
A BILL FOR AN ACT

RELATING TO CERTIFIED PUBLIC ACCOUNTANTS.

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

1 SECTION 1. The legislature finds that business and
2 commerce continue to grow more complicated, increasing the need
3 for well-qualified certified public accountants in the State and
4 nationwide. At the same time, however, a declining percentage
5 of students in accounting classes are pursuing certified public
6 accountant licenses. In part, this decline is due to the
7 requirement of thirty additional semester hours of education,
8 beyond the requirements of a bachelor's degree, to obtain a
9 certified public accountant license. The time and monetary
10 costs of this additional education can be a serious obstacle for
11 many students. Thus, the additional education requirement
12 effectively blocks many potential candidates from obtaining
13 licenses, at a time when more qualified certified public
14 accountants are needed.

15 The purpose of this Act is to generate more qualified
16 certified public accountants by establishing alternative



1 pathways to licensure that eliminate certain barriers for
2 eligible applicants.

3 SECTION 2. Section 466-5, Hawaii Revised Statutes, is
4 amended by amending subsections (a) through (d) to read as
5 follows:

6 "(a) A license and a permit ~~[are]~~ shall be required to
7 practice public accountancy. The board may license and grant
8 the designation of "certified public accountant" to any person
9 who has met the following:

10 (1) Attained eighteen years of age;

11 (2) Possesses a history of competence, trustworthiness,
12 and fair dealing;

13 (3) Educational requirements of this section ~~[or~~
14 ~~section 466-5.5]~~;

15 (4) ~~[Experience]~~ Completed two years of professional
16 experience meeting the requirements of subsection (d);

17 (5) Examination requirements of subsection (e); and

18 (6) Paid the appropriate fees and assessments.

19 (b) The educational requirement for a license shall
20 include a baccalaureate degree conferred by a college or
21 university recognized by the board ~~[and:]~~, which shall include



1 at least eighteen semester hours of upper division or graduate
2 level accounting or auditing subjects. The content of these
3 eighteen hours shall be determined by rules adopted by the board
4 pursuant to chapter 91. The educational requirement for a
5 license shall also include either:

6 (1) Completion of ~~[not]~~ no less than thirty semester hours
7 of study in addition to those semester hours required
8 for a baccalaureate degree~~[-The baccalaureate degree~~
9 ~~and the thirty semester hours of additional study~~
10 ~~shall include a minimum of eighteen semester hours of~~
11 ~~upper division or graduate level accounting or~~
12 ~~auditing subjects. The]; provided that the content of~~
13 the additional qualifying hours of study shall be
14 determined by rules adopted by the board pursuant to
15 chapter 91; or

16 (2) ~~[If the applicant has a minimum of eighteen semester~~
17 ~~hours of upper division or graduate level accounting~~
18 ~~and auditing subjects, the applicant may elect to~~
19 ~~replace the thirty semester hours with an additional~~
20 ~~thirty months of professional experience in a public~~
21 ~~accounting practice. This experience shall not be~~



1 ~~credited toward the experience requirements in~~
2 ~~subsection (d).]~~ Completion of an additional twelve
3 months of professional experience in the practice of
4 public accountancy only. This professional experience
5 shall be in addition to, and shall not be counted in,
6 any professional experience meeting the requirements
7 of subsection (a) (4).

8 (c) A person shall be exempt from the requirements in
9 subsection (b) [~~or section 466-5.5~~] if that person:

10 (1) Holds a current license as a public accountant under
11 section 466-6; or

12 (2) Holds, and has continued to hold, a valid comparable
13 certificate, registration, or license of certified
14 public accountant of another state for a period of not
15 less than ten years preceding the date of the person's
16 application under this section, and has been in active
17 practice of public accountancy in one or more states
18 for a period of not less than five years preceding the
19 date of the application.

20 (d) Each applicant shall present satisfactory evidence in
21 the form of a certified statement, from present or former



1 employer(s), that the applicant has ~~[met one of the following~~
2 ~~experience requirements for license:~~

3 ~~(1) Completion of one thousand five hundred chargeable~~
4 ~~hours in the performance of audits involving the~~
5 ~~application of generally accepted accounting~~
6 ~~principles and auditing standards earned while in~~
7 ~~public accounting practice; or~~

8 ~~(2) Completion of two years of]~~ completed the required
9 professional experience in the practice of public
10 accountancy [practice] as defined in section 466-3.

11 Completion of experience in private or government
12 accounting or auditing work, deemed by the board to be
13 equivalent to professional experience in the practice
14 of public accountancy [practice] as defined in
15 section 466-3, may be substituted for all or part of
16 the two years of professional experience in the
17 practice of public [accounting practice.] accountancy
18 required by subsection (a) (4). The nature, variety,
19 and depth of acceptable private or government
20 accounting or auditing experience shall be defined by
21 the board in its rules."



SECTION 3. Section 466-5.5, Hawaii Revised Statutes, is repealed.

~~["§466-5.5 Educational requirements for licensure effective December 31, 2000. Effective December 31, 2000, an applicant for licensure shall have at least one hundred-fifty semester hours of college education. Within the one hundred-fifty semester hours, the applicant shall have:~~

~~(1) A baccalaureate or higher degree conferred by a college or university acceptable to the board; and~~

~~(2) An accounting concentration or its equivalent as specified in the rules of the board;~~

~~except that applicants for licensure who have successfully completed the Uniform Certified Public Accountant Examination before December 31, 2000, or held conditional credit before December 31, 2000, and subsequently completed the examination before the conditional credit expired, may continue to meet the educational requirements of section 466-5(b)."]~~

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

SECTION 5. This Act shall take effect on July 1, 3000.



Report Title:

Board of Public Accountancy; Qualifications; Licensure;
Certified Public Accountants; Practice of Public Accountancy;
Professional Experience

Description:

Establishes an alternative pathway to licensure for certified public accountant license applicants by permitting applicants to demonstrate completion of an additional twelve months of professional experience in the practice of public accountancy or completion of no less than an additional thirty semester hours of study. Effective 7/1/3000. (HD1)

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