish evidence of compliance with
21 requirements of CPE upon condition that the applicant follow a
22 particular program of CPE. In issuing rules and individual orders
23 with respect to CPE requirements, the board, among other
24 considerations, may rely upon guidelines and pronouncements of
25 recognized educational and professional associations, may prescribe
26 course content, duration, and organization, and may take into account
27 the accessibility of CPE to licensees ~~((and certificate holders))~~ and
28 instances of individual hardship.
29 ~~((+8))~~ (7) Fees for renewal or reinstatement of ~~((certificates~~
30 ~~and))~~ licenses in this state shall be determined by the board under
31 this chapter. Fees shall be paid by the applicant at the time the
32 application form is filed with the board. The board, by rule, may
33 provide for proration of fees for licenses ~~((or certificates))~~ issued
34 between normal renewal dates.
35 ~~((+9))~~ (8)(a) Licensees ~~((, — certificate — holders,))~~ and
36 nonlicensee owners must notify the board within thirty days after:
37 (i) Sanction, suspension, revocation, or modification of their
38 professional license or practice rights by the securities exchange
39 commission, internal revenue service, or another state board of
40 accountancy;

1 (ii) Sanction or order against the licensee(~~(certificate~~
2 ~~holder~~)) or nonlicensee owner by any federal or other state agency
3 related to the licensee's practice of public accounting or the
4 licensee's(~~(certificate holder's)~~) or nonlicensee owner's
5 violation of ethical or technical standards established by board
6 rule; or

7 (iii) The licensee(~~(certificate holder)~~) or nonlicensee owner
8 is notified that he or she has been charged with a violation of law
9 that could result in the suspension or revocation of a license (~~(or~~
10 ~~certificate)~~) by a federal or other state agency, as identified by
11 board rule, related to the licensee's(~~(certificate holder's)~~) or
12 nonlicensee owner's professional license, practice rights, or
13 violation of ethical or technical standards established by board
14 rule.

15 (b) The board must adopt rules to implement this subsection and
16 may also adopt rules specifying requirements for licensees(~~(~~
17 ~~certificate holders)~~) and nonlicensee owners to report to the board
18 sanctions or orders relating to the licensee's practice of public
19 accounting or the licensee's(~~(certificate holder's)~~) or
20 nonlicensee owner's violation of ethical or technical standards
21 entered against the licensee(~~(certificate holder)~~) or nonlicensee
22 owner by a nongovernmental professionally related standard-setting
23 entity.

24 **Sec. 11.** RCW 18.04.295 and 2004 c 159 s 4 are each amended to
25 read as follows:

26 The board shall have the power to: Revoke, suspend, or refuse to
27 issue, renew, or reinstate a license (~~(or certificate)~~); impose a
28 fine in an amount not to exceed thirty thousand dollars plus the
29 board's investigative and legal costs in bringing charges against a
30 certified public accountant, (~~(a certificate holder)~~) a licensee, a
31 licensed firm, an applicant, a non-CPA violating the provisions of
32 RCW 18.04.345, or a nonlicensee holding an ownership interest in a
33 licensed firm; may impose full restitution to injured parties; may
34 impose conditions precedent to renewal of a (~~(certificate or a)~~)
35 license; or may prohibit a nonlicensee from holding an ownership
36 interest in a licensed firm, for any of the following causes:

37 (1) Fraud or deceit in obtaining a license, or in any filings
38 with the board;

1 (2) Dishonesty, fraud, or negligence while representing oneself
2 as a nonlicensee owner holding an ownership interest in a licensed
3 firm(~~(r)~~) or a licensee(~~(r-or-a-certificate-holder)~~);

4 (3) A violation of any provision of this chapter;

5 (4) A violation of a rule of professional conduct promulgated by
6 the board under the authority granted by this chapter;

7 (5) Conviction of a crime or an act constituting a crime under:

8 (a) The laws of this state;

9 (b) The laws of another state, and which, if committed within
10 this state, would have constituted a crime under the laws of this
11 state; or

12 (c) Federal law;

13 (6) Cancellation, revocation, suspension, or refusal to renew the
14 authority to practice as a certified public accountant by any other
15 state for any cause other than failure to pay a fee or to meet the
16 requirements of CPE in the other state;

17 (7) Suspension or revocation of the right to practice matters
18 relating to public accounting before any state or federal agency;

19 For purposes of subsections (6) and (7) of this section, a
20 certified copy of such revocation, suspension, or refusal to renew
21 shall be prima facie evidence;

22 (8) Failure to maintain compliance with the requirements for
23 issuance, renewal, or reinstatement of a (~~certificate-or~~) license,
24 or to report changes to the board;

25 (9) Failure to cooperate with the board by:

26 (a) Failure to furnish any papers or documents requested or
27 ordered by the board;

28 (b) Failure to furnish in writing a full and complete explanation
29 covering the matter contained in the complaint filed with the board
30 or the inquiry of the board;

31 (c) Failure to respond to subpoenas issued by the board, whether
32 or not the recipient of the subpoena is the accused in the
33 proceeding;

34 (10) Failure by a nonlicensee owner of a licensed firm to comply
35 with the requirements of this chapter or board rule; and

36 (11) Failure to comply with an order of the board.

37 **Sec. 12.** RCW 18.04.320 and 1986 c 295 s 13 are each amended to
38 read as follows:

1 In the case of the refusal, revocation, or suspension of a
2 (~~certificate or a~~) license by the board under the provisions of
3 this chapter, such proceedings and any appeal therefrom shall be
4 taken in accordance with the administrative procedure act, chapter
5 34.05 RCW.

6 **Sec. 13.** RCW 18.04.335 and 2001 c 294 s 16 are each amended to
7 read as follows:

8 (1) Upon application in writing and after hearing pursuant to
9 notice, the board may:

10 (a) Modify the suspension of, or reissue (~~a certificate or~~) a
11 license to, an individual whose (~~certificate or~~) license has been
12 revoked or suspended; or

13 (b) Modify the suspension of, or reissue a license to a firm
14 whose license has been revoked, suspended, or which the board has
15 refused to renew.

16 (2) In the case of suspension for failure to comply with a
17 support order under chapter 74.20A RCW, if the person has continued
18 to meet all other requirements for reinstatement during the
19 suspension, reissuance of a (~~certificate or a~~) license shall be
20 automatic upon the board's receipt of a release issued by the
21 department of social and health services stating that the individual
22 is in compliance with the order.

23 **Sec. 14.** RCW 18.04.345 and 2019 c 71 s 5 are each amended to
24 read as follows:

25 (1) Except when performing services as an employee or owner of a
26 firm that performs or offers to perform attest or compilation
27 services as defined in RCW 18.04.025 in accordance with RCW
28 18.04.350(15), no individual may assume or use the designation
29 "certified public accountant-inactive" or "CPA-inactive" or any other
30 title, designation, words, letters, abbreviation, sign, card, or
31 device tending to indicate that the individual is a certified public
32 accountant-inactive or CPA-inactive unless the individual holds a
33 (~~certificate~~) license in an inactive status. Individuals holding
34 only (~~a certificate~~) an inactive license may not practice public
35 accounting.

36 (2) No individual may hold himself or herself out to the public
37 or assume or use the designation "certified public accountant" or
38 "CPA" or any other title, designation, words, letters, abbreviation,

1 sign, card, or device tending to indicate that the individual is a
2 certified public accountant or CPA unless the individual qualifies
3 for the privileges authorized by RCW 18.04.350(2) or holds a license
4 under RCW 18.04.105 and 18.04.215, or is providing compilation or
5 attest services as an employee or owner of a firm operating in
6 accordance with RCW 18.04.350(15).

7 (3) No firm with an office in this state may perform or offer to
8 perform attest services as defined in RCW 18.04.025(1) or compilation
9 services as defined in RCW 18.04.025(~~((6))~~) (5) unless the firm is
10 licensed under RCW 18.04.195 and all offices of the firm in this
11 state are maintained and registered under RCW 18.04.205. This
12 subsection does not limit the services permitted under RCW
13 18.04.350(10) by persons not required to be licensed under this
14 chapter, nor does it prohibit compilation or attest services
15 performed in accordance with RCW 18.04.350(15).

16 (4) No firm may perform the services defined in RCW 18.04.025(1)
17 in this state unless the firm is licensed under RCW 18.04.195, renews
18 the firm license as required under RCW 18.04.215, and all offices of
19 the firm in this state are maintained and registered under RCW
20 18.04.205. This subsection does not prohibit services performed in
21 accordance with RCW 18.04.350(15).

22 (5) Except when performing services as an employee or owner of a
23 firm operating in accordance with RCW 18.04.350(15), no individual,
24 partnership, limited liability company, or corporation offering
25 public accounting services to the public may hold himself, herself,
26 or itself out to the public, or assume or use along, or in connection
27 with his, hers, or its name, or any other name the title or
28 designation "certified accountant," "chartered accountant," "licensed
29 accountant," "licensed public accountant," "public accountant," or
30 any other title or designation likely to be confused with "certified
31 public accountant" or any of the abbreviations "CA," "LA," "LPA," or
32 "PA," or similar abbreviations likely to be confused with "CPA."

33 (6) No licensed firm may operate under an alias, a firm name,
34 title, or "DBA" that differs from the firm name that is registered
35 with the board.

36 (7) Except when performing services as an employee or owner of a
37 firm operating in accordance with RCW 18.04.350(15), no individual
38 with an office in this state may sign, affix, or associate his or her
39 name or any trade or assumed name used by the individual in his or
40 her business to any report prescribed by professional standards

1 unless the individual holds a license to practice under RCW 18.04.105
2 and 18.04.215, a firm holds a license under RCW 18.04.195, and all of
3 the individual's offices in this state are registered under RCW
4 18.04.205.

5 (8) No individual licensed in another state may sign, affix, or
6 associate a firm name to any report prescribed by professional
7 standards, or associate a firm name in conjunction with the title
8 certified public accountant, unless the individual:

9 (a) Qualifies for the practice privileges authorized by RCW
10 18.04.350(2);

11 (b) Is licensed under RCW 18.04.105 and 18.04.215, and all of the
12 individual's offices in this state are maintained and registered
13 under RCW 18.04.205; or

14 (c) Is performing services as an employee or owner of a firm in
15 accordance with the provisions of RCW 18.04.350(15).

16 (9) No individual, partnership, limited liability company, or
17 corporation not holding a license to practice under RCW 18.04.105 and
18 18.04.215, or firm not licensed under RCW 18.04.195 or firm not
19 registering all of the firm's offices in this state under RCW
20 18.04.205, or not qualified for the practice privileges authorized by
21 RCW 18.04.350(2), or not operating in accordance with the provisions
22 of RCW 18.04.350(15), may hold himself, herself, or itself out to the
23 public as an "auditor" with or without any other description or
24 designation by use of such word on any sign, card, letterhead, or in
25 any advertisement or directory.

26 (10) For purposes of this section, because individuals practicing
27 using practice privileges under RCW 18.04.350(2) are deemed
28 substantially equivalent to licensees under RCW 18.04.105 and
29 18.04.215, every word, term, or reference that includes the latter
30 shall be deemed to include the former, provided the conditions of
31 such practice privilege, as set forth in RCW 18.04.350 (4) and (5)
32 are maintained.

33 (11) Notwithstanding anything to the contrary in this section, it
34 is not a violation of this section for a firm that does not hold a
35 valid license under RCW 18.04.195 and that does not have an office in
36 this state to use the title "CPA" or "certified public accountant" as
37 part of the firm's name and to provide its professional services in
38 this state, and licensees and individuals with practice privileges
39 may provide services on behalf of such firms so long as it complies
40 with the requirements of RCW 18.04.195(1). An individual or firm

1 authorized under this subsection to use practice privileges in this
2 state must comply with the requirements otherwise applicable to
3 licensees in this section.

4 **Sec. 15.** RCW 18.04.345 and 2019 c 71 s 6 are each amended to
5 read as follows:

6 (1) No individual may assume or use the designation "certified
7 public accountant-inactive" or "CPA-inactive" or any other title,
8 designation, words, letters, abbreviation, sign, card, or device
9 tending to indicate that the individual is a certified public
10 accountant-inactive or CPA-inactive unless the individual holds a
11 (~~certificate~~) license in an inactive status. Individuals holding
12 only (~~a certificate~~) an inactive license may not practice public
13 accounting.

14 (2) No individual may hold himself or herself out to the public
15 or assume or use the designation "certified public accountant" or
16 "CPA" or any other title, designation, words, letters, abbreviation,
17 sign, card, or device tending to indicate that the individual is a
18 certified public accountant or CPA unless the individual qualifies
19 for the privileges authorized by RCW 18.04.350(2) or holds a license
20 under RCW 18.04.105 and 18.04.215.

21 (3) No firm with an office in this state may perform or offer to
22 perform attest services as defined in RCW 18.04.025(1) or compilation
23 services as defined in RCW 18.04.025(~~(+6)~~) (5) unless the firm is
24 licensed under RCW 18.04.195 and all offices of the firm in this
25 state are maintained and registered under RCW 18.04.205. This
26 subsection does not limit the services permitted under RCW
27 18.04.350(10) by persons not required to be licensed under this
28 chapter.

29 (4) No firm may perform the services defined in RCW 18.04.025(1)
30 in this state unless the firm is licensed under RCW 18.04.195, renews
31 the firm license as required under RCW 18.04.215, and all offices of
32 the firm in this state are maintained and registered under RCW
33 18.04.205.

34 (5) No individual, partnership, limited liability company, or
35 corporation offering public accounting services to the public may
36 hold himself, herself, or itself out to the public, or assume or use
37 along, or in connection with his, hers, or its name, or any other
38 name the title or designation "certified accountant," "chartered
39 accountant," "licensed accountant," "licensed public accountant,"

1 "public accountant," or any other title or designation likely to be
2 confused with "certified public accountant" or any of the
3 abbreviations "CA," "LA," "LPA," or "PA," or similar abbreviations
4 likely to be confused with "CPA."

5 (6) No licensed firm may operate under an alias, a firm name,
6 title, or "DBA" that differs from the firm name that is registered
7 with the board.

8 (7) No individual with an office in this state may sign, affix,
9 or associate his or her name or any trade or assumed name used by the
10 individual in his or her business to any report prescribed by
11 professional standards unless the individual holds a license to
12 practice under RCW 18.04.105 and 18.04.215, a firm holds a license
13 under RCW 18.04.195, and all of the individual's offices in this
14 state are registered under RCW 18.04.205.

15 (8) No individual licensed in another state may sign, affix, or
16 associate a firm name to any report prescribed by professional
17 standards, or associate a firm name in conjunction with the title
18 certified public accountant, unless the individual:

19 (a) Qualifies for the practice privileges authorized by RCW
20 18.04.350(2); or

21 (b) Is licensed under RCW 18.04.105 and 18.04.215, and all of the
22 individual's offices in this state are maintained and registered
23 under RCW 18.04.205.

24 (9) No individual, partnership, limited liability company, or
25 corporation not holding a license to practice under RCW 18.04.105 and
26 18.04.215, or firm not licensed under RCW 18.04.195 or firm not
27 registering all of the firm's offices in this state under RCW
28 18.04.205, or not qualified for the practice privileges authorized by
29 RCW 18.04.350(2), may hold himself, herself, or itself out to the
30 public as an "auditor" with or without any other description or
31 designation by use of such word on any sign, card, letterhead, or in
32 any advertisement or directory.

33 (10) For purposes of this section, because individuals practicing
34 using practice privileges under RCW 18.04.350(2) are deemed
35 substantially equivalent to licensees under RCW 18.04.105 and
36 18.04.215, every word, term, or reference that includes the latter
37 shall be deemed to include the former, provided the conditions of
38 such practice privilege, as set forth in RCW 18.04.350 (4) and (5)
39 are maintained.

1 (11) Notwithstanding anything to the contrary in this section, it
2 is not a violation of this section for a firm that does not hold a
3 valid license under RCW 18.04.195 and that does not have an office in
4 this state to use the title "CPA" or "certified public accountant" as
5 part of the firm's name and to provide its professional services in
6 this state, and licensees and individuals with practice privileges
7 may provide services on behalf of such firms so long as it complies
8 with the requirements of RCW 18.04.195(1). An individual or firm
9 authorized under this subsection to use practice privileges in this
10 state must comply with the requirements otherwise applicable to
11 licensees in this section.

12 **Sec. 16.** RCW 18.04.350 and 2018 c 224 s 2 are each amended to
13 read as follows:

14 (1) Nothing in this chapter prohibits any individual not holding
15 a license and not qualified for the practice privileges authorized by
16 subsection (2) of this section from serving as an employee of a firm
17 licensed under RCW 18.04.195 and 18.04.215. However, the employee
18 shall not issue any report as defined in this chapter, on the
19 information of any other persons, firms, or governmental units over
20 his or her name.

21 (2) An individual whose principal place of business is not in
22 this state shall be presumed to have qualifications substantially
23 equivalent to this state's requirements and shall have all the
24 privileges of licensees of this state without the need to obtain a
25 license under RCW 18.04.105 if the individual:

26 (a) Holds a valid license as a certified public accountant from
27 any state that requires, as a condition of licensure, that an
28 individual:

29 (i) Have at least one hundred fifty semester hours of college or
30 university education including a baccalaureate or higher degree
31 conferred by a college or university;

32 (ii) Achieve a passing grade on the uniform certified public
33 accountant examination; and

34 (iii) Possess at least one year of experience including service
35 or advice involving the use of accounting, attest, compilation,
36 management advisory, financial advisory, tax, or consulting skills,
37 all of which was verified by a licensee; or

38 (b) Holds a valid license as a certified public accountant from
39 any state that does not meet the requirements of (a) of this

1 subsection, but such individual's qualifications are substantially
2 equivalent to those requirements. Any individual who passed the
3 uniform certified public accountant examination and holds a valid
4 license issued by any other state prior to January 1, 2012, may be
5 exempt from the education requirements in (a)(i) of this subsection
6 for purposes of this section.

7 (3) Notwithstanding any other provision of law, an individual who
8 qualifies for the practice privilege under subsection (2) of this
9 section may offer or render professional services, whether in person
10 or by mail, telephone, or electronic means, and no notice, fee, or
11 other submission shall be provided by any such individual. Such an
12 individual shall be subject to the requirements of subsection (4) of
13 this section.

14 (4) Any individual licensee of another state exercising the
15 privilege afforded under subsection (2) of this section and the firm
16 that employs that licensee simultaneously consent, as a condition of
17 exercising this privilege:

18 (a) To the personal and subject matter jurisdiction and
19 disciplinary authority of the board;

20 (b) To comply with this chapter and the board's rules;

21 (c) That in the event the license from the state of the
22 individual's principal place of business is no longer valid, the
23 individual will cease offering or rendering professional services in
24 this state individually and on behalf of a firm; and

25 (d) To the appointment of the state board which issued the
26 certificate or license as their agent upon whom process may be served
27 in any action or proceeding by this state's board against the
28 certificate holder or licensee.

29 (5) An individual who qualifies for practice privileges under
30 subsection (2) of this section who performs any attest service
31 described in RCW 18.04.025(1) may only do so through a firm which has
32 obtained a license under RCW 18.04.195 and 18.04.215 or which meets
33 the requirements for an exception from the firm licensure
34 requirements under RCW 18.04.195(1) (a) (~~(iii)~~) (ii) or (b).

35 (6) A licensee of this state offering or rendering services or
36 using their CPA title in another state shall be subject to
37 disciplinary action in this state for an act committed in another
38 state for which the licensee would be subject to discipline for an
39 act committed in the other state. Notwithstanding RCW 18.04.295 and
40 this section, the board shall cooperate with and investigate any

1 complaint made by the board of accountancy of another state or
2 jurisdiction.

3 (7) Nothing in this chapter prohibits a licensee, a licensed
4 firm, any of their employees, or persons qualifying for practice
5 privileges by this section from disclosing any data in confidence to
6 other certified public accountants, quality assurance or peer review
7 teams, partnerships, limited liability companies, or corporations of
8 certified public accountants or to the board or any of its employees
9 engaged in conducting quality assurance or peer reviews, or any one
10 of their employees in connection with quality or peer reviews of that
11 accountant's accounting and auditing practice conducted under the
12 auspices of recognized professional associations.

13 (8) Nothing in this chapter prohibits a licensee, a licensed
14 firm, any of their employees, or persons qualifying for practice
15 privileges by this section from disclosing any data in confidence to
16 any employee, representative, officer, or committee member of a
17 recognized professional association, or to the board, or any of its
18 employees or committees in connection with a professional
19 investigation held under the auspices of recognized professional
20 associations or the board.

21 (9) Nothing in this chapter prohibits any officer, employee,
22 partner, or principal of any organization:

23 (a) From affixing his or her signature to any statement or report
24 in reference to the affairs of the organization with any wording
25 designating the position, title, or office which he or she holds in
26 the organization; or

27 (b) From describing himself or herself by the position, title, or
28 office he or she holds in such organization.

29 (10) Nothing in this chapter prohibits any person or firm
30 composed of persons not holding a license under this chapter from
31 offering or rendering to the public bookkeeping, accounting, tax
32 services, the devising and installing of financial information
33 systems, management advisory, or consulting services, the preparation
34 of tax returns, or the furnishing of advice on tax matters, or
35 similar services, provided that persons, partnerships, limited
36 liability companies, or corporations not holding a license who offer
37 or render these services do not designate any written statement as a
38 report as defined in RCW 18.04.025(~~(+21)~~) (20) or use any language
39 in any statement relating to the financial affairs of a person or

1 entity which is conventionally used by licensees in reports or any
2 attest service as defined in this chapter.

3 (11) Nothing in this chapter prohibits any person or firm
4 composed of persons not holding a license under this chapter from
5 offering or rendering to the public the preparation of financial
6 statements, or written statements describing how such financial
7 statements were prepared, provided that persons, partnerships,
8 limited liability companies, or corporations not holding a license
9 who offer or render these services do not designate any written
10 statement as a report as defined in RCW 18.04.025(~~((+21))~~) (20), do
11 not issue any written statement that purports to express or disclaim
12 an opinion on financial statements that have been audited, and do not
13 issue any written statement that expresses assurance on financial
14 statements that have been reviewed. The board may prescribe, by rule,
15 language for the written statement describing how such financial
16 statements were prepared for use by persons not holding a license
17 under this chapter.

18 (12) Nothing in this chapter prohibits any act of or the use of
19 any words by a public official or a public employee in the
20 performance of his or her duties.

21 (13) Nothing contained in this chapter prohibits any person who
22 holds only a valid (~~(certificate)~~) license in an inactive status from
23 assuming or using the designation "certified public accountant-
24 inactive" or "CPA-inactive" or any other title, designation, words,
25 letters, sign, card, or device tending to indicate the person is (~~(a~~
26 ~~certificate holder)~~) in an inactive status, provided, that such
27 person does not perform or offer to perform for the public one or
28 more kinds of services involving the use of accounting or auditing
29 skills, including issuance of reports or of one or more kinds of
30 management advisory, financial advisory, consulting services, the
31 preparation of tax returns, or the furnishing of advice on tax
32 matters.

33 (14) Nothing in this chapter prohibits the use of the title
34 "accountant" by any person regardless of whether the person (~~(has~~
35 ~~been granted a certificate or)~~) holds a license under this chapter.
36 Nothing in this chapter prohibits the use of the title "enrolled
37 agent" or the designation "EA" by any person regardless of whether
38 the person (~~(has been granted a certificate or)~~) holds a license
39 under this chapter if the person is properly authorized at the time
40 of use to use the title or designation by the United States

1 department of the treasury. The board shall by rule allow the use of
2 other titles by any person regardless of whether the person (~~has~~
3 ~~been granted a certificate or~~) holds a license under this chapter if
4 the person using the titles or designations is authorized at the time
5 of use by a nationally recognized entity sanctioning the use of board
6 authorized titles.

7 (15) Nothing in this chapter prohibits any firm holding a license
8 or registration as a chartered professional accounting firm in the
9 Canadian province of British Columbia from performing any of the
10 following services: (a) An attest or compilation engagement of a
11 business entity operating in Washington state that is the
12 consolidated, subsidiary, or component entity of another entity that
13 is operating in Canada who acts as the issuer of the report; or (b) a
14 stand-alone attest or compilation engagement of a wholly or majority-
15 owned subsidiary and/or component of an entity that is operating in
16 Canada.

17 **Sec. 17.** RCW 18.04.350 and 2016 c 127 s 7 are each amended to
18 read as follows:

19 (1) Nothing in this chapter prohibits any individual not holding
20 a license and not qualified for the practice privileges authorized by
21 subsection (2) of this section from serving as an employee of a firm
22 licensed under RCW 18.04.195 and 18.04.215. However, the employee
23 shall not issue any report as defined in this chapter, on the
24 information of any other persons, firms, or governmental units over
25 his or her name.

26 (2) An individual whose principal place of business is not in
27 this state shall be presumed to have qualifications substantially
28 equivalent to this state's requirements and shall have all the
29 privileges of licensees of this state without the need to obtain a
30 license under RCW 18.04.105 if the individual:

31 (a) Holds a valid license as a certified public accountant from
32 any state that requires, as a condition of licensure, that an
33 individual:

34 (i) Have at least one hundred fifty semester hours of college or
35 university education including a baccalaureate or higher degree
36 conferred by a college or university;

37 (ii) Achieve a passing grade on the uniform certified public
38 accountant examination; and

1 (iii) Possess at least one year of experience including service
2 or advice involving the use of accounting, attest, compilation,
3 management advisory, financial advisory, tax, or consulting skills,
4 all of which was verified by a licensee; or

5 (b) Holds a valid license as a certified public accountant from
6 any state that does not meet the requirements of (a) of this
7 subsection, but such individual's qualifications are substantially
8 equivalent to those requirements. Any individual who passed the
9 uniform certified public accountant examination and holds a valid
10 license issued by any other state prior to January 1, 2012, may be
11 exempt from the education requirements in (a)(i) of this subsection
12 for purposes of this section.

13 (3) Notwithstanding any other provision of law, an individual who
14 qualifies for the practice privilege under subsection (2) of this
15 section may offer or render professional services, whether in person
16 or by mail, telephone, or electronic means, and no notice, fee, or
17 other submission shall be provided by any such individual. Such an
18 individual shall be subject to the requirements of subsection (4) of
19 this section.

20 (4) Any individual licensee of another state exercising the
21 privilege afforded under subsection (2) of this section and the firm
22 that employs that licensee simultaneously consent, as a condition of
23 exercising this privilege:

24 (a) To the personal and subject matter jurisdiction and
25 disciplinary authority of the board;

26 (b) To comply with this chapter and the board's rules;

27 (c) That in the event the license from the state of the
28 individual's principal place of business is no longer valid, the
29 individual will cease offering or rendering professional services in
30 this state individually and on behalf of a firm; and

31 (d) To the appointment of the state board which issued the
32 certificate or license as their agent upon whom process may be served
33 in any action or proceeding by this state's board against the
34 certificate holder or licensee.

35 (5) An individual who qualifies for practice privileges under
36 subsection (2) of this section who performs any attest service
37 described in RCW 18.04.025(1) may only do so through a firm which has
38 obtained a license under RCW 18.04.195 and 18.04.215 or which meets
39 the requirements for an exception from the firm licensure
40 requirements under RCW 18.04.195(1) (a) (~~(iii)~~) (ii) or (b).

1 (6) A licensee of this state offering or rendering services or
2 using their CPA title in another state shall be subject to
3 disciplinary action in this state for an act committed in another
4 state for which the licensee would be subject to discipline for an
5 act committed in the other state. Notwithstanding RCW 18.04.295 and
6 this section, the board shall cooperate with and investigate any
7 complaint made by the board of accountancy of another state or
8 jurisdiction.

9 (7) Nothing in this chapter prohibits a licensee, a licensed
10 firm, any of their employees, or persons qualifying for practice
11 privileges by this section from disclosing any data in confidence to
12 other certified public accountants, quality assurance or peer review
13 teams, partnerships, limited liability companies, or corporations of
14 certified public accountants or to the board or any of its employees
15 engaged in conducting quality assurance or peer reviews, or any one
16 of their employees in connection with quality or peer reviews of that
17 accountant's accounting and auditing practice conducted under the
18 auspices of recognized professional associations.

19 (8) Nothing in this chapter prohibits a licensee, a licensed
20 firm, any of their employees, or persons qualifying for practice
21 privileges by this section from disclosing any data in confidence to
22 any employee, representative, officer, or committee member of a
23 recognized professional association, or to the board, or any of its
24 employees or committees in connection with a professional
25 investigation held under the auspices of recognized professional
26 associations or the board.

27 (9) Nothing in this chapter prohibits any officer, employee,
28 partner, or principal of any organization:

29 (a) From affixing his or her signature to any statement or report
30 in reference to the affairs of the organization with any wording
31 designating the position, title, or office which he or she holds in
32 the organization; or

33 (b) From describing himself or herself by the position, title, or
34 office he or she holds in such organization.

35 (10) Nothing in this chapter prohibits any person or firm
36 composed of persons not holding a license under this chapter from
37 offering or rendering to the public bookkeeping, accounting, tax
38 services, the devising and installing of financial information
39 systems, management advisory, or consulting services, the preparation
40 of tax returns, or the furnishing of advice on tax matters, or

1 similar services, provided that persons, partnerships, limited
2 liability companies, or corporations not holding a license who offer
3 or render these services do not designate any written statement as a
4 report as defined in RCW 18.04.025(~~((+21))~~) (20) or use any language
5 in any statement relating to the financial affairs of a person or
6 entity which is conventionally used by licensees in reports or any
7 attest service as defined in this chapter.

8 (11) Nothing in this chapter prohibits any person or firm
9 composed of persons not holding a license under this chapter from
10 offering or rendering to the public the preparation of financial
11 statements, or written statements describing how such financial
12 statements were prepared, provided that persons, partnerships,
13 limited liability companies, or corporations not holding a license
14 who offer or render these services do not designate any written
15 statement as a report as defined in RCW 18.04.025(~~((+21))~~) (20), do
16 not issue any written statement that purports to express or disclaim
17 an opinion on financial statements that have been audited, and do not
18 issue any written statement that expresses assurance on financial
19 statements that have been reviewed. The board may prescribe, by rule,
20 language for the written statement describing how such financial
21 statements were prepared for use by persons not holding a license
22 under this chapter.

23 (12) Nothing in this chapter prohibits any act of or the use of
24 any words by a public official or a public employee in the
25 performance of his or her duties.

26 (13) Nothing contained in this chapter prohibits any person who
27 holds only a valid (~~(certificate)~~) license in an inactive status from
28 assuming or using the designation "certified public accountant-
29 inactive" or "CPA-inactive" or any other title, designation, words,
30 letters, sign, card, or device tending to indicate the person is (~~(a~~
31 ~~certificate holder)~~) in an inactive status, provided, that such
32 person does not perform or offer to perform for the public one or
33 more kinds of services involving the use of accounting or auditing
34 skills, including issuance of reports or of one or more kinds of
35 management advisory, financial advisory, consulting services, the
36 preparation of tax returns, or the furnishing of advice on tax
37 matters.

38 (14) Nothing in this chapter prohibits the use of the title
39 "accountant" by any person regardless of whether the person (~~(has~~
40 ~~been granted a certificate or)~~) holds a license under this chapter.

1 Nothing in this chapter prohibits the use of the title "enrolled
2 agent" or the designation "EA" by any person regardless of whether
3 the person (~~has been granted a certificate or~~) holds a license
4 under this chapter if the person is properly authorized at the time
5 of use to use the title or designation by the United States
6 department of the treasury. The board shall by rule allow the use of
7 other titles by any person regardless of whether the person (~~has
8 been granted a certificate or~~) holds a license under this chapter if
9 the person using the titles or designations is authorized at the time
10 of use by a nationally recognized entity sanctioning the use of board
11 authorized titles.

12 **Sec. 18.** RCW 18.04.370 and 2004 c 159 s 5 are each amended to
13 read as follows:

14 (1) Any person who violates any provision of this chapter shall
15 be guilty of a crime, as follows:

16 (a) Any person who violates any provision of this chapter is
17 guilty of a misdemeanor, and upon conviction thereof, shall be
18 subject to a fine of not more than thirty thousand dollars, or to
19 imprisonment for not more than six months, or to both such fine and
20 imprisonment.

21 (b) Notwithstanding (a) of this subsection, any person who uses a
22 professional title intended to deceive the public, in violation of
23 RCW 18.04.345, having previously entered into a stipulated agreement
24 and order of assurance with the board, is guilty of a class C felony,
25 and upon conviction thereof, is subject to a fine of not more than
26 thirty thousand dollars, or to imprisonment for not more than two
27 years, or to both such fine and imprisonment.

28 (c) Notwithstanding (a) of this subsection, any person whose
29 license (~~or certificate~~) was suspended or revoked by the board and
30 who uses the CPA professional title intending to deceive the public,
31 in violation of RCW 18.04.345, having previously entered into a
32 stipulated agreement and order of assurance with the board, is guilty
33 of a class C felony, and upon conviction thereof, is subject to a
34 fine of not more than thirty thousand dollars, or to imprisonment for
35 not more than two years, or to both fine and imprisonment.

36 (2) With the exception of first time violations of RCW 18.04.345,
37 subject to subsection (3) of this section whenever the board has
38 reason to believe that any person is violating the provisions of this
39 chapter it shall certify the facts to the prosecuting attorney of the

1 county in which such person resides or may be apprehended and the
2 prosecuting attorney shall cause appropriate proceedings to be
3 brought against such person.

4 (3) The board may elect to enter into a stipulated agreement and
5 orders of assurance with persons in violation of RCW 18.04.345 who
6 have not previously been found to have violated the provisions of
7 this chapter. The board may order full restitution to injured parties
8 as a condition of a stipulated agreement and order of assurance.

9 (4) Nothing herein contained shall be held to in any way affect
10 the power of the courts to grant injunctive or other relief as above
11 provided.

12 **Sec. 19.** RCW 18.04.405 and 2001 c 294 s 22 are each amended to
13 read as follows:

14 (1) A licensee(~~(, certificate holder,)~~) or licensed firm, or any
15 of their employees shall not disclose any confidential information
16 obtained in the course of a professional transaction except with the
17 consent of the client or former client or as disclosure may be
18 required by law, legal process, the standards of the profession, or
19 as disclosure of confidential information is permitted by RCW
20 18.04.350 (~~((3))~~) (7) and (~~((4))~~) (8), 18.04.295(~~((8))~~) (9),
21 18.04.390, and this section in connection with quality assurance, or
22 peer reviews, investigations, and any proceeding under chapter 34.05
23 RCW.

24 (2) This section shall not be construed as limiting the authority
25 of this state or of the United States or an agency of this state, the
26 board, or of the United States to subpoena and use such confidential
27 information obtained by a licensee, or any of their employees in the
28 course of a professional transaction in connection with any
29 investigation, public hearing, or other proceeding, nor shall this
30 section be construed as prohibiting a licensee or certified public
31 accountant whose professional competence has been challenged in a
32 court of law or before an administrative agency from disclosing
33 confidential information as a part of a defense to the court action
34 or administrative proceeding.

35 (3) The proceedings, records, and work papers of a review
36 committee shall be privileged and shall not be subject to discovery,
37 subpoena, or other means of legal process or introduction into
38 evidence in any civil action, arbitration, administrative proceeding,
39 or board proceeding and no member of the review committee or person

1 who was involved in the peer review process shall be permitted or
2 required to testify in any such civil action, arbitration,
3 administrative proceeding, or board proceeding as to any matter
4 produced, presented, disclosed, or discussed during or in connection
5 with the peer review process, or as to any findings, recommendations,
6 evaluations, opinions, or other actions of such committees, or any
7 members thereof. Information, documents, or records that are publicly
8 available are not to be construed as immune from discovery or use in
9 any civil action, arbitration, administrative proceeding, or board
10 proceeding merely because they were presented or considered in
11 connection with the quality assurance or peer review process.

12 **Sec. 20.** RCW 18.04.430 and 1997 c 58 s 811 are each amended to
13 read as follows:

14 The board shall immediately suspend the ((certificate—~~or~~))
15 license of a person who has been certified pursuant to RCW 74.20A.320
16 by the department of social and health services as a person who is
17 not in compliance with a support order or a residential or visitation
18 order. If the person has continued to meet all other requirements for
19 reinstatement during the suspension, reissuance of the license or
20 certificate shall be automatic upon the board's receipt of a release
21 issued by the department of social and health services stating that
22 the licensee is in compliance with the order.

23 NEW SECTION. **Sec. 21.** Sections 7, 9, 14, and 16 of this act
24 expire June 30, 2023.

25 NEW SECTION. **Sec. 22.** Sections 8, 10, 15, and 17 of this act
26 take effect June 30, 2023.

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