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**SENATE BILL 5767**

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**State of Washington**

**66th Legislature**

**2019 Regular Session**

**By** Senators Conway, Braun, and Sheldon; by request of State Board of Accountancy

1 AN ACT Relating to public accounting services; amending RCW  
2 18.04.055, 18.04.195, 18.04.195, 18.04.205, 18.04.345, and 18.04.345;  
3 providing an effective date; and providing an expiration date.

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

5 **Sec. 1.** RCW 18.04.055 and 2016 c 127 s 2 are each amended to  
6 read as follows:

7 The board may adopt and amend rules under chapter 34.05 RCW for  
8 the orderly conduct of its affairs. The board shall prescribe rules  
9 consistent with this chapter as necessary to implement this chapter.  
10 Included may be:

11 (1) Rules of procedure to govern the conduct of matters before  
12 the board;

13 (2) Rules of professional conduct for all licensees, certificate  
14 holders, and nonlicensee owners of licensed firms, in order to  
15 establish and maintain high standards of competence and ethics  
16 including rules dealing with independence, integrity, objectivity,  
17 and freedom from conflicts of interest;

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

1 (4) Rules specifying the manner and circumstances of the use of  
2 the titles "certified public accountant" and "CPA," by holders of  
3 certificates who do not also hold licenses under this chapter;

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

6 (6) Rules designed to ensure that licensees' "reports" meet the  
7 definitional requirements for that term as specified in RCW  
8 18.04.025;

9 (7) Requirements for CPE to maintain or improve the professional  
10 competence of licensees as a condition to maintaining their license  
11 and certificate holders as a condition to maintaining their  
12 certificate under RCW 18.04.215;

13 (8) Rules governing firms issuing or offering to issue attest or  
14 compilation reports or providing public accounting services as  
15 defined in RCW 18.04.025 using the title "certified public  
16 accountant" or "CPA" including, but not limited to, rules concerning  
17 their style, name, title, and affiliation with any other  
18 organization, and establishing reasonable practice and ethical  
19 standards to protect the public interest;

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

26 (10) The board may by rule require licensed firms to obtain  
27 professional liability insurance if in the board's discretion such  
28 insurance provides additional and necessary protection for the  
29 public;

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

32 (12) Rules specifying the requirements for certificate holders to  
33 qualify for a license under this chapter which must include  
34 provisions for meeting CPE and experience requirements prior to  
35 application for licensure;

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

1 (14) Rules specifying the ethics CPE requirements for certificate  
2 holders and owners of licensed firms, including the process for  
3 reporting compliance with those requirements;

4 (15) Rules specifying the experience and CPE requirements for  
5 licensees offering or issuing reports; and

6 (16) Any other rule which the board finds necessary or  
7 appropriate to implement this chapter.

8 **Sec. 2.** RCW 18.04.195 and 2018 c 224 s 4 are each amended to  
9 read as follows:

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

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

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

17 ~~(ii) ((Any firm with an office in this state that uses the title~~  
18 ~~"CPA" or "CPA firm"; or~~

19 ~~(iii)))~~ 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) and other nonattest professional services while  
38 using the title "CPA" or "CPA firm" in this state without a license  
39 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 shall license, as a firm, every three years with the board.

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

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

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

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

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

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

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

1 shall license as a firm every three years with the board, and shall  
2 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. 3.** RCW 18.04.195 and 2016 c 127 s 4 are each amended to  
10 read 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); or

18 ~~(ii) ((Any firm with an office in this state that uses the title~~  
19 ~~"CPA" or "CPA firm"; or~~

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

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

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

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

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

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

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



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

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

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

13 (b) Each resident individual in charge of an office located in  
14 this state shall hold and renew a license to practice under RCW  
15 18.04.105 and 18.04.215; and

16 (c) The licensed firm must meet requirements established by rule  
17 by the board.

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

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

28 (b) Each resident individual in charge of an office in this state  
29 shall hold and renew a license to practice under RCW 18.04.105 and  
30 18.04.215;

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

38 (d) The licensed firm must meet requirements established by rule  
39 by the board.

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

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

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

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

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

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

33 (f) The licensed firm must meet requirements established by rule  
34 by the board.

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

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

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

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

16 (d) The licensed firm must meet requirements established by rule  
17 by the board.

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

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

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

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

1 compliance within a reasonable period of time, as determined by the  
2 board, may result in suspension, revocation, or imposition of  
3 conditions on the firm's license.

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

10 (11) Nonlicensee owners of licensed firms are:

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

13 (b) Required to be an individual;

14 (c) Required to be of good character, as defined in RCW  
15 18.04.105(1)(a), and an active individual participant in the licensed  
16 firm or affiliated entities as these terms are defined by board rule;  
17 and

18 (d) Subject to discipline by the board for violation of this  
19 chapter.

20 (12) Resident nonlicensee owners of licensed firms are required  
21 to meet:

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

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

25 (13)(a) Licensed firms must notify the board within thirty days  
26 after:

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

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

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

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

7 **Sec. 4.** RCW 18.04.205 and 2016 c 127 s 6 are each amended to  
8 read as follows:

9 (1) Each office established or maintained in this state for the  
10 purpose of offering to issue or issuing reports in this state (~~(or~~  
11 ~~that uses the title "certified public accountant" or "CPA,"~~) shall  
12 register with the board under this chapter every three years.

13 (2) Each office established or maintained in this state shall be  
14 under the direct supervision of a resident licensee holding a license  
15 under RCW 18.04.105 and 18.04.215.

16 (3) The board shall by rule prescribe the procedure to be  
17 followed to register and maintain offices established in this state  
18 for the purpose of offering to issue or issuing attest or compilation  
19 reports (~~(or that use the title "certified public accountant" or~~  
20 ~~"CPA").~~ ("))

21 (4) Fees for the registration of offices shall be determined by  
22 the board. Fees shall be paid by the applicant at the time the  
23 registration form is filed with the board.

24 **Sec. 5.** RCW 18.04.345 and 2018 c 224 s 6 are each amended to  
25 read as follows:

26 (1) Except when performing services as an employee or owner of a  
27 firm (~~(operating)~~) that performs or offers to perform attest or  
28 compilation services as defined in RCW 18.04.025 in accordance with  
29 RCW 18.04.350(15), no individual may assume or use the designation  
30 "certified public accountant-inactive" or "CPA-inactive" or any other  
31 title, designation, words, letters, abbreviation, sign, card, or  
32 device tending to indicate that the individual is a certified public  
33 accountant-inactive or CPA-inactive unless the individual holds a  
34 certificate. Individuals holding only a certificate may not practice  
35 public 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) (~~or assume or use the~~  
10 ~~designation "certified public accountant" or "CPA" or any other~~  
11 ~~title, designation, words, letters, abbreviation, sign, card, or~~  
12 ~~device tending to indicate that the firm is composed of certified~~  
13 ~~public accountants or CPAs,~~) unless the firm is licensed under RCW  
14 18.04.195 and all offices of the firm in this state are maintained  
15 and registered under RCW 18.04.205. This subsection does not limit  
16 the services permitted under RCW 18.04.350(10) by persons not  
17 required to be licensed under this chapter, nor does it prohibit  
18 compilation or attest services performed in accordance with RCW  
19 18.04.350(15).

20 (4) No firm may perform the services defined in RCW 18.04.025(1)  
21 in this state unless the firm is licensed under RCW 18.04.195, renews  
22 the firm license as required under RCW 18.04.215, and all offices of  
23 the firm in this state are maintained and registered under RCW  
24 18.04.205. This subsection does not prohibit services performed in  
25 accordance with RCW 18.04.350(15).

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

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

1 (7) Except when performing services as an employee or owner of a  
2 firm operating in accordance with RCW 18.04.350(15), no individual  
3 with an office in this state may sign, affix, or associate his or her  
4 name or any trade or assumed name used by the individual in his or  
5 her business to any report prescribed by professional standards  
6 unless the individual holds a license to practice under RCW 18.04.105  
7 and 18.04.215, a firm holds a license under RCW 18.04.195, and all of  
8 the individual's offices in this state are registered under RCW  
9 18.04.205.

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

14 (a) Qualifies for the practice privileges authorized by RCW  
15 18.04.350(2);

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

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

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

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

38 (11) Notwithstanding anything to the contrary in this section, it  
39 is not a violation of this section for a firm that does not hold a  
40 valid license under RCW 18.04.195 and that does not have an office in

1 this state to use the title "CPA" or "certified public accountant" as  
2 part of the firm's name and to provide its professional services in  
3 this state, and licensees and individuals with practice privileges  
4 may provide services on behalf of such firms so long as it complies  
5 with the requirements of RCW 18.04.195(1). An individual or firm  
6 authorized under this subsection to use practice privileges in this  
7 state must comply with the requirements otherwise applicable to  
8 licensees in this section.

9 **Sec. 6.** RCW 18.04.345 and 2016 c 127 s 5 are each amended to  
10 read as follows:

11 (1) No individual may assume or use the designation "certified  
12 public accountant-inactive" or "CPA-inactive" or any other title,  
13 designation, words, letters, abbreviation, sign, card, or device  
14 tending to indicate that the individual is a certified public  
15 accountant-inactive or CPA-inactive unless the individual holds a  
16 certificate. Individuals holding only a certificate may not practice  
17 public accounting.

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

25 (3) No firm with an office in this state may perform or offer to  
26 perform attest services as defined in RCW 18.04.025(1) or compilation  
27 services as defined in RCW 18.04.025(6) (~~or assume or use the~~  
28 ~~designation "certified public accountant" or "CPA" or any other~~  
29 ~~title, designation, words, letters, abbreviation, sign, card, or~~  
30 ~~device tending to indicate that the firm is composed of certified~~  
31 ~~public accountants or CPAs,~~) unless the firm is licensed under RCW  
32 18.04.195 and all offices of the firm in this state are maintained  
33 and registered under RCW 18.04.205. This subsection does not limit  
34 the services permitted under RCW 18.04.350(10) by persons not  
35 required to be licensed under this chapter.

36 (4) No firm may perform the services defined in RCW 18.04.025(1)  
37 in this state unless the firm is licensed under RCW 18.04.195, renews  
38 the firm license as required under RCW 18.04.215, and all offices of



1 the firm in this state are maintained and registered under RCW  
2 18.04.205.

3 (5) No individual, partnership, limited liability company, or  
4 corporation offering public accounting services to the public may  
5 hold himself, herself, or itself out to the public, or assume or use  
6 along, or in connection with his, hers, or its name, or any other  
7 name the title or designation "certified accountant," "chartered  
8 accountant," "licensed accountant," "licensed public accountant,"  
9 "public accountant," or any other title or designation likely to be  
10 confused with "certified public accountant" or any of the  
11 abbreviations "CA," "LA," "LPA," or "PA," or similar abbreviations  
12 likely to be confused with "CPA."

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

16 (7) No individual with an office in this state may sign, affix,  
17 or associate his or her name or any trade or assumed name used by the  
18 individual in his or her business to any report prescribed by  
19 professional standards unless the individual holds a license to  
20 practice under RCW 18.04.105 and 18.04.215, a firm holds a license  
21 under RCW 18.04.195, and all of the individual's offices in this  
22 state are registered under RCW 18.04.205.

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

27 (a) Qualifies for the practice privileges authorized by RCW  
28 18.04.350(2); or

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

32 (9) No individual, partnership, limited liability company, or  
33 corporation not holding a license to practice under RCW 18.04.105 and  
34 18.04.215, or firm not licensed under RCW 18.04.195 or firm not  
35 registering all of the firm's offices in this state under RCW  
36 18.04.205, or not qualified for the practice privileges authorized by  
37 RCW 18.04.350(2), may hold himself, herself, or itself out to the  
38 public as an "auditor" with or without any other description or  
39 designation by use of such word on any sign, card, letterhead, or in  
40 any advertisement or directory.

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

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

19 NEW SECTION. **Sec. 7.** Sections 2 and 5 of this act expire June  
20 30, 2023.

21 NEW SECTION. **Sec. 8.** Sections 3 and 6 of this act take effect  
22 June 30, 2023.

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