

CHAPTER 56.

[H. B. 23.]

PUBLIC ACCOUNTANTS.

AN ACT relating to the practice of public accountancy; providing for the licensing of public accountants, and declaring an emergency.

Be it enacted by the Legislature of the State of Washington:

SECTION 1. The following words have in this act the significance attached to them in this section unless otherwise apparent from the context:

(a) "Director of licenses" means the state official holding the office by that title under the provisions of the administrative code (chap. 7, Laws of 1921).

"Director of licenses."

(b) "Practicing public accountancy" or "the practice of public accountancy." A person, either individually, or as a member of a firm, partnership or association, shall be deemed to be practicing public accountancy or in the practice of public accountancy, within the meaning and intent of this act:

"Practicing public accountancy."

1. Who holds himself out to the public in any manner as one who is skilled in the knowledge, science and practice of accountancy, and as qualified to render professional service therein as a public accountant for compensation; or

2. Who maintains an office for the transaction of business as a public accountant, or who, except as an employee of a public accountant, practices accountancy, as distinguished from bookkeeping, for more than one employer; or

3. Who offers to prospective clients to perform for compensation, or who does perform on behalf of clients for compensation, professional services that involve or require an audit or verification of financial transactions and accounting records; or

4. Who prepares or certifies for clients, reports of audits, balance-sheets, and other financial, accounting and related schedules, exhibits, statements, or reports which are to be used for publication or for credit purposes, or are to be filed with a court of law or with any other governmental agency, or for any other purpose; or

5. Who in general or as an incident to such work, renders professional assistance to clients for compensation in any or all matters relating to accountancy procedure, and the recording, presentation and certification of financial facts.

"Licensed public accountant."

(c) A "licensed public accountant" is a person duly licensed and authorized under this act to engage in the practice of public accountancy, and use the designation "licensed public accountant."

(d) Male gender shall include female gender.

Granting of license.

SEC. 2. License to practice as a public accountant shall be granted to any citizen of the United States or to any other person who within five years next preceding the date of application has duly declared his intention of becoming such citizen, who is over twenty-one years of age, of good moral character and who submits evidence satisfactory to the director of licenses that he has been in practice as a public accountant or in the employ of a public accountant for a period of three years either before or after the passing of this act, such application to be accompanied by payment of a fee of \$25.00 to the state treasurer.

Revocation of license.

SEC. 3. Any license to practice as a public accountant hereafter issued may be revoked in the manner hereinafter provided for any one or more of the following reasons:

(1) Fraud or deceit in obtaining such license or registration;

(2) Conviction of a felony, as shown by a certified copy of the record of conviction;

(3) Conviction of any crime, an essential element of which is dishonesty or fraud;

(4) Proof of knowingly certifying to any false or fraudulent report, certificate, exhibit, schedule or statement;

(5) Proof of gross carelessness or incompetence in performing services as a public accountant.

SEC. 4. Whenever there shall be filed with the director of licenses any written complaint duly verified by the oath of the complainant charging that the holder of the license to practice as a public accountant, has been guilty of any act or omission which would justify the revocation of the license as in this act provided, the director of licenses shall request the Governor to appoint, and the Governor shall appoint, two persons, each of whom shall have been duly licensed under this act to practice as a public accountant, who, with the director of licenses, shall constitute a committee to hear and determine the charges. The decision of any two members of such committee shall be the decision of the committee. If, under the decision of the committee the charges are sustained the committee shall determine whether the license shall be revoked or suspended, and if suspended, the period of suspension. Notification of revocation or suspension shall be given by the director of licenses in accordance with the decision of the committee and the revocation or suspension noted on the records of the office of the director of licenses.

Complaint.

Committee to hear charges.

Notice by director of revocation.

SEC. 5. Any person whose license to practice as a public accountant has been revoked may, after one year from the date of such revocation, make application for reinstatement to all the rights and privileges under the original license to practice as a public accountant. Application for reinstatement shall be referred to a committee appointed and composed as provided herein to hear charges. The com-

Application for re-instatement.

mittee may, by majority vote, order the reinstatement, in which event the director of licenses shall notify the applicant of his reinstatement to practice as a public accountant.

Expiration
of licenses.

Annual
license fee.

SEC. 6. Licenses to practice as public accountants shall expire on the 30th day of June following the date of their issuance, and shall be invalid thereafter unless renewed by the payment of an annual license fee of \$2.00 to the state treasurer, who shall deposit the fee in the state treasury to the credit of the general fund and issue to the applicant an original receipt therefor and furnish the director of licenses with a duplicate receipt and the director of licenses shall forthwith issue to the applicant entitled thereto a renewal license: *Provided*, That the licenses issued between January 1st and June 30th of any year shall not expire until June 30th of the year following.

Invalidity
of part shall
not affect
balance.

SEC. 7. If any section or provision of this act shall be adjudged to be invalid or unconstitutional, such adjudication shall not affect the validity of the act as a whole or any section, provision, or part thereof not adjudged invalid or unconstitutional.

Effective
immediately.

SEC. 8. This act is necessary for the public peace, health and safety, and for the support of the state government and its existing public institutions and shall take effect immediately.

Passed the House January 9, 1934.

Passed the Senate January 11, 1934.

Approved by the Governor January 18, 1934.