STAND. COM. REP. NO. 35 Honolulu, Hawaii Corran 13 , 2013 H.B. No. 716 RE:

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Seventh State Legislature Regular Session of 2013 State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 716 entitled:

"A BILL FOR AN ACT RELATING TO THE DISCIPLINARY AUTHORITY OF THE BOARD OF PUBLIC ACCOUNTANCY,"

begs leave to report as follows:

The purpose of this measure is to clarify that the list of disciplinary actions that the Board of Public Accountancy is currently authorized to take against licensees are cumulative in nature.

Additionally, this measure increases the maximum amount of fines that may be imposed for violations of the accountancy licensing law.

Testimony in support of the measure was received from the Regulated Industries Complaint Office of the Department of Commerce and Consumer Affairs and the Board of Public Accountancy.

Your Committee finds that this measure is necessary to clarify the legislative intent of the law regarding sanctions available to the Board of Public Accountancy. Recent state court interpretations have limited the Board to imposing only one of the listed sanctions against a licensee. Thus, under current law the Board cannot order a fine or restitution when suspending an individual's license. Your Committee further notes that the maximum amount of fees has not been revised since the 1980's.



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The measure increases the maximum administrative fine that the Board of Public Accountancy may impose from \$1,000 to \$5,000. While the increase is significant, your Committee believes that substantial monetary fines would serve to deter abuses of the public trust in the area of public accountancy. Nevertheless, your Committee cautions that the maximum fine amount should be reserved only for the most egregious offenders of public accountancy laws and rules, such as the offender in a 2010 Maui case that resulted in \$15,000,000 worth of damages.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 716 and recommends that it pass Second Reading and be referred to the Committee on Judiciary.

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

ANGUS L.K. MCKELVEY, Chair





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Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB716	Committee Referral:			
□ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
2. KAWAKAMI, Derek S.K. (VC)				
3. BELATTI, Della Au				
4. BROWER, Tom				
5. CABANILLA, Rida T.R.				
6. CACHOLA, Romy M.				~
7. CARROLL, Mele				
8. EVANS, Cindy				
9. HAR, Sharon E.				
10. ITO, Ken				
11. LEE, Chris	<u> </u>			
12. TSUJI, Clift			_	
13. YAMANE, Ryan I.				
14. MCDERMOTT, Bob	V./			
15. THIELEN, Cynthia				
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TOTAL (15)		Ø	Ø	$ \uparrow$
The recommendation is: Adopted I Not Adopted If joint referral, did not support recommendation.				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				