
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 current laws require
2 both individuals and firms to obtain licenses or permits to
3 practice public accountancy. However, permits for firms to
4 practice have never been issued under section 466-7(d), Hawaii
5 Revised Statutes, because the state board of public accountancy
6 has never enacted administrative rules to establish the criteria
7 and process for obtaining a firm permit.

8 The purpose of this Act is to suspend the requirement that
9 accounting firms must obtain a permit to actively engage in the
10 practice of accountancy, until one hundred eighty days after the
11 adoption of administrative rules establishing the methods and
12 requirements for obtaining a firm permit.

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 shall terminate any rights and duties
17 that matured, penalties that were incurred, and proceedings
18 based on acts or omissions arising under section 466-7(d),
19 Hawaii Revised Statutes, before its reenactment as provided in
20 section 7 of this Act.

21 SECTION 5. The state board of public accountancy shall
22 adopt rules prescribing the methods and requirements for



1 application by a firm to engage in the practice of public
2 accountancy pursuant to section 466-7, Hawaii Revised Statutes,
3 as that section read on the day before the effective date of
4 this Act.

5 SECTION 6. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 7. This Act shall take effect upon its approval;
8 provided that sections 466-7 and 466-8, Hawaii Revised Statutes,
9 shall be reenacted in the form in which they read on the day
10 before the effective date of this Act, one hundred eighty days
11 after the effective date, as determined by section 91-4(b),
12 Hawaii Revised Statutes, of the rules prescribing the methods
13 and requirements for application by a firm to engage in the
14 practice of public accountancy pursuant to section 466-7, Hawaii
15 Revised Statutes, as that section read on the day before the
16 effective date of this Act.



Report Title:

Public Accountancy

Description:

Suspends the permit requirement for accounting firms to engage in public accountancy, until six months after administrative rules implementing the firm permit requirement have been adopted. (SB55 HD1)

