

HOUSE BILL REPORT

HB 1263

As Reported by House Committee On:
Business & Financial Services

Title: An act relating to private investigators.

Brief Description: Exempting certified public accountants from private investigator regulations.

Sponsors: Representatives Stokesbary, Kirby, Vick, Hurst and Buys.

Brief History:

Committee Activity:

Business & Financial Services: 1/27/15, 1/28/15 [DP].

Brief Summary of Bill

- Exempts Certified Public Accountants from regulation as private investigators.

HOUSE COMMITTEE ON BUSINESS & FINANCIAL SERVICES

Majority Report: Do pass. Signed by 11 members: Representatives Kirby, Chair; Ryu, Vice Chair; Vick, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Blake, G. Hunt, Hurst, Kochmar, McCabe, Santos and Stanford.

Staff: David Rubenstein (786-7153).

Background:

The Public Accountancy Act governs the practice of accounting in the state. An accounting firm must be licensed to use the title Certified Public Accountant (CPA) or perform attest or compilation services. It is a prohibited practice for a firm with an office in the state to practice public accounting without a license. The practice of public accounting includes consulting services and preparation of tax returns by a licensee, among other services. The Board of Accountancy governs the CPAs.

Private investigators are regulated under a separate chapter. The Department of Licensing issues licenses for private investigators and private security guards. A private investigator is

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a person employed by a private investigator agency for purposes of investigation, escort or bodyguard services, or property loss prevention activities.

Summary of Bill:

Certified Public Accountants are exempt from regulation as private investigators.

Appropriation: None.

Fiscal Note: Not requested.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) Accountants are already regulated by their own statute and they should be added to the 11 other exemptions in the private-investigator statute. The CPA statute and rules from the Board of Accountancy are much more rigorous than the private-investigator statute, and it does not make sense to have duplicated regulation. The language in this bill has been worked on for over a year and it has the support of both accountants and private investigators, who do not stand to benefit from the law but believe this is the right thing to do. Accountants have been unwittingly committing a crime for years by investigating financial fraud and although there has been no enforcement, the CPAs should not face criminal liability for doing their jobs.

(Opposed) None.

Persons Testifying: Representative Stokesbary, prime sponsor; Ken Wilson; Peter Miller, Washington Society of Certified Public Accountants; and James Peet.

Persons Signed In To Testify But Not Testifying: None.