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SENATE BILL 6249

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State of Washington

56th Legislature

2000 Regular Session

By Senators Gardner, Horn, Spanel, Hale, Jacobsen, Heavey, Snyder and McCaslin

Read first time . Referred to Committee on .

1 AN ACT Relating to continuing professional education for certified  
2 public accountants; and amending RCW 18.04.105.

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

4 **Sec. 1.** RCW 18.04.105 and 1999 c 378 s 2 are each amended to read  
5 as follows:

6 (1) The certificate of "certified public accountant" shall be  
7 granted by the board to any person:

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

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

3 The board may, in its discretion, waive the educational  
4 requirements for any person if it is satisfied through review of  
5 documentation of successful completion of an equivalency examination  
6 that the person's educational qualifications are an acceptable  
7 substitute for the requirements of (b) of this subsection; and

8 (c) Who has passed a written examination.

9 (2) The examination described in subsection (1)(c) of this section  
10 shall be in writing, shall be held twice a year, and shall test the  
11 applicant's knowledge of the subjects of accounting and auditing, and  
12 other related fields the board may specify by rule. The time for  
13 holding the examination is fixed by the board and may be changed from  
14 time to time. The board shall prescribe by rule the methods of  
15 applying for and taking the examination, including methods for grading  
16 papers and determining a passing grade required of an applicant for a  
17 certificate. The board shall to the extent possible see to it that the  
18 grading of the examination, and the passing grades, are uniform with  
19 those applicable to all other states. The board may make use of all or  
20 a part of the uniform certified public accountant examination and  
21 advisory grading service of the American Institute of Certified Public  
22 Accountants and may contract with third parties to perform  
23 administrative services with respect to the examination as the board  
24 deems appropriate to assist it in performing its duties under this  
25 chapter.

26 (3) An applicant is required to pass all sections of the  
27 examination provided for in subsection (2) of this section in order to  
28 qualify for a certificate. If at a given sitting of the examination an  
29 applicant passes two or more but not all sections, then the applicant  
30 shall be given credit for those sections that he or she passed, and  
31 need not take those sections again: PROVIDED, That:

32 (a) The applicant took all sections of the examination at that  
33 sitting;

34 (b) The applicant attained a minimum grade of fifty on each section  
35 not passed at that sitting;

36 (c) The applicant passes the remaining sections of the examination  
37 within six consecutive examinations given after the one at which the  
38 first sections were passed;

1 (d) At each subsequent sitting at which the applicant seeks to pass  
2 additional sections, the applicant takes all sections not yet passed;  
3 and

4 (e) In order to receive credit for passing additional sections in  
5 a subsequent sitting, the applicant attains a minimum grade of fifty on  
6 sections written but not passed on the sitting.

7 (4) The board may waive or defer any of the requirements of  
8 subsection (3) of this section for candidates transferring conditional  
9 CPA exam credits from other states or for qualifying reciprocity  
10 certification applicants who met the conditioning requirements of the  
11 state or foreign jurisdiction issuing their original certificate.

12 (5) The board shall charge each applicant an examination fee for  
13 the initial examination under subsection (1) of this section, or for  
14 reexamination under subsection (3) of this section for each subject in  
15 which the applicant is reexamined. The applicable fee shall be paid by  
16 the person at the time he or she applies for examination,  
17 reexamination, or evaluation of educational qualifications. Fees for  
18 examination, reexamination, or evaluation of educational qualifications  
19 shall be determined by the board under chapter 18.04 RCW. There is  
20 established in the state treasury an account to be known as the  
21 certified public accountants' account. All fees received from  
22 candidates to take any or all sections of the certified public  
23 accountant examination shall be used only for costs related to the  
24 examination.

25 (6) Persons who on June 30, 1986, held certified public accountant  
26 certificates previously issued under the laws of this state shall not  
27 be required to obtain additional certificates under this chapter, but  
28 shall otherwise be subject to this chapter. Certificates previously  
29 issued shall, for all purposes, be considered certificates issued under  
30 this chapter and subject to its provisions.

31 (7) A certificate of a "certified public accountant" under this  
32 chapter is issued every three years with renewal subject to  
33 requirements of continuing professional education and payment of fees,  
34 prescribed by the board.

35 (8) The board shall adopt rules providing for continuing  
36 professional education for certified public accountants. The rules  
37 shall:

38 (a) Provide that a certified public accountant shall verify to the  
39 board that he or she has completed at least an accumulation of one

1 hundred twenty hours of continuing professional education during the  
2 last three-year period to maintain the certificate;

3 (b) Establish continuing professional education requirements;

4 (c) Establish when newly certificated public accountants shall  
5 verify that they have completed the required continuing professional  
6 education;

7 (d) Provide that failure to furnish verification of the completion  
8 of the continuing professional education requirement shall make the  
9 certificate invalid and subject to reinstatement, unless the board  
10 determines that the failure was due to retirement, reasonable cause, or  
11 excusable neglect; and

12 (e) Provide for transition from existing to new continuing  
13 professional education requirements.

14 (9) The board may adopt by rule new CPE standards that differ from  
15 those in subsection (8) of this section or RCW 18.04.215 if: (a) The  
16 new standards are consistent with the continuing professional education  
17 standards of other states so as to provide to the greatest extent  
18 possible, consistent national standards; and (b) the new standards are  
19 at least as strict as the standards set forth in subsection (8) of this  
20 section or RCW 18.04.215.

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