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**HOUSE BILL 1648**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Representatives Vick, Kirby, and Dufault

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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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**SENATE BILL 5519**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

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

Prefiled 12/08/21. Read first time 01/10/22. Referred to Committee on Business, Financial Services & Trade.

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(~~(+)~~), and 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.

--- END ---

To: Washington State Board of Accountancy

From: Mark Hugh, CPA member

Re: Board AICPA rules clarification

Date: January 28, 2022

For its rules on professional conduct, Washington adopts the AICPA Code of Conduct with exceptions.

Board rules note that licensees must follow the Professional Code of Conduct issued by the AICPA, including interpretations. WAC 4-30-046(11). Board rules also note that if the requirements in any professional standards differ from any requirements in specific Board rules, Board rules prevail. WAC 4-30-046.

Over many years, the Board has created a series of parallel rules to the AICPA Code of Conduct. These rules mimic the language in the AICPA rule, but often contain no exceptions, are incomplete both regarding AICPA and other Board rules, and create confusion among licensees, the Board, and Board staff about which set of rules to follow and any exceptions.

These rules are:

- 4-30-040 What are the requirements concerning integrity and objectivity?
- 4-30-042 When is independence required?
- 4-30-044 What restrictions govern commissions, referral, and contingent fees?
- 4-30-046 What are the requirements concerning competence?
- 4-30-048 Compliance is required with which rules, regulations and professional standards?
- 4-30-050 Records and clients confidential information.
- 4-30-051 Client records.
- 4-30-052 What acts are considered discreditable?
- 4-30-054 What are the limitations on advertising and other forms of solicitation?
- 4-30-056 What are the limitations regarding individual and firm names?
- 4-30-058 Does the board authorize the use of any other titles or designations?

Of the eleven rules, all but two, WAC 4-30-048 (compliance with standards) and WAC 4-30-058 (authorized titles), are redundant rules other than the few exceptions and the content is clearly and more thoroughly addressed in AICPA rules and interpretations.

Board AICPA rules clarification

January 28, 2022

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During 2022, it is anticipated that the Board will revise all its administrative rules because of proposed legislation to create a CPA Inactive status replacing the current CPA-Inactive Certificate Holder status.

This also creates the opportunity to eliminate the nine redundant rules and replace them with a single new rule containing the few differences, “Board exceptions to the AICPA Code of Professional Conduct.”

It is important to note the intention of any clarification would not be to change any long-standing Board exception or Board policy. However, by creating clarity and simplicity among licensees, the Board, and Board staff about which rules apply and any Board exceptions, this would result in improved licensee compliance and better Washington consumer protection.

Accounting of Receipts and Disbursements  
Washington State Certified Public Accounting Scholarship Program  
For the Program Year Ending September 30, 2021

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January 1, 2021

Beginning Fund Balance \$ 2,862,043

**Receipts**

Dividend and Interest Income \$ 26,091

Realized and Unrealized Gains/Losses \$ 231,582

**Total Receipts** \$ 257,673

**Disbursements**

WBOA Certified Public Accounting Scholarships

(27 - \$5,000 & 31 - \$8,000 scholarships awarded) - See next page for detail \$ (383,000)

Management Fees \$ (9,192)

**Total Disbursements** \$ (392,192)

9/30/2021 (Program Year)

Ending Fund Balance \$ 2,727,524

WBOA Certified Public Accounting Scholarships

Scholarship Recipients	University	Scholarship Amount
Andrew Joy	Western Governors University*	\$ 8,000
Athena Stirbis	University of Washington	\$ 8,000
Bethany Ann Kaufman	Gonzaga University	\$ 8,000
Blake Tarbell	Gonzaga University	\$ 5,000
Breanna Koeninger	Gonzaga University	\$ 5,000
Chau Nguyen	Gonzaga University	\$ 8,000
Christian Anderson	Washington State University	\$ 5,000
Collin Cramer	Gonzaga University	\$ 8,000
Daisy Leung Chu	Seattle University	\$ 8,000
Dorothy Michele Kempf	University of Washington Bothell	\$ 5,000
Drew Dunston	University of Washington	\$ 8,000
Edrees Sidiqi	University of Washington	\$ 5,000
Emily Reid	Gonzaga University	\$ 5,000
Emily Reid	University of Washington	\$ 8,000
Emma Dugenske	Gonzaga University	\$ 8,000
Erika Burka	University of Washington	\$ 5,000
Holle Lecole Stevenson	University of Washington	\$ 8,000
Jan Trinity Francisco	Saint Martin's University	\$ 5,000
Jazmine D Sumner	Eastern Washington University	\$ 8,000
Jeanette Sosa	Western Washington University	\$ 5,000
Jeff Matthew B. Melchor	Gonzaga University	\$ 5,000
Jeffrey Baldwin	University of Washington	\$ 5,000
Jenna Rogers	Gonzaga University	\$ 8,000
Jessi Lynn Bader	Gonzaga University	\$ 8,000
Kailey Rene Kovach	Central Washington University	\$ 8,000
Kaitlyn Kiteley	Western Washington University	\$ 8,000
Kaitlyn Tran	University of Washington	\$ 8,000
Katelyn Ward	University of Washington Tacoma	\$ 5,000
Leanna Christian	University of Washington Tacoma	\$ 8,000
Lexi Nakhla	Whitworth University	\$ 5,000
Lily Haghighi	University of Washington	\$ 5,000
Lisa Rookaird	University of Washington	\$ 8,000
Mariah Alexander	Seattle Pacific University	\$ 5,000
Mariya Litovchenko	University of Washington Bothell	\$ 5,000
Melika Korhani Shirazi	University of Washington Bothell	\$ 8,000
Merina Gilbride	Washington State University	\$ 5,000
Michaela Abraham	Gonzaga University	\$ 8,000
Michelle Helen Yeung	University of Washington	\$ 5,000
Michelle Tan	University of Washington Bothell	\$ 5,000
Nathan Judd	Seattle Pacific University	\$ 5,000
Nicholas Haynie	University of Washington	\$ 8,000
Nikki Schroeder	Gonzaga University	\$ 8,000
Nomin Ulziisaikhan	University of Washington	\$ 8,000
Patrick M. Parelius	Gonzaga University	\$ 8,000
Rachel LaBrie	Seattle Pacific University	\$ 5,000
Reina Godeck	University of Washington	\$ 8,000
Rose Loetterle	Western Washington University	\$ 5,000
Ryan McKinley	Washington State University	\$ 5,000
Samuel McEwan	Gonzaga University	\$ 8,000
Se Hwan Kim	University of Washington	\$ 5,000
Shravya Komarla Ramesh	Seattle University	\$ 8,000
Skyler Pollak	University of Washington	\$ 5,000
Sylvia Margarita Gonzalez	University of Washington Tacoma	\$ 8,000
Thanh Mai Thy Nguyen	University of Washington	\$ 8,000
Tianfei Xiao	University of Washington	\$ 8,000
Truman Sulewski	University of Washington	\$ 5,000
Yin Deng	University of Washington	\$ 5,000
Zahra Seyedahmadbana	University of Washington Bothell	\$ 8,000
Total		\$ 383,000

\* Andrew Joy's check was returned, and is a forfeited scholarship. The UBS WBOA Account will be reimbursed \$8,000 in January of 2022