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

Sec. 1. RCW 18.04.015 and 2001 c 294 s 1 are each amended to read as follows:

(1) It is the policy of this state and the purpose of this chapter:

(a) To promote the dependability of information which is used for guidance in financial transactions or for accounting for or assessing the status or performance of commercial and noncommercial enterprises, whether public, private or governmental; and

(b) To protect the public interest by requiring that:

(i) Persons who hold themselves out as licensees (or certificate holders) conduct themselves in a competent, ethical, and professional manner;

(ii) A public authority be established that is competent to prescribe and assess the qualifications of certified public
accountants, including certificate holders who are not licensed for
the practice of public accounting);

(iii) Persons other than licensees refrain from using the words
"audit," "review," and "compilation" when designating a report
customarily prepared by someone knowledgeable in accounting;

(iv) A public authority be established to provide for consumer
alerts and public protection information to be published regarding
persons or firms who violate the provisions of chapter 294, Laws of
2001 or board rule and to provide general consumer protection
information to the public; and

(v) The use of accounting titles likely to confuse the public be
prohibited. However as of June 30, 2024, an individual holding a CPA-
inactive certificate must be designated as a licensee with an
inactive status.

(2) The purpose of chapter 294, Laws of 2001 is to make revisions
to chapter 234, Laws of 1983 and chapter 103, Laws of 1992 to:
Fortify the public protection provisions of chapter 294, Laws of
2001; establish one set of qualifications to be a licensee; revise
the regulations of certified public accountants; make revisions in
the ownership of certified public accounting firms; assure to the
greatest extent possible that certified public accountants from
Washington state are substantially equivalent with certified public
accountants in other states and can therefore perform the duties of
certified public accountants in as many states and countries as
possible; assure certified public accountants from other states and
countries have met qualifications that are substantially equivalent
to the certified public accountant qualifications of this state; and
clarify the authority of the board of accountancy with respect to the
activities of persons holding licenses and certificates under this
chapter. It is not the intent of chapter 294, Laws of 2001 to in any
way restrict or limit the activities of persons not holding licenses
or certificates under this chapter except as otherwise specifically
restricted or limited by chapter 234, Laws of 1983 and chapter 103,

(3) A purpose of chapter 103, Laws of 1992, revising provisions
of chapter 234, Laws of 1983, is to clarify the authority of the
board of accountancy with respect to the activities of persons
holding certificates under this chapter. Furthermore, it is not the
intent of chapter 103, Laws of 1992 to in any way restrict or limit
the activities of persons not holding certificates under this chapter
except as otherwise specifically restricted or limited by chapter 234, Laws of 1983.

Sec. 2. RCW 18.04.025 and 2016 c 127 s 1 are each amended to read as follows:

Unless the context clearly requires otherwise, the definitions in this section apply throughout this chapter.

(1) "Attest" means providing the following services:
(a) Any audit or other engagement to be performed in accordance with the statements on auditing standards;
(b) Any review of a financial statement to be provided in accordance with the statements on standards for accounting and review services;
(c) Any engagement to be performed in accordance with the statements on standards for attestation engagements; and
(d) Any engagement to be performed in accordance with the public company accounting oversight board auditing standards.

(2) "Board" means the board of accountancy created by RCW 18.04.035.

(3) "Certificate" means ((a certificate as a certified public accountant issued prior to July 1, 2001, as authorized under the provisions of this chapter.

(4) "Certificate holder" means the holder of a certificate as a certified public accountant who has not become a licensee, has maintained CPE requirements, and who does not practice public accounting.

(5)) an alternative license type issued by the board indicating that the certificate holder had passed the CPA examination, but has not verified the certificate holder's experience and was not fully licensed as a certified public accountant to practice public accounting. The board must allow renewal of certificates until June 30, 2024, at which time any then current and valid certificates automatically convert to a CPA license in an inactive status. As of July 1, 2024, board-issued certificates are no longer a recognized form of licensure.

(4) "Certified public accountant" or "CPA" means a person holding a certified public accountant license or certificate.

((6)) (5) "Compilation" means providing a service to be performed in accordance with statements on standards for accounting and review services that is presenting in the form of financial
statements, information that is the representation of management (owners) without undertaking to express any assurance on the statements.

   "CPE" means continuing professional education.

   "Firm" means a sole proprietorship, a corporation, or a partnership. "Firm" also means a limited liability company formed under chapter 25.15 RCW.

   "Holding out" means any representation to the public by the use of restricted titles as set forth in RCW 18.04.345 by a person or firm that the person or firm holds a license under this chapter and that the person or firm offers to perform any professional services to the public as a licensee. "Holding out" shall not affect or limit a person or firm not required to hold a license under this chapter from engaging in practices identified in RCW 18.04.350.

   "Inactive" means the certificate is in an inactive status because a person who held a valid certificate before July 1, 2001, has not met the current requirements of licensure and has been granted inactive certificate holder) status of a license that is prohibited from practicing public accounting. A person holding an inactive license may apply to the board to return the license to an active status through an approval process established by the board.

   "Individual" means a living, human being.

   "License" means a license to practice public accountancy issued to an individual under this chapter, or a license issued to a firm under this chapter.

   "Licensee" means the holder of a license to practice public accountancy issued under this chapter.

   "Manager" means a manager of a limited liability company licensed as a firm under this chapter.

   "NASBA" means the national association of state boards of accountancy.

   "Peer review" means a study, appraisal, or review of one or more aspects of the attest or compilation work of a licensee or licensed firm in the practice of public accountancy, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed, including a peer review, or any internal review or inspection intended to comply with quality control policies and procedures, but not including "quality assurance
review" under subsection (20) of this section) a quality assurance review.

((17)) (16) "Person" means any individual, nongovernmental organization, or business entity regardless of legal form, including a sole proprietorship, firm, partnership, corporation, limited liability company, association, or not-for-profit organization, and including the sole proprietor, partners, members, and, as applied to corporations, the officers.

((18)) (17) "Practice of public accounting" means performing or offering to perform by a person or firm holding itself out to the public as a licensee, for a client or potential client, one or more kinds of services involving the use of accounting or auditing skills, including the issuance of "reports," or one or more kinds of management advisory, or consulting services, or the preparation of tax returns, or the furnishing of advice on tax matters. "Practice of public accounting" shall not include practices that are permitted under the provisions of RCW 18.04.350(10) by persons or firms not required to be licensed under this chapter.

((19)) (18) "Principal place of business" means the office location designated by the licensee for purposes of substantial equivalency and reciprocity.

((20)) (19) "Quality assurance review" means a process established by and conducted at the direction of the board of study, appraisal, or review of one or more aspects of the attest or compilation work of a licensee or licensed firm in the practice of public accountancy, by a person or persons who hold licenses and who are not affiliated with the person or firm being reviewed.

((21)) (20) "Report," when used with reference to any attest or compilation service, means an opinion, report, or other form of language that states or implies assurance as to the reliability of the attested information or compiled financial statements and that also includes or is accompanied by any statement or implication that the person or firm issuing it has special knowledge or competence in the practice of public accounting. Such a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the person or firm is involved in the practice of public accounting, or from the language of the report itself. "Report" includes any form of language which disclaims an opinion when such form of language is conventionally understood to imply any positive assurance as to the reliability of

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the attested information or compiled financial statements referred to
and/or special competence on the part of the person or firm issuing
such language; and it includes any other form of language that is
conventionally understood to imply such assurance and/or such special
knowledge or competence. "Report" does not include services
referenced in RCW 18.04.350 (10) or (11) provided by persons not
holding a license under this chapter as provided in RCW
18.04.350(14).

((22)) (21) "Review committee" means any person carrying out,
administering or overseeing a peer review authorized by the reviewee.

((23)) (22) "Rule" means any rule adopted by the board under
authority of this chapter.

((24)) (23) "Sole proprietorship" means a legal form of
organization owned by one person meeting the requirements of RCW
18.04.195.

((25)) (24) "State" includes the states of the United States,
the District of Columbia, Puerto Rico, Guam, the United States Virgin
Islands, and the Commonwealth of the Northern Mariana Islands at such
time as the board determines that the Commonwealth of the Northern
Mariana Islands is issuing licenses under the substantially
equivalent standards in RCW 18.04.350(2)(a).

(25) "Substantial equivalency" or "substantially equivalent"
means a determination by the board or its designee that the
education, examination, and experience requirements contained in the
statutes and administrative rules of another jurisdiction are
comparable to or exceed the education, examination, and experience
requirements contained in this chapter or that an individual CPA's
education, examination, and experience qualifications are comparable
to or exceed the education, examination, and experience requirements
contained in this chapter. In ascertaining substantial equivalency
and substantially equivalent as used in this chapter the board shall
take into account the qualifications without regard to the sequence
in which experience, education, or examination requirements were
attained.

Sec. 3. RCW 18.04.055 and 2019 c 71 s 1 are each amended to read
as follows:

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

1. Rules of procedure to govern the conduct of matters before the board;
2. Rules of professional conduct for all licensees (certificate holders), and nonlicensee owners of licensed firms, in order to establish and maintain high standards of competence and ethics including rules dealing with independence, integrity, objectivity, and freedom from conflicts of interest;
3. Rules specifying actions and circumstances deemed to constitute holding oneself out as a licensee in connection with the practice of public accountancy;
4. Rules specifying the manner and circumstances of the use of the titles "certified public accountant" and "CPA," by holders of certificates who do not also hold licenses) "CPA," "CPA-inactive," and "CPA-retired" by holders of a license under this chapter;
5. Rules specifying the educational requirements to take the certified public accountant examination;
6. Rules designed to ensure that licensees' "reports" meet the definitional requirements for that term as specified in RCW 18.04.025;
7. Requirements for CPE to maintain or improve the professional competence of licensees as a condition to maintaining their license ((and certificate holders as a condition to maintaining their certificate under RCW 18.04.215));
8. Rules governing firms issuing or offering to issue attest or compilation reports or providing public accounting services as defined in RCW 18.04.025 using the title "certified public accountant" or "CPA" including, but not limited to, rules concerning their style, name, title, and affiliation with any other organization, and establishing reasonable practice and ethical standards to protect the public interest;
9. The board may by rule implement a quality assurance review program as a means to monitor licensees' quality of practice and compliance with professional standards. The board may exempt from such program, licensees who undergo periodic peer reviews in programs of the American Institute of Certified Public Accountants, NASBA, or other programs recognized and approved by the board;
(10) The board may by rule require licensed firms to obtain professional liability insurance if in the board's discretion such insurance provides additional and necessary protection for the public;

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

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

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

(14) Rules specifying the ethics CPE requirements for certificate holders; an individual with an inactive license and owners of licensed firms, including the process for reporting compliance with those requirements;

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

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

Sec. 4. RCW 18.04.065 and 2015 c 215 s 6 are each amended to read as follows:

The board shall set its fees at a level adequate to pay the costs of administering this chapter. All fees for licenses, registrations of nonlicensee partners, shareholders, and managers of licensed firms, renewals of licenses, renewals of registrations of nonlicensee partners, shareholders, and managers of licensed firms, reinstatements of lapsed licenses, reinstatements of lapsed certificates, reinstatements of lapsed registrations of nonlicensee partners, shareholders, and managers of licensed firms, practice privileges under RCW 18.04.350, and delinquent filings received under the authority of this chapter shall be deposited in the certified public accountants' account created by RCW 18.04.105. Appropriation from such account shall be made only for the cost of administering the provisions of this chapter or for the purpose of administering the certified public accounting scholarship program created in chapter 28B.123 RCW.
Sec. 5. RCW 18.04.105 and 2016 c 127 s 3 are each amended to read as follows:

(1) A license to practice public accounting shall be granted by the board to any person:
   (a) Who is of good character. Good character, for purposes of this section, means lack of a history of dishonest or felonious acts. The board may refuse to grant a license on the ground of failure to satisfy this requirement only if there is a substantial connection between the lack of good character of the applicant and the professional and ethical responsibilities of a licensee and if the finding by the board of lack of good character is supported by a preponderance of evidence. When an applicant is found to be unqualified for a license because of a lack of good character, the board shall furnish the applicant a statement containing the findings of the board and a notice of the applicant's right of appeal;
   (b) Who has met the educational standards established by rule as the board determines to be appropriate;
   (c) Who has passed an examination;
   (d) Who has had one year of experience which is gained:
      (i) Through the use of accounting, issuing reports, management advisory, financial advisory, tax, tax advisory, or consulting skills;
      (ii) While employed in government, industry, academia, or public practice; and
      (iii) Meeting the competency requirements in a manner as determined by the board to be appropriate and established by board rule; and
   (e) Who has paid appropriate fees as established by rule by the board.

(2) The examination described in subsection (1)(c) of this section shall test the applicant's knowledge of the subjects of accounting and auditing, and other related fields the board may specify by rule. The time for holding the examination is fixed by the board and may be changed from time to time. The board shall prescribe by rule the methods of applying for and taking the examination, including methods for grading examinations and determining a passing grade required of an applicant for a license. The board shall to the extent possible see to it that the grading of the examination, and the passing grades, are uniform with those applicable to all other states. The board may make use of all or a part of the uniform
certified public accountant examination and advisory grading service of the American Institute of Certified Public Accountants and may contract with third parties to perform administrative services with respect to the examination as the board deems appropriate to assist it in performing its duties under this chapter. The board shall establish by rule provisions for transitioning to a new examination structure or to a new media for administering the examination.

(3) The board shall charge each applicant an examination fee for the initial examination or for reexamination. The applicable fee shall be paid by the person at the time he or she applies for examination, reexamination, or evaluation of educational qualifications. Fees for examination, reexamination, or evaluation of educational qualifications shall be determined by the board under this chapter ((18.04 RCW)). There is established in the state treasury an account to be known as the certified public accountants' account. All fees received from candidates to take any or all sections of the certified public accountant examination shall be used only for costs related to the examination.

(4) ((Persons who on June 30, 2001, held valid certificates previously issued under this chapter shall be deemed to be certificate holders, subject to the following:)) Individuals whose certificates are current and valid on June 30, 2024, will automatically be converted to a licensee in an inactive status. To activate a license and become an active licensee, the individual must apply to the board to activate his or her license and must meet the following requirements:

(a) For applications to activate, the licensees must submit to the board documentation that they have gained one year of experience through the use of accounting, issuing reports, management advisory, financial advisory, tax, tax advisory, or consulting skills, without regard to the eight-year limitation set forth in (b) of this subsection, while employed in government, industry, academia, or public practice.

(b) ((Certificate holders who do not petition to become licensees prior to June 30, 2006, may after that date petition the board to become licensees by documenting)) For applications submitted to the board before January 1, 2024, the individual must provide documentation to the board that they have one year of experience
acquired within eight years prior to applying for a license through
the use of accounting, issuing reports, management advisory,
financial advisory, tax, tax advisory, or consulting skills in
government, industry, academia, or public practice.

(c) (Certificate holders who petition the board pursuant to (a)
or (b) of this subsection must also meet) Meet competency
requirements in a manner as determined by the board to be appropriate
and established by board rule.

(d) (Any certificate holder petitioning the board pursuant to
(a) or (b) of this subsection to become a licensee must submit)
Submit to the board satisfactory proof of having completed an
accumulation of one hundred twenty hours of CPE during the thirty-six
months preceding the date of filing the petition.

(e) (Any certificate holder petitioning the board pursuant to
(a) or (b) of this subsection to become a licensee must pay)
Pay the
appropriate fees established by rule by the board.

(5) (Certificate holders shall comply with the prohibition
against the practice of public accounting in RCW 18.04.345.

(6) Persons who on June 30, 2001, held valid certificates
previously issued under this chapter are deemed to hold inactive
certificates, subject to renewal as inactive certificates, until they
have petitioned the board to become licensees and have met the
requirements of subsection (4) of this section. No individual who did
not hold a valid certificate before July 1, 2001, is eligible to
obtain an inactive certificate.

(7) Persons deemed to hold inactive certificates under subsection
(6) of this section shall comply with the prohibition against the
practice of public accounting in subsection (8)(b) of this section
and RCW 18.04.345, but are not required to display the term inactive
as part of their title, as required by subsection (8)(a) of this
section until renewal. Certificates renewed to any persons after June
30, 2001, are inactive certificates and the inactive certificate
holders are subject to the requirements of subsection (8) of this
section.

(8) Persons holding an inactive certificate:

(a) Must use or attach the term "inactive" whenever using the
title CPA or certified public accountant or referring to the
certificate, and print the word "inactive" immediately following the
title, whenever the title is printed on a business card, letterhead,
or any other document, including documents published or transmitted
through electronic media, in the same font and font size as the

title; and

(b) Are prohibited from practicing public accounting)

Indians who did not hold a valid certificate on the conversion
date of June 30, 2024, and who wish to apply for a license must apply
as a new licensee and meet the requirements under subsection (1) of
this section for initial licensure.

(6) Any licensee in good standing may request to have his or her
license placed on inactive status. All licensees in inactive status,
including those who converted from certificate to a license, are
subject to the following conditions:

(a) The licensee is prohibited from practicing public accounting;
(b) The licensee must pay a renewal fee to maintain this status;
(c) The licensee must comply with the applicable CPE
requirements;
(d) The licensee is subject to the requirements of this chapter
and the rules adopted by the board.

Sec. 6. RCW 18.04.180 and 2004 c 159 s 3 are each amended to
read as follows:

(1) The board shall issue a license to a holder of a certificate/
valid license issued by another state that entitles the holder to
practice public accountancy, provided that:

(a) Such state makes similar provision to grant reciprocity to a
holder of a valid certificate or license in this state;
(b) The applicant meets the CPE requirements of RCW
18.04.215((5)) (4);
(c) The applicant meets the good character requirements of RCW
18.04.105(1)(a); and
(d) The applicant passed the examination required for issuance of
his or her certificate or license with grades that would have been
passing grades at that time in this state and meets all current
requirements in this state for issuance of a license at the time
application is made; or at the time of the issuance of the
applicant's license in the other state, met all the requirements then
applicable in this state; or has three years of experience within the
five years immediately preceding application or had five years of
experience within the ten years immediately preceding application in
the practice of public accountancy that meets the requirements
prescribed by the board.
(2) The board may accept NASBA's designation of the applicant as substantially equivalent to national standards as meeting the requirement of subsection (1)(d) of this section.

(3) A licensee who has been granted a license under the reciprocity provisions of this section shall notify the board within thirty days if the license or certificate issued in the other jurisdiction has lapsed or if the status of the license or certificate issued in the other jurisdiction becomes otherwise invalid.

Sec. 7. RCW 18.04.195 and 2019 c 71 s 2 are each amended to read as follows:

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

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

(i) Any firm with an office in this state performing or offering to perform attest services as defined in RCW 18.04.025(1) or compilations as defined in RCW 18.04.025((6)) (5); or

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

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

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

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

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

(b) A chartered professional accounting firm registered in the Canadian province of British Columbia may provide compilation or attest services in accordance with RCW 18.04.350(15) without obtaining a Washington state CPA firm license.

(c) A firm that is not subject to the requirements of subsection (1)(a) of this section may perform compilation services described in RCW 18.04.025((6)) (5) and other nonattest professional services while using the title "CPA" or "CPA firm" in this state without a license issued under this section only if:
(i) The firm performs such services through an individual with practice privileges under RCW 18.04.350(2); and

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

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

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

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

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

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

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

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

(c) At least a simple majority of the ownership of the licensed firm in terms of financial interests and voting rights of all partners or owners shall be held by persons who are licensees or holders of a valid license issued under this chapter or by another state. The principal partner of the partnership and any partner having authority over issuing reports shall hold a license under this chapter or issued by another state; and
(d) The licensed firm must meet requirements established by rule by the board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) Licensed firms that fall out of compliance with the provisions of this section due to changes in firm ownership, after receiving or renewing a license, shall notify the board in writing within ninety days of its falling out of compliance and propose a time period in which they will come back into compliance. The board
may grant a reasonable period of time for a firm to be in compliance with the provisions of this section. Failure to bring the firm into compliance within a reasonable period of time, as determined by the board, may result in suspension, revocation, or imposition of conditions on the firm's license.

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

(11) Nonlicensee owners of licensed firms are:
(a) Required to fully comply with the provisions of this chapter and board rules;
(b) Required to be an individual;
(c) Required to be of good character, as defined in RCW 18.04.105(1)(a), and an active individual participant in the licensed firm or affiliated entities as these terms are defined by board rule; and
(d) Subject to discipline by the board for violation of this chapter.

(12) Resident nonlicensee owners of licensed firms are required to meet:
(a) The ethics examination, registration, and fee requirements as established by the board rules; and
(b) The ethics CPE requirements established by the board rules.

(13)(a) Licensed firms must notify the board within thirty days after:
(i) Sanction, suspension, revocation, or modification of their professional license or practice rights by the securities exchange commission, internal revenue service, or another state board of accountancy;
(ii) Sanction or order against the licensee or nonlicensee firm owner by any federal or other state agency related to the licensee's practice of public accounting or violation of ethical or technical standards established by board rule; or
(iii) The licensed firm is notified that it has been charged with a violation of law that could result in the suspension or revocation of the firm's license by a federal or other state agency, as identified by board rule, related to the firm's professional license,
practice rights, or violation of ethical or technical standards established by board rule.

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

Sec. 8. RCW 18.04.195 and 2019 c 71 s 3 are each amended to read as follows:

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

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

(i) Any firm with an office in this state performing or offering to perform attest services as defined in RCW 18.04.025(1) or compilations as defined in RCW 18.04.025((6)) (5); or

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

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

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

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

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

(b) A firm that is not subject to the requirements of subsection (1)(a) of this section may perform compilation services described in RCW 18.04.025((6)) (5) and other nonattest professional services while using the title "CPA" or "CPA firm" in this state without a license issued under this section only if:

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

(ii) The firm can lawfully do so in the state where said individuals with practice privileges have their principal place of business.
(2) A sole proprietorship that performs or offers to perform attest or compilation services as defined in RCW 18.04.025 is required to obtain a license under subsection (1) of this section and shall license, as a firm, every three years with the board.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

(9) Licensed firms that fall out of compliance with the provisions of this section due to changes in firm ownership, after receiving or renewing a license, shall notify the board in writing within ninety days of its falling out of compliance and propose a time period in which they will come back into compliance. The board may grant a reasonable period of time for a firm to be in compliance with the provisions of this section. Failure to bring the firm into compliance within a reasonable period of time, as determined by the board, may result in suspension, revocation, or imposition of conditions on the firm's license.
(10) Fees for the license as a firm and for notification of the board of the admission or withdrawal of a partner, shareholder, or member shall be determined by the board. Fees shall be paid by the firm at the time the license application form or notice of admission or withdrawal of a partner, shareholder, or member is filed with the board.

(11) Nonlicensee owners of licensed firms are:

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

(b) Required to be an individual;

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

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

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

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

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

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

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

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

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

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

Sec. 9. RCW 18.04.215 and 2018 c 224 s 5 are each amended to read as follows:

(1) Three-year licenses shall be issued by the board:
   (a) To persons meeting the requirements of RCW 18.04.105(1), 18.04.180, or 18.04.183.
   (b) To certificate holders meeting the requirements of RCW 18.04.105(4).
   (c) To firms under RCW 18.04.195, meeting the requirements of RCW 18.04.205.

(2) The board shall, by rule, provide for a system of license renewal and reinstatement. Applicants for renewal or reinstatement shall, at the time of filing their applications, list with the board all states and foreign jurisdictions in which they hold or have applied for certificates, permits or licenses to practice.

(3) An inactive certificate is renewed every three years with renewal subject to the requirements of ethics CPE and the payment of fees, prescribed by the board. Failure to renew the inactive certificate shall cause the inactive certificate to lapse and be subject to reinstatement. The board shall adopt rules providing for fees and procedures for renewal and reinstatement of inactive certificates.

(4) A license is issued every three years with renewal subject to requirements of CPE and payment of fees, prescribed by the board. Failure to renew the license shall cause the license to lapse and become subject to reinstatement. Persons holding a lapsed license are prohibited from using the title "CPA," "certified public accountant," "CPA-inactive," or "CPA-retired." Persons holding a lapsed license are prohibited from practicing public accountancy. The board shall adopt rules providing for fees and procedures for issuance, renewal, and reinstatement of licenses.

(4) The board shall adopt rules providing for CPE for active or inactive licensees (and certificate holders). The rules shall:
(a) Provide that ((a)) an active licensee shall verify to the
board that he or she has completed at least an accumulation of one
hundred twenty hours of CPE during the last three-year period to
maintain the active license;

(b) Provide that an individual with an inactive license must
verify to the board that he or she has completed a board-approved
ethics course for CPE during the last three-year period to maintain
the inactive license;

(c) Establish CPE requirements; and

((c)) (d) Establish when new licensees shall verify that they
have completed the required CPE.

((c)) (5) A certified public accountant who holds a license
issued by another state, and applies for a license in this state, may
practice in this state from the date of filing a completed
application with the board, until the board has acted upon the
application provided the application is made prior to holding out as
a certified public accountant in this state and no sanctions or
investigations, deemed by the board to be pertinent to public
accountancy, by other jurisdictions or agencies are in process.

((7)) (6) (a) A licensee shall submit to the board satisfactory
proof of having completed an accumulation of one hundred twenty hours
of CPE recognized and approved by the board during the preceding
three years. Failure to furnish this evidence as required shall make
the license lapse and subject to reinstatement procedures, unless the
board determines the failure to have been due to retirement or
reasonable cause.

(b) The board in its discretion may renew a ((certificate or))
license despite failure to furnish evidence of compliance with
requirements of CPE upon condition that the applicant follow a
particular program of CPE. In issuing rules and individual orders
with respect to CPE requirements, the board, among other
considerations, may rely upon guidelines and pronouncements of
recognized educational and professional associations, may prescribe
course content, duration, and organization, and may take into account
the accessibility of CPE to licensees ((and certificate holders)) and
instances of individual hardship.

((7)) (7) Fees for renewal or reinstatement of ((certificates
and)) licenses in this state shall be determined by the board under
this chapter. Fees shall be paid by the applicant at the time the
application form is filed with the board. The board, by rule, may
provide for proration of fees for licenses ((or certificates)) issued
between normal renewal dates.

((9))  (8)(a)  Licensees((certificate holder's)) and
nonlicensee owners must notify the board within thirty days after:
(i) Sanction, suspension, revocation, or modification of their
professional license or practice rights by the securities exchange
commission, internal revenue service, or another state board of
accountancy;
(ii) Sanction or order against the licensee((certificate holder's)) or nonlicensee owner by any federal or other state agency
related to the licensee's practice of public accounting or the
licensee's((certificate holder's)) or nonlicensee owner's
violation of ethical or technical standards established by board
rule; or
(iii) The licensee((certificate holder's)) or nonlicensee owner
is notified that he or she has been charged with a violation of law
that could result in the suspension or revocation of a license ((or
certificate)) by a federal or other state agency, as identified by
board rule, related to the licensee's((certificate holder's)) or
nonlicensee owner's professional license, practice rights, or
violation of ethical or technical standards established by board
rule.

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

((10))  (9)  A chartered professional accounting firm registered
in the Canadian province of British Columbia and its owners and
employees that provide compilation or attest services in accordance
with RCW 18.04.350(15) are not required to obtain a CPA firm license
or individual CPA licenses and will not be subject to license fees.

Sec. 10.  RCW 18.04.215 and 2003 c 290 s 2 are each amended to
read as follows:
(1) Three-year licenses shall be issued by the board:
(a) To persons meeting the requirements of RCW 18.04.105(1), 18.04.180, or 18.04.183.

(b) To certificate holders meeting the requirements of RCW 18.04.105(4).

(c) To firms under RCW 18.04.195, meeting the requirements of RCW 18.04.205.

(2) The board shall, by rule, provide for a system of license renewal and reinstatement. Applicants for renewal or reinstatement shall, at the time of filing their applications, list with the board all states and foreign jurisdictions in which they hold or have applied for certificates, permits or licenses to practice.

(3) An inactive certificate is renewed every three years with renewal subject to the requirements of ethics CPE and the payment of fees, prescribed by the board. Failure to renew the inactive certificate shall cause the inactive certificate to lapse and be subject to reinstatement. The board shall adopt rules providing for fees and procedures for renewal and reinstatement of inactive certificates.

(4) A license is issued every three years with renewal subject to requirements of CPE and payment of fees, prescribed by the board. Failure to renew the license shall cause the license to lapse and become subject to reinstatement. Persons holding a lapsed license are prohibited from using the title "CPA," "certified public accountant," "CPA-inactive," or "CPA-retired." Persons holding a lapsed license are prohibited from practicing public accountancy. The board shall adopt rules providing for fees and procedures for issuance, renewal, and reinstatement of licenses.

(5) The board shall adopt rules providing for CPE for active or inactive licensees and certificate holders. The rules shall:

(a) Provide that an active licensee shall verify to the board that he or she has completed at least an accumulation of one hundred twenty hours of CPE during the last three-year period to maintain the active license;

(b) Provide that an individual with an inactive license must verify to the board that he or she has completed a board-approved ethics course for CPE during the last three-year period to maintain the inactive license;
(c) Establish CPE requirements; and  
((c)) (d) Establish when new licensees shall verify that they have completed the required CPE.  
((c)) (5) A certified public accountant who holds a license issued by another state, and applies for a license in this state, may practice in this state from the date of filing a completed application with the board, until the board has acted upon the application provided the application is made prior to holding out as a certified public accountant in this state and no sanctions or investigations, deemed by the board to be pertinent to public accountancy, by other jurisdictions or agencies are in process.  
((c)) (6) (a) A licensee shall submit to the board satisfactory proof of having completed an accumulation of one hundred twenty hours of CPE recognized and approved by the board during the preceding three years. Failure to furnish this evidence as required shall make the license lapse and subject to reinstatement procedures, unless the board determines the failure to have been due to retirement or reasonable cause.  
(b) The board in its discretion may renew a ((certificate or)) license despite failure to furnish evidence of compliance with requirements of CPE upon condition that the applicant follow a particular program of CPE. In issuing rules and individual orders with respect to CPE requirements, the board, among other considerations, may rely upon guidelines and pronouncements of recognized educational and professional associations, may prescribe course content, duration, and organization, and may take into account the accessibility of CPE to licensees ((and certificate holders)) and instances of individual hardship.  
((c)) (7) Fees for renewal or reinstatement of ((certificates and)) licenses in this state shall be determined by the board under this chapter. Fees shall be paid by the applicant at the time the application form is filed with the board. The board, by rule, may provide for proration of fees for licenses ((or certificates)) issued between normal renewal dates.  
((c)) (8)(a) Licensees(( and certificate holders)) and nonlicensee owners must notify the board within thirty days after:  
(i) Sanction, suspension, revocation, or modification of their professional license or practice rights by the securities exchange commission, internal revenue service, or another state board of accountancy;
(ii) Sanction or order against the licensee(, certificate holder,) or nonlicensee owner by any federal or other state agency related to the licensee's practice of public accounting or the licensee's(, certificate holder's,) or nonlicensee owner's violation of ethical or technical standards established by board rule; or

(iii) The licensee(, certificate holder,) or nonlicensee owner is notified that he or she has been charged with a violation of law that could result in the suspension or revocation of a license (, certificate) by a federal or other state agency, as identified by board rule, related to the licensee's(, certificate holder's,) or nonlicensee owner's professional license, practice rights, or violation of ethical or technical standards established by board rule.

(b) The board must adopt rules to implement this subsection and may also adopt rules specifying requirements for licensees(, certificate holders,) and nonlicensee owners to report to the board sanctions or orders relating to the licensee's practice of public accounting or the licensee's(, certificate holder's,) or nonlicensee owner's violation of ethical or technical standards entered against the licensee(, certificate holder,) or nonlicensee owner by a nongovernmental professionally related standard-setting entity.

Sec. 11. RCW 18.04.295 and 2004 c 159 s 4 are each amended to read as follows:

The board shall have the power to: Revoke, suspend, or refuse to issue, renew, or reinstate a license (, certificate); impose a fine in an amount not to exceed thirty thousand dollars plus the board's investigative and legal costs in bringing charges against a certified public accountant, (, a certificate holder,) a licensee, a licensed firm, an applicant, a non-CPA violating the provisions of RCW 18.04.345, or a nonlicensee holding an ownership interest in a licensed firm; may impose full restitution to injured parties; may impose conditions precedent to renewal of a (, certificate or a) license; or may prohibit a nonlicensee from holding an ownership interest in a licensed firm, for any of the following causes:

(1) Fraud or deceit in obtaining a license, or in any filings with the board;
(2) Dishonesty, fraud, or negligence while representing oneself as a nonlicensee owner holding an ownership interest in a licensed firm(( or a licensee(( or a certificate holder))));

(3) A violation of any provision of this chapter;

(4) A violation of a rule of professional conduct promulgated by the board under the authority granted by this chapter;

(5) Conviction of a crime or an act constituting a crime under:
   (a) The laws of this state;
   (b) The laws of another state, and which, if committed within this state, would have constituted a crime under the laws of this state; or
   (c) Federal law;

(6) Cancellation, revocation, suspension, or refusal to renew the authority to practice as a certified public accountant by any other state for any cause other than failure to pay a fee or to meet the requirements of CPE in the other state;

(7) Suspension or revocation of the right to practice matters relating to public accounting before any state or federal agency;

For purposes of subsections (6) and (7) of this section, a certified copy of such revocation, suspension, or refusal to renew shall be prima facie evidence;

(8) Failure to maintain compliance with the requirements for issuance, renewal, or reinstatement of a ((certificate or)) license, or to report changes to the board;

(9) Failure to cooperate with the board by:
   (a) Failure to furnish any papers or documents requested or ordered by the board;
   (b) Failure to furnish in writing a full and complete explanation covering the matter contained in the complaint filed with the board or the inquiry of the board;
   (c) Failure to respond to subpoenas issued by the board, whether or not the recipient of the subpoena is the accused in the proceeding;

(10) Failure by a nonlicensee owner of a licensed firm to comply with the requirements of this chapter or board rule; and

(11) Failure to comply with an order of the board.

Sec. 12. RCW 18.04.320 and 1986 c 295 s 13 are each amended to read as follows:
In the case of the refusal, revocation, or suspension of a license by the board under the provisions of this chapter, such proceedings and any appeal therefrom shall be taken in accordance with the administrative procedure act, chapter 34.05 RCW.

**Sec. 13.** RCW 18.04.335 and 2001 c 294 s 16 are each amended to read as follows:

(1) Upon application in writing and after hearing pursuant to notice, the board may:
   a. Modify the suspension of, or reissue a license to, an individual whose license has been revoked or suspended; or
   b. Modify the suspension of, or reissue a license to a firm whose license has been revoked, suspended, or which the board has refused to renew.

(2) In the case of suspension for failure to comply with a support order under chapter 74.20A RCW, if the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of a license shall be automatic upon the board's receipt of a release issued by the department of social and health services stating that the individual is in compliance with the order.

**Sec. 14.** RCW 18.04.345 and 2019 c 71 s 5 are each amended to read as follows:

(1) Except when performing services as an employee or owner of a firm that performs or offers to perform attest or compilation services as defined in RCW 18.04.025 in accordance with RCW 18.04.350(15), no individual may assume or use the designation "certified public accountant-inactive" or "CPA-inactive" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the individual is a certified public accountant-inactive or CPA-inactive unless the individual holds a license in an inactive status. Individuals holding only an inactive license may not practice public accounting.

(2) No individual may hold himself or herself out to the public or assume or use the designation "certified public accountant" or "CPA" or any other title, designation, words, letters, abbreviation,
sign, card, or device tending to indicate that the individual is a certified public accountant or CPA unless the individual qualifies for the privileges authorized by RCW 18.04.350(2) or holds a license under RCW 18.04.105 and 18.04.215, or is providing compilation or attest services as an employee or owner of a firm operating in accordance with RCW 18.04.350(15).

(3) No firm with an office in this state may perform or offer to perform attest services as defined in RCW 18.04.025(1) or compilation services as defined in RCW 18.04.025((5)) (5) unless the firm is licensed under RCW 18.04.195 and all offices of the firm in this state are maintained and registered under RCW 18.04.205. This subsection does not limit the services permitted under RCW 18.04.350(10) by persons not required to be licensed under this chapter, nor does it prohibit compilation or attest services performed in accordance with RCW 18.04.350(15).

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

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

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

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

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

(a) Qualifies for the practice privileges authorized by RCW 18.04.350(2);
(b) Is licensed under RCW 18.04.105 and 18.04.215, and all of the individual's offices in this state are maintained and registered under RCW 18.04.205; or
(c) Is performing services as an employee or owner of a firm in accordance with the provisions of RCW 18.04.350(15).

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

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

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

Sec. 15. RCW 18.04.345 and 2019 c 71 s 6 are each amended to read as follows:

(1) No individual may assume or use the designation "certified public accountant-inactive" or "CPA-inactive" or any other title, designation, words, letters, abbreviation, sign, card, or device tending to indicate that the individual is a certified public accountant-inactive or CPA-inactive unless the individual holds a license in an inactive status. Individuals holding only an inactive license may not practice public accounting.

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

(3) No firm with an office in this state may perform or offer to perform attest services as defined in RCW 18.04.025(1) or compilation services as defined in RCW 18.04.025(6) unless the firm is licensed under RCW 18.04.195 and all offices of the firm in this state are maintained and registered under RCW 18.04.205. This subsection does not limit the services permitted under RCW 18.04.350(10) by persons not required to be licensed under this chapter.

(4) No firm may perform the services defined in RCW 18.04.025(1) in this state unless the firm is licensed under RCW 18.04.195, renews the firm license as required under RCW 18.04.215, and all offices of the firm in this state are maintained and registered under RCW 18.04.205.

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

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

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

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

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

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

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

(10) For purposes of this section, because individuals practicing using practice privileges under RCW 18.04.350(2) are deemed substantially equivalent to licensees under RCW 18.04.105 and 18.04.215, every word, term, or reference that includes the latter shall be deemed to include the former, provided the conditions of such practice privilege, as set forth in RCW 18.04.350 (4) and (5) are maintained.
(11) Notwithstanding anything to the contrary in this section, it is not a violation of this section for a firm that does not hold a valid license under RCW 18.04.195 and that does not have an office in this state to use the title "CPA" or "certified public accountant" as part of the firm's name and to provide its professional services in this state, and licensees and individuals with practice privileges may provide services on behalf of such firms so long as it complies with the requirements of RCW 18.04.195(1). An individual or firm authorized under this subsection to use practice privileges in this state must comply with the requirements otherwise applicable to licensees in this section.

Sec. 16. RCW 18.04.350 and 2018 c 224 s 2 are each amended to read as follows:

(1) Nothing in this chapter prohibits any individual not holding a license and not qualified for the practice privileges authorized by subsection (2) of this section from serving as an employee of a firm licensed under RCW 18.04.195 and 18.04.215. However, the employee shall not issue any report as defined in this chapter, on the information of any other persons, firms, or governmental units over his or her name.

(2) An individual whose principal place of business is not in this state shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under RCW 18.04.105 if the individual:

(a) Holds a valid license as a certified public accountant from any state that requires, as a condition of licensure, that an individual:

(i) Have at least one hundred fifty semester hours of college or university education including a baccalaureate or higher degree conferred by a college or university;

(ii) Achieve a passing grade on the uniform certified public accountant examination; and

(iii) Possess at least one year of experience including service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, all of which was verified by a licensee; or

(b) Holds a valid license as a certified public accountant from any state that does not meet the requirements of (a) of this
subsection, but such individual's qualifications are substantially
equivalent to those requirements. Any individual who passed the
uniform certified public accountant examination and holds a valid
license issued by any other state prior to January 1, 2012, may be
exempt from the education requirements in (a)(i) of this subsection
for purposes of this section.

(3) Notwithstanding any other provision of law, an individual who
qualifies for the practice privilege under subsection (2) of this
section may offer or render professional services, whether in person
or by mail, telephone, or electronic means, and no notice, fee, or
other submission shall be provided by any such individual. Such an
individual shall be subject to the requirements of subsection (4) of
this section.

(4) Any individual licensee of another state exercising the
privilege afforded under subsection (2) of this section and the firm
that employs that licensee simultaneously consent, as a condition of
exercising this privilege:
(a) To the personal and subject matter jurisdiction and
disciplinary authority of the board;
(b) To comply with this chapter and the board's rules;
(c) That in the event the license from the state of the
individual's principal place of business is no longer valid, the
individual will cease offering or rendering professional services in
this state individually and on behalf of a firm; and
(d) To the appointment of the state board which issued the
certificate or license as their agent upon whom process may be served
in any action or proceeding by this state's board against the
certificate holder or licensee.

(5) An individual who qualifies for practice privileges under
subsection (2) of this section who performs any attest service
described in RCW 18.04.025(1) may only do so through a firm which has
obtained a license under RCW 18.04.195 and 18.04.215 or which meets
the requirements for an exception from the firm licensure
requirements under RCW 18.04.195(1) (a)((iii)) (ii) or (b).

(6) A licensee of this state offering or rendering services or
using their CPA title in another state shall be subject to
disciplinary action in this state for an act committed in another
state for which the licensee would be subject to discipline for an
act committed in the other state. Notwithstanding RCW 18.04.295 and
this section, the board shall cooperate with and investigate any
complaint made by the board of accountancy of another state or jurisdiction.

(7) Nothing in this chapter prohibits a licensee, a licensed firm, any of their employees, or persons qualifying for practice privileges by this section from disclosing any data in confidence to other certified public accountants, quality assurance or peer review teams, partnerships, limited liability companies, or corporations of certified public accountants or to the board or any of its employees engaged in conducting quality assurance or peer reviews, or any one of their employees in connection with quality or peer reviews of that accountant's accounting and auditing practice conducted under the auspices of recognized professional associations.

(8) Nothing in this chapter prohibits a licensee, a licensed firm, any of their employees, or persons qualifying for practice privileges by this section from disclosing any data in confidence to any employee, representative, officer, or committee member of a recognized professional association, or to the board, or any of its employees or committees in connection with a professional investigation held under the auspices of recognized professional associations or the board.

(9) Nothing in this chapter prohibits any officer, employee, partner, or principal of any organization:

(a) From affixing his or her signature to any statement or report in reference to the affairs of the organization with any wording designating the position, title, or office which he or she holds in the organization; or

(b) From describing himself or herself by the position, title, or office he or she holds in such organization.

(10) Nothing in this chapter prohibits any person or firm composed of persons not holding a license under this chapter from offering or rendering to the public bookkeeping, accounting, tax services, the devising and installing of financial information systems, management advisory, or consulting services, the preparation of tax returns, or the furnishing of advice on tax matters, or similar services, provided that persons, partnerships, limited liability companies, or corporations not holding a license who offer or render these services do not designate any written statement as a report as defined in RCW 18.04.025((21)) (20) or use any language in any statement relating to the financial affairs of a person or
entity which is conventionally used by licensees in reports or any attest service as defined in this chapter.

(11) Nothing in this chapter prohibits any person or firm composed of persons not holding a license under this chapter from offering or rendering to the public the preparation of financial statements, or written statements describing how such financial statements were prepared, provided that persons, partnerships, limited liability companies, or corporations not holding a license who offer or render these services do not designate any written statement as a report as defined in RCW 18.04.025, do not issue any written statement that purports to express or disclaim an opinion on financial statements that have been audited, and do not issue any written statement that expresses assurance on financial statements that have been reviewed. The board may prescribe, by rule, language for the written statement describing how such financial statements were prepared for use by persons not holding a license under this chapter.

(12) Nothing in this chapter prohibits any act of or the use of any words by a public official or a public employee in the performance of his or her duties.

(13) Nothing contained in this chapter prohibits any person who holds only a valid license in an inactive status from assuming or using the designation "certified public accountant-inactive" or "CPA-inactive" or any other title, designation, words, letters, sign, card, or device tending to indicate the person is a certificate holder in an inactive status, provided, that such person does not perform or offer to perform for the public one or more kinds of services involving the use of accounting or auditing skills, including issuance of reports or of one or more kinds of management advisory, financial advisory, consulting services, the preparation of tax returns, or the furnishing of advice on tax matters.

(14) Nothing in this chapter prohibits the use of the title "accountant" by any person regardless of whether the person holds a license under this chapter. Nothing in this chapter prohibits the use of the title "enrolled agent" or the designation "EA" by any person regardless of whether the person holds a license under this chapter if the person is properly authorized at the time of use to use the title or designation by the United States.
department of the treasury. The board shall by rule allow the use of other titles by any person regardless of whether the person (has been granted a certificate or) holds a license under this chapter if the person using the titles or designations is authorized at the time of use by a nationally recognized entity sanctioning the use of board authorized titles.

(15) Nothing in this chapter prohibits any firm holding a license or registration as a chartered professional accounting firm in the Canadian province of British Columbia from performing any of the following services: (a) An attest or compilation engagement of a business entity operating in Washington state that is the consolidated, subsidiary, or component entity of another entity that is operating in Canada who acts as the issuer of the report; or (b) a stand-alone attest or compilation engagement of a wholly or majority-owned subsidiary and/or component of an entity that is operating in Canada.

Sec. 17. RCW 18.04.350 and 2016 c 127 s 7 are each amended to read as follows:

(1) Nothing in this chapter prohibits any individual not holding a license and not qualified for the practice privileges authorized by subsection (2) of this section from serving as an employee of a firm licensed under RCW 18.04.195 and 18.04.215. However, the employee shall not issue any report as defined in this chapter, on the information of any other persons, firms, or governmental units over his or her name.

(2) An individual whose principal place of business is not in this state shall be presumed to have qualifications substantially equivalent to this state's requirements and shall have all the privileges of licensees of this state without the need to obtain a license under RCW 18.04.105 if the individual:

(a) Holds a valid license as a certified public accountant from any state that requires, as a condition of licensure, that an individual:

(i) Have at least one hundred fifty semester hours of college or university education including a baccalaureate or higher degree conferred by a college or university;

(ii) Achieve a passing grade on the uniform certified public accountant examination; and
(iii) Possess at least one year of experience including service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting skills, all of which was verified by a licensee; or

(b) Holds a valid license as a certified public accountant from any state that does not meet the requirements of (a) of this subsection, but such individual's qualifications are substantially equivalent to those requirements. Any individual who passed the uniform certified public accountant examination and holds a valid license issued by any other state prior to January 1, 2012, may be exempt from the education requirements in (a)(i) of this subsection for purposes of this section.

(3) Notwithstanding any other provision of law, an individual who qualifies for the practice privilege under subsection (2) of this section may offer or render professional services, whether in person or by mail, telephone, or electronic means, and no notice, fee, or other submission shall be provided by any such individual. Such an individual shall be subject to the requirements of subsection (4) of this section.

(4) Any individual licensee of another state exercising the privilege afforded under subsection (2) of this section and the firm that employs that licensee simultaneously consent, as a condition of exercising this privilege:

(a) To the personal and subject matter jurisdiction and disciplinary authority of the board;

(b) To comply with this chapter and the board's rules;

(c) That in the event the license from the state of the individual's principal place of business is no longer valid, the individual will cease offering or rendering professional services in this state individually and on behalf of a firm; and

(d) To the appointment of the state board which issued the certificate or license as their agent upon whom process may be served in any action or proceeding by this state's board against the certificate holder or licensee.

(5) An individual who qualifies for practice privileges under subsection (2) of this section who performs any attest service described in RCW 18.04.025(1) may only do so through a firm which has obtained a license under RCW 18.04.195 and 18.04.215 or which meets the requirements for an exception from the firm licensure requirements under RCW 18.04.195(1) (a)((iii)) (ii) or (b).
(6) A licensee of this state offering or rendering services or using their CPA title in another state shall be subject to disciplinary action in this state for an act committed in another state for which the licensee would be subject to discipline for an act committed in the other state. Notwithstanding RCW 18.04.295 and this section, the board shall cooperate with and investigate any complaint made by the board of accountancy of another state or jurisdiction.

(7) Nothing in this chapter prohibits a licensee, a licensed firm, any of their employees, or persons qualifying for practice privileges by this section from disclosing any data in confidence to other certified public accountants, quality assurance or peer review teams, partnerships, limited liability companies, or corporations of certified public accountants or to the board or any of its employees engaged in conducting quality assurance or peer reviews, or any one of their employees in connection with quality or peer reviews of that accountant's accounting and auditing practice conducted under the auspices of recognized professional associations.

(8) Nothing in this chapter prohibits a licensee, a licensed firm, any of their employees, or persons qualifying for practice privileges by this section from disclosing any data in confidence to any employee, representative, officer, or committee member of a recognized professional association, or to the board, or any of its employees or committees in connection with a professional investigation held under the auspices of recognized professional associations or the board.

(9) Nothing in this chapter prohibits any officer, employee, partner, or principal of any organization:

(a) From affixing his or her signature to any statement or report in reference to the affairs of the organization with any wording designating the position, title, or office which he or she holds in the organization; or

(b) From describing himself or herself by the position, title, or office he or she holds in such organization.

(10) Nothing in this chapter prohibits any person or firm composed of persons not holding a license under this chapter from offering or rendering to the public bookkeeping, accounting, tax services, the devising and installing of financial information systems, management advisory, or consulting services, the preparation of tax returns, or the furnishing of advice on tax matters, or
similar services, provided that persons, partnerships, limited
liability companies, or corporations not holding a license who offer
or render these services do not designate any written statement as a
report as defined in RCW 18.04.025(21) (20) or use any language
in any statement relating to the financial affairs of a person or
entity which is conventionally used by licensees in reports or any
attest service as defined in this chapter.

(11) Nothing in this chapter prohibits any person or firm
composed of persons not holding a license under this chapter from
offering or rendering to the public the preparation of financial
statements, or written statements describing how such financial
statements were prepared, provided that persons, partnerships,
limited liability companies, or corporations not holding a license
who offer or render these services do not designate any written
statement as a report as defined in RCW 18.04.025(21) (20), do
not issue any written statement that purports to express or disclaim
an opinion on financial statements that have been audited, and do not
issue any written statement that expresses assurance on financial
statements that have been reviewed. The board may prescribe, by rule,
language for the written statement describing how such financial
statements were prepared for use by persons not holding a license
under this chapter.

(12) Nothing in this chapter prohibits any act of or the use of
any words by a public official or a public employee in the
performance of his or her duties.

(13) Nothing contained in this chapter prohibits any person who
holds only a valid (certificate) license in an inactive status from
assuming or using the designation "certified public accountant-
inactive" or "CPA-inactive" or any other title, designation, words,
letters, sign, card, or device tending to indicate the person is (a
certificate holder) in an inactive status, provided, that such
person does not perform or offer to perform for the public one or
more kinds of services involving the use of accounting or auditing
skills, including issuance of reports or of one or more kinds of
management advisory, financial advisory, consulting services, the
preparation of tax returns, or the furnishing of advice on tax
matters.

(14) Nothing in this chapter prohibits the use of the title
"accountant" by any person regardless of whether the person (has
been granted a certificate or) holds a license under this chapter.
Nothing in this chapter prohibits the use of the title "enrolled agent" or the designation "EA" by any person regardless of whether the person holds a license under this chapter if the person is properly authorized at the time of use to use the title or designation by the United States department of the treasury. The board shall by rule allow the use of other titles by any person regardless of whether the person holds a license under this chapter if the person using the titles or designations is authorized at the time of use by a nationally recognized entity sanctioning the use of board authorized titles.

Sec. 18. RCW 18.04.370 and 2004 c 159 s 5 are each amended to read as follows:

(1) Any person who violates any provision of this chapter shall be guilty of a crime, as follows:

(a) Any person who violates any provision of this chapter is guilty of a misdemeanor, and upon conviction thereof, shall be subject to a fine of not more than thirty thousand dollars, or to imprisonment for not more than six months, or to both such fine and imprisonment.

(b) Notwithstanding (a) of this subsection, any person who uses a professional title intended to deceive the public, in violation of RCW 18.04.345, having previously entered into a stipulated agreement and order of assurance with the board, is guilty of a class C felony, and upon conviction thereof, is subject to a fine of not more than thirty thousand dollars, or to imprisonment for not more than two years, or to both such fine and imprisonment.

(c) Notwithstanding (a) of this subsection, any person whose license ((or certificate)) was suspended or revoked by the board and who uses the CPA professional title intending to deceive the public, in violation of RCW 18.04.345, having previously entered into a stipulated agreement and order of assurance with the board, is guilty of a class C felony, and upon conviction thereof, is subject to a fine of not more than thirty thousand dollars, or to imprisonment for not more than two years, or to both fine and imprisonment.

(2) With the exception of first time violations of RCW 18.04.345, subject to subsection (3) of this section whenever the board has reason to believe that any person is violating the provisions of this chapter it shall certify the facts to the prosecuting attorney of the
county in which such person resides or may be apprehended and the prosecuting attorney shall cause appropriate proceedings to be brought against such person.

(3) The board may elect to enter into a stipulated agreement and orders of assurance with persons in violation of RCW 18.04.345 who have not previously been found to have violated the provisions of this chapter. The board may order full restitution to injured parties as a condition of a stipulated agreement and order of assurance.

(4) Nothing herein contained shall be held to in any way affect the power of the courts to grant injunctive or other relief as above provided.

Sec. 19. RCW 18.04.405 and 2001 c 294 s 22 are each amended to read as follows:

(1) A licensee or licensed firm, or any of their employees shall not disclose any confidential information obtained in the course of a professional transaction except with the consent of the client or former client or as disclosure may be required by law, legal process, the standards of the profession, or as disclosure of confidential information is permitted by RCW 18.04.350 and 18.04.295, 18.04.390, and this section in connection with quality assurance, or peer reviews, investigations, and any proceeding under chapter 34.05 RCW.

(2) This section shall not be construed as limiting the authority of this state or of the United States or an agency of this state, the board, or of the United States to subpoena and use such confidential information obtained by a licensee, or any of their employees in the course of a professional transaction in connection with any investigation, public hearing, or other proceeding, nor shall this section be construed as prohibiting a licensee or certified public accountant whose professional competence has been challenged in a court of law or before an administrative agency from disclosing confidential information as a part of a defense to the court action or administrative proceeding.

(3) The proceedings, records, and work papers of a review committee shall be privileged and shall not be subject to discovery, subpoena, or other means of legal process or introduction into evidence in any civil action, arbitration, administrative proceeding, or board proceeding and no member of the review committee or person

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who was involved in the peer review process shall be permitted or required to testify in any such civil action, arbitration, administrative proceeding, or board proceeding as to any matter produced, presented, disclosed, or discussed during or in connection with the peer review process, or as to any findings, recommendations, evaluations, opinions, or other actions of such committees, or any members thereof. Information, documents, or records that are publicly available are not to be construed as immune from discovery or use in any civil action, arbitration, administrative proceeding, or board proceeding merely because they were presented or considered in connection with the quality assurance or peer review process.

Sec. 20. RCW 18.04.430 and 1997 c 58 s 811 are each amended to read as follows:

The board shall immediately suspend the ((certificate or)) license of a person who has been certified pursuant to RCW 74.20A.320 by the department of social and health services as a person who is not in compliance with a support order or a residential or visitation order. If the person has continued to meet all other requirements for reinstatement during the suspension, reissuance of the license or certificate shall be automatic upon the board's receipt of a release issued by the department of social and health services stating that the licensee is in compliance with the order.

NEW SECTION. Sec. 21. Sections 7, 9, 14, and 16 of this act expire June 30, 2023.

NEW SECTION. Sec. 22. Sections 8, 10, 15, and 17 of this act take effect June 30, 2023.

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