

county's current expense fund or from any other county funds available. In addition, the county shall pay six percent simple annual interest on such amount refunded.

NEW SECTION. Sec. 12. Any moneys collected under this chapter shall be placed in the county current expense fund together with any taxes collected pursuant to the provisions of RCW 15.08.260, as now or hereafter amended.

NEW SECTION. Sec. 13. Sufficient operating moneys for the horticultural pest and disease board shall be provided for pursuant to the provisions of RCW 15.08.260 and 15.08.270, as now or hereafter amended.

NEW SECTION. Sec. 14. Upon receipt of a petition signed by twenty-five landowners within the county or on its own motion, the board of county commissioners may abolish the pest and disease board following a hearing and a finding that the purposes of this chapter would not be sufficiently served by the continued existence of such board.

NEW SECTION. Sec. 15. The effects of the provisions of this chapter on the provisions of chapter 15.08 RCW shall be cumulative.

NEW SECTION. Sec. 16. Section 1 through 15 of this act shall constitute a new chapter in Title 15 RCW.

Passed the House February 21, 1969
Passed the Senate March 11, 1969
Approved by the Governor March 25, 1969
Filed in office of Secretary of State March 25, 1969

CHAPTER 114
[Engrossed House Bill No. 203]
CERTIFIED PUBLIC ACCOUNTANTS

AN ACT Relating to accountancy; providing standards for C.P.A. licensees; amending sections 11, 15, 19, 21, 27, 28, and 34, chapter 226, Laws of 1949 and RCW 18.04.120, 18.04.160, 18.04.200, 18.04.220, 18.04.280, 18.04.290 and 18.04.350; and repealing sections 13 and 14, chapter 226, Laws of 1949 and RCW 18.04.140 and 18.04.150.

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

Section 1. Section 11, chapter 226, Laws of 1949, and RCW 18-.04.120 are each amended to read as follows:

The certificate of "certified public accountant" shall be issued by the director of (~~licenses~~) motor vehicles upon the authority of the board, to any person (1) (~~who is a citizen of the United States or who has duly declared his or her intention of becoming a citizen, and (2)~~) who is a resident of this state or who has a place of business or is employed in this state, and (~~(3)~~) (2) who has attained the age of twenty-one years, and (~~(4)~~) (3) who is of good moral character, and (~~(5) who shall have successfully passed a written examination in theory of accounts, in accounting practice, in auditing, in commercial law as affecting public accounting, and in such other related subjects as the examining committee may designate, (6) who meets the requirements of education and experience of any one of the following subdivisions:~~

(a) ~~Who is a graduate of a college or university recognized by the board, and who has completed sixty or more quarter hours or the equivalent thereof in the study of accounting, business law, economics and finance, of which at least forty five quarter hours or the equivalent thereof shall be in the study of accounting, and who has been engaged in practice as a public accountant, or in the employ as a staff accountant of a public accountant, licensed public accountant, or certified public accountant, for at least one year, or~~

(b) ~~Who is a graduate of a college or university recognized by the board but who has not completed the hours of study and subjects specified in subdivision (a) of clause (6) of this section, or who is a graduate of an established resident school of business or accounting which offers courses of study in accounting, business law, economics and finance and who is a graduate of a high school with a four-year course or who has acquired an equivalent education, and who has been engaged in practice as public accountant, or in the employ as a staff accountant of a public accountant, licensed public accountant, or certified public accountant, for at least one year more than in the preceding subdivision,~~

~~(e) -- Who is a graduate of a high school with a four-year course or who has acquired an equivalent education, and who has been engaged in practice as a public accountant, or in the employ as a staff accountant of a public accountant, licensed public accountant, or certified public accountant, for at least four years,))~~ (4) who shall have successfully passed a written examination the contents of which shall be determined by the board, said examination, however, to contain at least the following subjects, theory of accounts, accounting practice, auditing, commercial law as affecting public accounting and insofar as practical, the examination and grading service of the American Institute of Certified Public Accountants shall be used, but the board shall have the authority to examine beyond that which is contained in the examination of the American Institute of Certified Public Accountants, and (5) who meets such requirements of education as determined by the board, within the intent of subsection (4).

(6) The board may require in addition to education and successful examination that an applicant to be certified shall submit an affidavit of a licensed public accountant or certified public accountant that such applicant has been employed in the position of public accountant for a period of not more than two years in the office of such licensed public accountant or certified public accountant.

Any person holding a registration as a licensed public accountant on the effective date of this 1969 amendatory act shall have the right to take succeeding examinations for certified public accountant when he has met the requirements which were in effect immediately prior to the passage of this 1969 amendatory act.

The board shall have the authority to accept experience in private or governmental accounting or auditing work of a character and for a length of time sufficient in the opinion of the board to be substantially equivalent to the requirements of subsection (6) of this section: PROVIDED, That the length of time which may be established by the board shall not exceed four years.

Sec. 2. Section 15, chapter 226, Laws of 1949, and RCW 18.04.160 are each amended to read as follows:

A candidate who fails an examination shall have the right to take succeeding examinations (~~((as many times as he may choose))~~) subject to such rules and regulations as the board may adopt governing reexaminations. (~~(A candidate who receives a passing grade in at least one subject shall have the right to be reexamined only in the remaining subjects at subsequent examinations, provided that he takes an examination at least once each year thereafter, and if such candidate receives a passing grade in the remaining subject or subjects he shall be deemed to have passed the entire examination. Any person who has passed an examination given by the director of licenses prior to the effective date of this chapter in any of the subjects mentioned in RCW 18.04.120-(5), shall not be required to pass an examination in the same or similar subject as a part of the examination provided for herein, and such person shall be given full credit for having passed that subject for the purposes of this chapter, provided he has taken examinations in the remaining subjects at least once each year after passing the examination given by the director of licenses.)~~) The board may for good cause shown, waive the requirement that a candidate must have taken an examination at least once a year. An application for examination or reexamination in any subject shall be accompanied by a fee of (~~(twenty-five))~~ forty dollars for all four sections of the examination, thirty dollars for three sections, and twenty dollars for one or two sections.

Sec. 3. Section 19, chapter 226, Laws of 1949 and RCW 18.04-.200 are each amended to read as follows:

The director of (~~(licenses))~~) motor vehicles shall register a partnership as a partnership of certified public accountants if the partnership meets the following requirements:

- (1) At least one partner must hold a valid certificate to practice in this state as a certified public accountant;
- (2) Each partner personally engaged within this state in the practice of public accounting must hold a valid certificate to practice in this state as a certified public accountant; and
- (3) Each partner must hold a valid certificate, license, per-

mit or degree authorizing him to practice as a certified public accountant in a state, territory, or possession of the United States;

(4) Each resident manager in charge of an office of the partnership in this state must hold a valid certificate to practice in this state as a certified public accountant; and

(5) The application for registration as a partnership of certified public accountants must be approved by the board.

Application for such registration shall be in writing, sworn to by a partner of such partnership who holds a valid certificate to practice in this state as a certified public accountant. A notice of amendment shall be filed with the board within one month after the admission to, or withdrawal of a partner from, any partnership so registered. A fee of ~~((ten))~~ fifteen dollars must accompany the original application, and a fee of ~~((five))~~ ten dollars must accompany each notice of amendment.

Sec. 4. Section 21, chapter 226, Laws of 1949 and RCW 18.04-.220 are each amended to read as follows:

The director of ~~((licenses))~~ motor vehicles shall register a partnership as a partnership of licensed public accountants if the partnership meets the following requirements:

(1) At least one general partner must hold a valid certificate to practice in this state as a certified public accountant or a valid license to practice in this state as a licensed public accountant;

(2) Each partner personally engaged within this state in the practice of public accounting must hold a valid certificate to practice in this state as a certified public accountant or a valid license to practice in this state as a licensed public accountant;

(3) Each partner must hold a valid certificate, license, permit or degree authorizing him to practice as either a certified public accountant or a licensed public accountant in a state, territory, or possession of the United States;

(4) Each resident manager in charge of an office of the part-

nership in this state must hold a valid certificate to practice in this state as a certified public accountant or a valid license to practice in this state as a licensed public accountant; and

(5) The application for registration as a partnership of licensed public accountants must be approved by the board.

Application for such registration shall be in writing, sworn to by a partner of such partnership who holds a valid certificate to practice in this state as a certified public accountant or a valid license to practice in this state as a licensed public accountant. A notice of amendment shall be filed with the board within one month after the admission to, or withdrawal of a partner from, any partnership so registered. A fee of (~~ten~~) fifteen dollars must accompany the original application, and a fee of (~~five~~) ten dollars must accompany each notice of amendment.

Sec. 5. Section 27, chapter 226, Laws of 1949 and RCW 18.04-.280 are each amended to read as follows:

Application for registration shall be in writing sworn to by a partner of the applicant partnership who holds a certificate to practice in this state as a certified public accountant or a license to practice in this state as a licensed public accountant or is a registered public accountant of this state. A notice of amendment shall be filed with the board within one month after the admission to, or withdrawal of a partner from, any partnership so registered. A fee of (~~ten~~) fifteen dollars shall accompany the original application and a fee of (~~five~~) ten dollars shall accompany each notice of amendment.

Sec. 6. Section 28, chapter 226, Laws of 1949 and RCW 18.04-.290 are each amended to read as follows:

The director of (~~licensees~~) motor vehicles shall upon application issue an annual permit to practice public accounting in this state to any person or partnership authorized to engage in such practice in this state under a valid certificate, license or registration, to any corporation presently authorized to do business under RCW 18.04.350,

as now or hereafter amended, and to any candidate for a certificate as a certified public accountant who has passed the entire examination given by the examining committee as provided in RCW 18.04.120 as now or hereafter amended. Such permits shall expire on the thirtieth day of June of each year (~~((r-except-that-the-first-permit-shall-expire-on June-30, 1950))~~). The annual fee for a permit to practice public accounting in this state (~~((for-the-initial-period-ending-June-30, 1950 shall-be-ten-dollars-and-thereafter-the-annual-renewal-fee))~~) shall be (~~((ten))~~) twenty-five dollars. In the event the holder of a permit fails to renew the same prior to the expiration thereof such failure shall not deprive a person or partnership otherwise entitled to such permit of the right to renew the same upon the payment of the fees which the applicant would have been required to pay if the permit had been renewed prior to its expiration.

Sec. 7. Section 34, chapter 226, Laws of 1949 and RCW 18.04-.350 are each amended to read as follows:

Nothing contained in this chapter 18.04 RCW shall prohibit any person not a certified public accountant or licensed public accountant, or a registered public accountant from serving as an employee of, or as assistant to, a certified public accountant or licensed public accountant or public accountant or partnership composed of certified public accountants or licensed public accountants or public accountants holding a valid permit to practice under RCW 18.04.290 as now or hereafter amended: PROVIDED, That such employee or assistant shall not issue any accounting or financial statement over his or her name.

Nothing in this chapter 18.04 RCW shall prohibit a certified public accountant or a licensed public accountant, or a public accountant registered in another state, or any accountant of a foreign country holding a certificate, degree or license which permits him to practice therein from temporarily practicing in this state on professional business incident to his regular practice.

Nothing in this chapter 18.04 RCW shall prohibit a candidate

for a certificate as a certified public accountant, who has passed the entire examination given by the examining committee as provided in RCW 18.04.120 as now or hereafter amended, from engaging in practice as a public accountant for the period of time necessary to acquire the experience required before such a certificate may be issued, provided such person holds a valid permit to practice issued under RCW 18.04.290 as now or hereafter amended.

Nothing contained in this chapter 18.04 RCW shall prohibit any corporation which at the effective date of this chapter has been legally organized in the state of Washington or authorized to do business therein or has engaged in the practice of public bookkeeping and accounting for a period of at least three years prior to such effective date of chapter 18.04 RCW as originally constituted in 1949, from continuing such practice under its corporate form and arrangement.

Corporations continuing to practice under this authority shall register annually as provided in RCW 18.04.290 as now or hereafter amended.

NEW SECTION. Sec. 8. Sections 13 and 14, chapter 226, Laws of 1949 and RCW 18.04.140 and 18.04.150 are each repealed.

NEW SECTION. Sec. 9. The enactment of this 1969 amendatory act shall not affect those persons licensed as certified public accountants prior to the effective date of this 1969 amendatory act.

Passed the House March 12, 1969.

Passed the Senate March 10, 1969.

Approved by the Governor March 25, 1969, with the exception of section 9 which is vetoed.

Filed in office of Secretary of State March 25, 1969.

NOTE: Governor's explanation of partial veto is as follows:
 "...This bill amends the qualifications for a license for a certified public accountant and increases the license fees for certified and licensed public accountants and for candidates for examination.

Section 9 of the bill contains a clause providing that the enactment of the act shall not effect those persons licensed as certified public accountants prior to the effective date of this 1969 act. While the intent of this 'grandfather' clause was to assure that

presently licensed accountants would not be affected by the qualification standards of this act, the legal effect is to relieve them from the obligation of paying increased license fees. This is not in keeping with the intent of the act. I have therefore vetoed section 9.

With the exception of section 9 which I have vetoed for the reasons set forth above, the remainder of the bill is approved."

CHAPTER 115
[Substitute House Bill No. 205]
HEALTH CARE SERVICE CONTRACTORS

AN ACT Relating to health care service contractors; amending section 2, chapter 268, Laws of 1947 as amended by section 2, chapter 197, Laws of 1961 and RCW 48.44.020; amending section 3, chapter 268, Laws of 1947 as amended by section 3, chapter 197, Laws of 1961 and RCW 48.44.030; amending section 13, chapter 197, Laws of 1961 and RCW 48.44.160; adding new sections to chapter 268, Laws of 1947 and to chapter 48.44 RCW; and prescribing penalties.

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

Section 1. Section 2, chapter 268, Laws of 1947 as amended by section 2, chapter 197, Laws of 1961 and RCW 48.44.020 are each amended to read as follows:

(1) Any health care service contractor may enter into agreements with or for the benefit of persons or groups of persons which require prepayment for health care services by or for such persons in consideration of such health care service contractor providing one or more health care services to such persons and such activity shall not be subject to the laws relating to insurance if the health care services are rendered by the health care service contractor or by a participant.

(2) The commissioner may require the submission of contract forms for his examination and may on examination, subject to the right of the health care service contractor to demand and receive a hearing under chapters 48.04 and 34.04 RCW, disapprove any contract form for any of the following grounds: