

JAN 23 2025

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# 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 (CPA) 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 CPA  
9 license. The time and monetary costs of this additional  
10 education can be a serious obstacle for many students. Thus,  
11 the additional education requirement effectively blocks many  
12 potential candidates from obtaining CPA licenses, at a time when  
13 more qualified CPAs are needed.

14       The purpose of this Act is to generate more qualified CPAs  
15 by establishing alternative pathways to licensure that eliminate  
16 certain barriers for eligible applicants.



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

4       "(a) A license and a permit are required to practice  
5 public accountancy. The board may license and grant the  
6 designation of "certified public accountant" to any person who  
7 has met the following:

8       (1) Attained eighteen years of age;

9       (2) Possesses a history of competence, trustworthiness,  
10       and fair dealing;

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

13       (4) Experience requirements of subsection (d);

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

15       (6) Paid the appropriate fees and assessments.

16       (b) The educational requirement for a license shall  
17 include a baccalaureate degree conferred by a college or  
18 university recognized by the board and:

19       (1) Completion of not less than thirty semester hours of  
20       study in addition to those semester hours required for  
21       a baccalaureate degree[~~. The baccalaureate degree and~~



1 ~~the thirty semester hours of additional study shall~~  
2 ~~include a minimum of eighteen semester hours of upper~~  
3 ~~division or graduate level accounting or auditing~~  
4 ~~subjects. The]; provided that the content of the~~  
5 ~~additional qualifying hours of study shall be~~  
6 ~~determined by rules adopted by the board pursuant to~~  
7 ~~chapter 91; [or] and~~

- 8 (2) ~~[If the applicant has a]~~ A minimum of eighteen  
9 ~~semester hours of upper division or graduate level~~  
10 ~~accounting and auditing subjects[, the applicant may~~  
11 ~~elect to replace the thirty semester hours with an~~  
12 ~~additional thirty months of professional experience in~~  
13 ~~a public accounting practice. This experience shall~~  
14 ~~not be credited toward the experience requirements in~~  
15 ~~subsection (d).]; provided that the content of the~~  
16 ~~additional qualifying hours of study shall be~~  
17 ~~determined by rules adopted by the board pursuant to~~  
18 ~~chapter 91.~~

19 In lieu of paragraph (1), the applicant may demonstrate  
20 completion of twelve months of professional experience in the  
21 practice of public accounting, as determined by the board and



1 pursuant to subsection (d); provided that this professional  
2 experience shall be in addition to any professional experience  
3 required for a license pursuant to this section.

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

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

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

16 (d) Each applicant shall present satisfactory evidence in  
17 the form of a certified statement, from present or former  
18 employer(s), that the applicant has [~~met one of the following~~  
19 ~~experience requirements for license:~~

20 ~~(1) Completion of one thousand five hundred chargeable~~  
21 ~~hours in the performance of audits involving the~~



1       ~~application of generally accepted accounting~~  
2       ~~principles and auditing standards earned while in~~  
3       ~~public accounting practice; or~~

4       (2) ~~Completion of]~~ completed two years of professional  
5       experience in public accountancy practice as defined  
6       in section 466-3. Completion of experience in private  
7       or government accounting or auditing work, deemed by  
8       the board to be equivalent to professional experience  
9       in public accountancy practice as defined in  
10      section 466-3, may be substituted for all or part of  
11      the two years of professional experience in public  
12      accounting practice. The nature, variety, and depth  
13      of acceptable private or government accounting or  
14      auditing experience shall be defined by the board in  
15      its rules."

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

18      ~~["§466-5.5 Educational requirements for licensure~~  
19      ~~effective December 31, 2000. Effective December 31, 2000, an~~  
20      ~~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 upon its approval.

INTRODUCED BY:  \_\_\_\_\_



# S.B. NO. 1291

**Report Title:**

Board of Public Accountancy; Qualifications; Licensure;  
Certified Public Accountants

**Description:**

Clarifies the education and professional experience requirements for certified public accountant license applicants to establish alternative pathways to licensure.

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

