

STAND. COM. REP. NO.

797

Honolulu, Hawaii

FEB 27 2025

RE: S.B. No. 1291
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 1291 entitled:

"A BILL FOR AN ACT RELATING TO CERTIFIED PUBLIC ACCOUNTANTS,"

begs leave to report as follows:

The purpose and intent of this measure is to generate more well-qualified certified public accountants (CPAs) by establishing alternative pathways to licensure that would eliminate certain barriers for eligible applicants.

Prior to the hearing on this measure, your Committee made available for public review a proposed S.D. 1, which amended this measure by clarifying the educational and professional experience requirements for CPA licensure.

Your Committee received testimony in support of this measure from the Hawaii Association of Public Accountants; Hong Consulting, LLC; Taketa, Iwata, Hara & Associates, LLC; and ten individuals.

Your Committee received comments on this measure from the Board of Public Accountancy.

Your Committee finds that there is a critical shortage of available CPAs in the State to prepare taxes and provide financial services for local businesses. Despite this growing demand, the



percentage of students in accounting that choose to pursue a CPA license has declined over the years. This is in part due to the requirement that an additional thirty hours of education be completed, beyond the requirements for a bachelor's degree, which can be cost prohibitive for many candidates in the State. Your Committee further finds that experience gained from working in a public accounting firm is invaluable to those seeking their CPA licenses. This measure provides an alternative pathway to CPA licensure and encourages more people to pursue careers as CPAs by allowing an additional year of experience working in a CPA firm to be substituted for the existing educational requirement of thirty semester hours of post-baccalaureate education.

Your Committee has amended this measure by adopting the proposed S.D. 1 and further amending the measure by:

- (1) Clarifying the baccalaureate educational requirement shall include at least eighteen semester hours of upper division or graduate level accounting or auditing subjects as determined by the Board of Public Accountancy; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1291, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1291, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,



FARRET KEOHOKALOLE, Chair



