



GOV. MSG. NO. 1050

EXECUTIVE CHAMBERS  
HONOLULU

LINDA LINGLE  
GOVERNOR

July 10, 2007

The Honorable Colleen Hanabusa, President  
and Members of the Senate  
Twenty-Fourth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

Dear Madam President and Members of the Senate:

I am transmitting herewith HB91 HD1, without my approval, and with the statement of objections relating to the measure.

HB91 HD1

A BILL FOR AN ACT RELATING TO PUBLIC  
ACCOUNTANCY.

Sincerely,

A handwritten signature in black ink, appearing to read "Linda Lingle".

LINDA LINGLE

P R O C L A M A T I O N

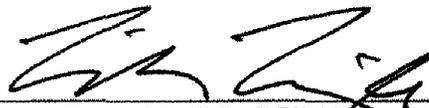
WHEREAS, under Section 16 of Article III of the Constitution of the State of Hawaii, the Governor is required to give notice, by a proclamation, of the Governor's plan to return with the Governor's objections any bill presented to the Governor less than ten days before adjournment sine die or presented to the Governor after adjournment sine die of the Legislature; and

WHEREAS, House Bill No. 91, entitled "A Bill for an Act Relating to Public Accountancy," passed by the Legislature, was presented to the Governor within the aforementioned period; and

WHEREAS, House Bill No. 91 is unacceptable to the Governor of the State of Hawaii;

NOW, THEREFORE, I, LINDA LINGLE, Governor of the State of Hawaii, do hereby issue this proclamation, pursuant to the provisions of Section 16 of Article III of the Constitution of the State of Hawaii, giving notice of my plan to return House Bill No. 91 with my objections thereon to the Legislature as provided by said Section 16 of Article III of the Constitution.

DONE at the State Capitol, Honolulu,  
State of Hawaii, this 25th  
day of June, 2007.



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LINDA LINGLE  
Governor of Hawaii

EXECUTIVE CHAMBERS

HONOLULU

July 10, 2007

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 91

Honorable Members  
Twenty-Fourth Legislature  
State of Hawaii

Pursuant to Section 16 of Article III of the Constitution of the State of Hawaii, I am returning herewith, without my approval, House Bill No. 91, entitled "A Bill for an Act Relating to Public Accountancy."

The purposes of this bill are to delete the private or government experience alternative for licensure as a certified public accountant (CPA) and to amend the educational requirements to take the CPA examination.

This bill is objectionable because it concurrently erects barriers to licensure while diluting CPA licensing requirements.

First, this bill repeals the ability of an applicant for a CPA license to substitute experience in the private or government sector for all or part of the two years of experience in public accounting practice that is required. Hawaii enacted its statute in 1997 to allow private sector or government experience to count toward the licensing requirement. The overwhelming majority of other licensing jurisdictions in the United States recognize and accept private and government work as qualifying experience for licensure as a CPA (i.e., out of fifty-five jurisdictions, fifty jurisdictions recognize government or private experience in one form or another).

Second, this bill lowers the standards for licensure by allowing an individual to sit for the CPA licensing examination without first obtaining a baccalaureate degree in accounting or a

STATEMENT OF OBJECTIONS  
HOUSE BILL NO. 91  
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bachelor of arts degree in another field with an additional eighteen semester hours of upper division or graduate level accounting or auditing coursework. Instead, an individual with a baccalaureate degree in any course of study and no accounting or auditing coursework can sit for the examination. According to the American Institute of Certified Public Accountants, this would make Hawaii the only state that would allow an individual to sit for the CPA licensing examination without the required baccalaureate accounting degree and accounting and auditing coursework.

For the foregoing reasons, I am returning House Bill No. 91 without my approval.

Respectfully,



LINDA LINGLE  
Governor of Hawaii

# VETO

HOUSE OF REPRESENTATIVES  
TWENTY-FOURTH LEGISLATURE, 2007  
STATE OF HAWAII

H.B. NO. 91  
H.D. 1

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## A BILL FOR AN ACT

RELATING TO PUBLIC ACCOUNTANCY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 466-5, Hawaii Revised Statutes, is  
2 amended as follows:

3 1. By amending subsection (d) to read:

4 "(d) Each applicant shall present satisfactory evidence in  
5 the form of a certified statement from present or former  
6 employer(s) that the applicant has met one of the following  
7 experience requirements for license:

8 (1) Completion of one thousand five hundred chargeable  
9 hours in the performance of audits involving the  
10 application of generally accepted accounting  
11 principles and auditing standards earned while in  
12 public accounting practice; or

13 (2) Completion of two years of professional experience in  
14 public accountancy practice as defined in section 466-

15 ~~3. [Completion of experience in private or government~~  
16 ~~accounting or auditing work, deemed by the board to be~~  
17 ~~equivalent to professional experience in public~~

18 ~~accountancy practice as defined in section 466-3, may~~



1 ~~be substituted for all or part of the two years of~~  
2 ~~professional experience in public accounting practice.~~  
3 ~~The nature, variety, and depth of acceptable private~~  
4 ~~or government accounting or auditing experience shall~~  
5 ~~be defined by the board in its rules.]"~~

6 2. By amending subsection (f) to read:

7 "(f) The board may allow an applicant to sit for the  
8 Uniform Certified Public Accountant Examination, if the  
9 applicant has met at least one of the following:

10 (1) Baccalaureate degree [~~in accounting~~] conferred by a  
11 college or university acceptable to the board; or

12 [~~(2) Baccalaureate degree with a major in a subject other~~  
13 ~~than in accounting, plus eighteen semester hours of~~  
14 ~~upper division or graduate level accounting or~~  
15 ~~auditing subjects, conferred by a college or~~  
16 ~~university acceptable to the board; or~~

17 ~~(3)]~~ (2) Baccalaureate degree or its equivalent in  
18 accounting, conferred by a college or university  
19 outside of the United States, and submission of a  
20 letter of acceptance from an accredited United States  
21 college or university to its advanced degree program



1 or an educational equivalency report prepared by an  
2 evaluator approved by the board."

3 SECTION 2. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 3. This Act shall take effect on June 30, 2010.

