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# A BILL FOR AN ACT

RELATING TO THE DISCIPLINARY AUTHORITY OF THE BOARD OF PUBLIC  
ACCOUNTANCY.

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

SECTION 1. Section 466-9, Hawaii Revised Statutes, is  
amended by amending subsections (a) and (b) to read as follows:

"(a) In addition to any other actions or conditions  
authorized by law, in accordance with chapter 91, the board may  
take any one or more of the following ~~[action+]~~ actions:

(1) ~~[Cancel or revoke any]~~ Revoke a license or permit  
~~[issued under section 466-5, 466-6, or 466-7, or~~  
~~corresponding provisions of prior law];~~

(2) Suspend a license or permit ~~[for a period of not more~~  
~~than two years];~~

(3) Refuse to renew a license or permit ~~[for a period of~~  
~~not more than two years];~~

(4) Reprimand, censure, or limit the scope of practice of  
any licensee or firm;

(5) Impose an administrative fine not exceeding ~~[\$1,000;~~  
\$5,000 per violation;

(6) Place a licensee or firm on probation;



1 (7) Require a firm to have a peer review conducted in the  
2 manner specified by the board; or

3 (8) Require a licensee to attain satisfactory completion  
4 of additional continuing professional education hours  
5 as specified by the board.

6 (b) In addition to any other grounds for disciplinary  
7 action authorized by law, any one or more of the following shall  
8 constitute grounds for disciplinary action:

9 (1) Fraud or deceit in obtaining a license or permit;

10 (2) Disciplinary action taken by another state where the  
11 license is canceled, revoked, suspended, denied, or  
12 refused renewal;

13 (3) Failure, on the part of a holder of a license or a  
14 permit [~~under section 466-5, 466-6, or 466-7,~~] to  
15 maintain compliance with the requirements for issuance  
16 of a license or a permit, or renewal of a license or  
17 permit, or to report changes to the board;

18 (4) Revocation or suspension of the right to practice  
19 before any state or federal agency;

20 (5) Dishonesty, deceit, fraud, or gross negligence in the  
21 practice of public accountancy or in the filing or



1 failure to file a licensee's or firm's own income tax  
2 returns;

3 (6) Violation of any provision of this chapter or of any  
4 rule adopted by the board;

5 (7) Violation of any provision of professional conduct  
6 established by the board under this chapter;

7 (8) Conviction of any crime an element of which is  
8 dishonesty or fraud, under the laws of the United  
9 States, of this State, or of any other state if the  
10 act involved would have constituted a crime under the  
11 laws of this State;

12 (9) Performance of any fraudulent act while holding a  
13 license or permit issued under this chapter; or

14 (10) Any conduct reflecting adversely upon the licensee's  
15 or permit holder's fitness to engage in the practice  
16 of public accountancy."

17 SECTION 2. Section 466-11, Hawaii Revised Statutes, is  
18 amended by amending subsection (c) to read as follows:

19 "(c) Any person or firm who violates this chapter may be  
20 fined not more than [~~\$1,000~~] \$5,000 for each violation."



1       SECTION 3. This Act does not affect rights and duties that  
2 matured, penalties that were incurred, and proceedings that were  
3 begun before its effective date.

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

6       SECTION 5. This Act shall take effect upon its approval.

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**Report Title:**

Public Accountancy; Board of Public Accountancy; Disciplinary Actions; Administrative Fine

**Description:**

Clarifies that the board of public accountancy may take one or more disciplinary actions against any person for violations of public accountancy regulatory law, repeals the maximum amount of time for which the board may suspend or refuse to renew a license or permit, and increases the amount of the administrative fine that may be imposed for any violation.

(SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

