

JAN 23 2009

---

# A BILL FOR AN ACT

---

RELATING TO PUBLIC ACCOUNTANCY.

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

1       SECTION 1. The legislature finds that present laws require  
2 both individuals and firms to obtain licenses or permits to  
3 practice public accountancy. However, the legislature further  
4 finds that the requirement that firms obtain permits is  
5 redundant, and if implemented, would impose unnecessary burdens  
6 upon practitioners. Furthermore, permits for firms to practice  
7 have never been issued under Hawaii Revised Statutes section  
8 466-7(d), because the state board of public accountancy has  
9 never adopted rules to implement the requirement. The purpose  
10 of this Act is to remove the requirement that accounting firms  
11 must obtain a permit to actively engage in the practice of  
12 accountancy.

13       SECTION 2. Section 466-7, Hawaii Revised Statutes, is  
14 amended to read as follows:

15       "**§466-7 Permits to practice.** (a) A license and permit  
16 are required to actively engage in the practice of public  
17 accountancy. The board may grant or renew a permit to actively



1 engage in the practice of public accountancy. Permits shall be  
2 initially issued and renewed for periods of two years but in any  
3 event shall expire on December 31 of every odd-numbered year.

4 The board shall prescribe the methods and requirements for  
5 application.

6 (b) An applicant for the initial issuance or renewal of a  
7 permit shall have:

8 (1) A valid license;

9 (2) Completed continuing professional education hours, the  
10 content of which shall be specified by the board which  
11 may provide for special consideration by the board to  
12 applicants for permit renewal when, in the judgment of  
13 the board, full compliance with all requirements of  
14 continuing education cannot reasonably be met;

15 (3) Completed an application; and

16 (4) Paid appropriate fees and assessments.

17 (c) The board may grant a temporary permit to actively  
18 engage in the practice of public accountancy to any person who:

19 (1) Has attained eighteen years of age;

20 (2) Possesses a history of competence, trustworthiness,  
21 and fair dealing;



1       (3) Holds a valid license of certified public accountant  
2           or of public accountant issued under the laws of  
3           another state, or who holds a valid comparable  
4           certificate, registration, or license or degree from a  
5           foreign country determined by the board to be a  
6           recognized qualification for the practice of public  
7           accountancy in such other country;

8       (4) Incidental to the person's practice in such other  
9           state or country, desires to practice public  
10          accountancy in this State on a temporary basis; and

11       (5) Has completed an application.

12       Such permit shall be effective for a period not exceeding three  
13       months, and shall specify the nature and extent of the practice  
14       so permitted.

15       ~~[(d) All firms shall obtain a permit to practice. The~~  
16       ~~board may issue or renew a permit to actively engage in the~~  
17       ~~practice of public accountancy to any firm which submits a~~  
18       ~~completed application and demonstrates qualifications as~~  
19       ~~prescribed by the board.~~

20       ~~(e)]~~ (d) Failure to submit the required fees, continuing  
21       education hours, or other requirements for renewal as specified  
22       in this section by December 31 of every odd-numbered year, shall



1 constitute forfeiture of the permit. Continued performance in  
2 the practice of public accountancy without a permit shall  
3 constitute unlicensed activity and the individual [~~or firm~~]  
4 shall be subject to sections 466-9, 466-11, 487-13, and 26-9.

5 [~~(f)~~] (e) The board may restore forfeited permits to the  
6 individual [~~or firm which~~] who satisfies the following:

7 (1) The requirements of subsection (a), (b), or (c) [~~or~~  
8 ~~(d) of this section~~]; and

9 (2) Payment of required fees."

10 SECTION 3. Section 466-8, Hawaii Revised Statutes, is  
11 amended by amending subsection (d) to read as follows:

12 "(d) An application for the issuance of a biennial permit  
13 to practice for an individual [~~or firm~~] under section 466-7(a)  
14 [~~and (d)~~] shall be accompanied by the application and permit to  
15 practice fees."

16 SECTION 4. This Act terminates rights and duties that  
17 matured, penalties that were incurred, and proceedings that were  
18 begun under section 466-7(d), Hawaii Revised Statutes, in the  
19 form in which it existed on the day before the effective date of  
20 this Act.

21 SECTION 5. Statutory material to be repealed is bracketed  
22 and stricken. New statutory material is underscored.



1 SECTION 6. This Act shall take effect upon its approval.

2

INTRODUCED BY:

Rosslyn H Baker

Jim Allen Jr

John Brown

Amil Y. Lee

Frederick Cunningham



**Report Title:**

Public Accountancy

**Description:**

Repeals permit requirement for accounting firms to engage in public accountancy.

