STAND. COM. REP. NO. 689

Honolulu, Hawaii

MAR 0 1 2007

RE: S.B. No. 1010

S.D. 1

Honorable Colleen Hanabusa President of the Senate Twenty-Fourth State Legislature Regular Session of 2007 State of Hawaii

## Madam:

Your Committee on Commerce, Consumer Protection, and Affordable Housing, to which was referred S.B. No. 1010 entitled:

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

begs leave to report as follows:

The purpose of this measure is to remove private or governmental accounting experience as meeting the required professional experience for a license in public accountancy and to remove the requirement that a candidate have a baccalaureate degree in accounting prior to taking the certified public accountant (CPA) examination.

Your Committee received testimony in support of this measure from the Hawaii Association of Public Accountants and forty-seven individuals. Testimony in opposition to this measure was received by the Board of Public Accountancy of the Department of Commerce and Consumer Affairs, the State Auditor, the Department of Taxation, the Hawaii Society of Certified Public Accountants, and fifteen individuals. Comments were received from Horwath Kam & Company.

Your Committee finds that the public is better served when candidates for a CPA license are required to obtain their work experience in public accounting rather than through private or government experience. In addition, your Committee finds that allowing all candidates with a baccalaureate degree other than in accounting to take the CPA exam does not change the CPA licensing requirements, but simply allows those candidates to take the exam

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at an earlier date. This would open the accounting profession to a larger pool of potential CPAs. This measure will also benefit potential CPA candidates who attended a school that did not offer a baccalaureate degree in accounting, by allowing them to take the exam earlier and encouraging them to stay in the accounting field.

Your Committee has amended this measure by changing the effective date to allow section 1, relating to the professional experience requirements, to take effect on July 1, 2010, rather than upon approval. Your Committee finds that this amendment will allow those persons who are already in the processes of meeting the CPA experience requirements in private or government accounting or auditing work to complete these requirements and an opportunity to obtain their CPA license under the current law.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1010, S.D. 1, and be placed on the calendar for Third Reading.

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

BRIAN T. TANIGUCHI, Chair

## The Senate Twenty-Fourth Legislature State of Hawaii

## Record of Votes Committee on Commerce, Consumer Protection and Affordable Housing CPH

Bill / Resolution No.:*  SB 1010	Committee Referral:		Date: 2/21/07		
The committee is reconsidering its previous decision on this measure.  If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
TANIGUCHI, Brian T. (C)		. <b>/</b>		-	
IGE, David Y. (VC)		<b>1</b>			
ESPERO, Will		<b>V</b>			
IHARA, Jr., Les					V,
SAKAMOTO, Norman					V
SLOM, Sam					
TOTAL	·	3		•	$\gamma$
Recommendation:  Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink File with Committee Report Clerk's Office Drafting Agency					

<sup>\*</sup>Only one measure per Record of Votes