

HOUSE BILL ANALYSIS

SB 5628

Brief Description: Modifying license duration and continuing education requirements for accounts.

Sponsors: Senators Gardner and Heavey

Hearing: March 24, 1999

Brief Summary of Bill

- The continuing education requirements for accountants are modified from 80 hours of education every two years to 120 hours every three years.
- Increases the time-span an accountancy license is valid from two years to three years.

BACKGROUND:

Persons wishing to become certified public accountants (CPA's) must meet statutorily prescribed criteria. Certificates of CPA's are renewed on a biennial basis with renewal subject to completion of 80 hours of continuing education during the preceding two year period.

CPA's wishing to engage in the business of accounting as a firm, partnership or corporation must obtain a license. To qualify for, or renew a license, an accountant must meet several statutory criteria. If an applicant's certificate is more than four years old, the applicant must show that the accountant has met the continuing education requirement of 80 hours of education during the past two years. Licenses must be renewed biennially.

Similarly, people that have been issued an accounting license or certificate by a foreign country must complete 80 hours of education two years prior to applying for a Washington certificate.

SUMMARY OF BILL:

Accountants renewing their certificate, applying for a license with a certificate more than four years old, and foreign accountants applying for a Washington certificate, must complete 120 hours of education within three years, rather than 80 hours in two years. The Board of Accountancy will adopt rules to implement this new requirement.

The board may adopt continuing education requirements and licensing requirements different from those set in statute as long as those requirements comply with the uniform accountancy act. The uniform accountancy act is established by the American Institute of Certified Public Accountants and the National Association of State Boards of Accountancy.

Licenses for accounting firms, partnerships, and corporations are valid for three years rather than for two years.

RULES AUTHORITY: The bill does contain provisions addressing the rule making powers of an agency.

FISCAL NOTE: Not requested.

EFFECTIVE DATE: Ninety days after adjournment of a session in which bill is passed.