

FINAL BILL REPORT

HB 1648

FULL VETO

Synopsis as Enacted

Brief Description: Replacing an inactive certificate status with an inactive license designation.

Sponsors: Representatives Vick, Kirby and Dufault.

House Committee on Consumer Protection & Business
Senate Committee on Business, Financial Services & Trade

Background:

The Board of Accountancy (Board) issues licenses to qualified applicants to practice public accountancy. Prior to July 1, 2001, the Board also issued certificates to qualified applicants, which indicate the certificate holder is not licensed and does not practice public accounting but has maintained continuing professional education (CPE).

Certificates.

On June 30, 2001, individuals holding then-valid certificates were automatically deemed to hold inactive certificates. An inactive certificate is renewable every three years subject to CPE requirements but remains inactive until the certificate holder petitions to become a licensee. A certificate holder who petitions the Board to become a licensee is required to demonstrate completion of 120 hours of CPE in a prior 36-month period and document professional experience in a relevant sector.

Licenses and Substantial Equivalency.

The Board issues licenses to practice public accounting to individuals who satisfy requirements including education and examinations, professional experience, and competency requirements set by the Board. The Board also issues licenses to license holders with licenses issued by other states and countries when the license holder meets certain requirements, and the Board may consider requirements satisfied based on a standard of substantial equivalency, which is undefined.

Summary:

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.

Inactive Licensee Status.

After June 30, 2024, a valid certificate will automatically convert to a CPA license in an inactive status and Board-issued certificates will no longer be recognized. The Board must allow renewal of certificates until June 30, 2024, as an alternative license type indicating the holder passed the CPA examination but has not had his or her experience verified and is not fully licensed to practice public accounting.

Individuals must apply to the Board to activate their license, and those who apply to activate a license before January 1, 2024, must demonstrate one year of professional experience in a relevant field within the prior eight years. Individuals who do not hold a valid certificate on June 30, 2024, and who want to apply for a license, must apply as a new licensee and meet the requirements of initial licensure.

A licensee in good standing may also request to have the license placed on inactive status. All licensees on inactive status are prohibited from practicing public accounting and must comply with CPE requirements. An individual holding a valid license in an inactive status may use the designation "certified public accountant-inactive" or "CPA-inactive."

The Board must adopt CPE rules for active or inactive licensees, providing that: (i) active licensees must verify 120 hours of CPE in the last 3-year period; and (ii) inactive licensees must verify completion of Board-approved ethics during the last 3-year period.

Substantial Equivalency.

A license holder from another state or country may be deemed to have met requirements that are "substantially equivalent" when the Board determines that the education, examination, and experience requirements contained in the statutes and administrative rules of another jurisdiction are comparable to or exceed Washington's statutory education, examination, and experience requirements or that an individual CPA's education, examination, and experience qualifications are comparable to or exceed Washington's statutory education, examination, and experience requirements. In ascertaining substantial equivalency, the Board must consider the qualifications without regard to the sequence in which experience, education, or examination requirements were attained.

Votes on Final Passage:

House	98	0
Senate	48	0