

ACT 53

S.B. NO. 2682-80

A Bill for an Act Relating to Public Accountancy.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 466-5, Hawaii Revised Statutes, is amended to read as follows:

“Sec. 466-5 Certificate of certified public accountant. (a) Issuance. A person (1) who has attained eighteen years of age, (2) who is of good moral character, (3) who meets the educational and examination requirements hereinafter provided in this section, and (4) who meets the experience requirement hereinafter provided in this section shall, upon application to the board, be issued a certificate of “certified public accountant”. The board shall maintain a list of all persons to whom such certificates are issued. Such certificates shall be effective for a period not exceeding two years and shall be renewable biennially upon application to the board.

(b) Educational requirements. A person applying for a certificate of certified public accountant (1) before January 1, 1979, shall be required to have obtained a baccalaureate degree conferred by a college or university recognized by the board, or (2) after December 31, 1978, shall:

(A) Obtain a baccalaureate degree conferred by a college or university recognized by the board; and

- (B) Complete the study of accounting and related courses as the board by rule deems appropriate; and
- (C) Complete not less than thirty semester hours of study in addition to those semester hours required for a baccalaureate degree at a college or university recognized by the board. The person may commence the additional hours of study required by this subparagraph prior to obtainment of a baccalaureate degree but only after the completion of one hundred five semester hours towards the baccalaureate degree. The content of the additional hours of study shall be determined by rules adopted pursuant to chapter 91.
- (c) Exemption from educational requirements. A person
 - (1) Who holds a current registration as a public accountant under section 466-6; or
 - (2) Who:
 - (A) Holds and has continued to hold a valid certificate of certified public accountant of another state for a period of not less than ten years preceding the date of the person's application under this section and has been in the active practice of public accountancy in one or more states for a period of not less than 5 years preceding the date of the application under this section; or
 - (B) The board determines, met the educational requirements of this State for a certificate of certified public accountant as they existed when the person was originally issued a certificate of certified public accountant by the other state;
shall, upon application to the board and demonstration that the continuing education requirements established by rule of the board have been satisfied, be exempt from the educational requirements of subsection (b).
- (d) Experience requirement. A person applying for a certificate of certified public accountant shall be required to:
 - (1) Complete one thousand five hundred chargeable hours in the performance of audits involving the application of generally accepted accounting principles and generally accepted auditing standards; or
 - (2) Complete two years of professional experience in public accounting practice or experience as an auditor or examiner in industry or government if, in the opinion of the board, such experience is substantially as comprehensive and diversified as experience in public accounting practice. Representation of satisfaction of the experience requirement by an applicant for a certificate of certified public accountant and by any of the applicant's employers shall be submitted to the board under oath.
- (e) Examination requirements. A person applying for a certificate of certified public accountant shall be required to have satisfactorily completed an examination in accounting, auditing and such other related subjects as the board shall determine to be appropriate. Such examination shall be held by the board and shall take place as often as the board shall determine to be desirable, but not less frequently than once each year.
- (f) Admission to examination. A person (1) who has met the applicable educational requirements prescribed in subsection (b) of this section, or (2) who has not met all of the requirements prescribed by subsection (b)(2) of this section but who expects

to meet the requirements of subsections (b)(2)(A) and (b)(2)(B) of this section within one hundred twenty days following the examination prescribed in subsection (e) of this section, or (3) who is exempted from such educational requirements by subsection (c) of this section, shall, upon application to the board, be admitted to such examination. An applicant who has been admitted to the examination pursuant to subsection (f)(2) will not receive any conditional credit pursuant to subsection (g) for any portion of the examination, unless he completes all of the educational requirements of subsections (b)(2)(A) and (b)(2)(B) within one hundred twenty days following the examination. An applicant admitted to the examination pursuant to subsection (f)(2), who satisfactorily completes the entire examination, will not be entitled to receive a certificate of certified public accountant unless:

- (1) He completes the educational requirements of subsections (b)(2)(A) and (b)(2)(B) within one hundred twenty days following the examination; and
- (2) He completes the educational requirements of subsection (b)(2)(C) within a time period following the examination which shall be established by the board by rules promulgated pursuant to chapter 91.

(g) Re-examination. The board may by regulation prescribe the terms and conditions under which an applicant who has taken the examination described in subsection (e) of this section, but who has not satisfactorily completed that examination, may be given credit for any part thereof that the applicant has satisfactorily completed. The board may also provide by regulation for a reasonable waiting period for an applicant to apply for re-examination.

(h) Exemption from examination requirements. A person (1) who is the holder of a valid certificate of certified public accountant issued under the laws of another state, or (2) who is the holder of a valid certificate, license or degree in a foreign country determined by the board to be (i) a recognized qualification for the practice of public accountancy in such other country, (ii) comparable to a certificate of certified public accountant of this State, and (iii) issued to such person on the basis of an examination comparable to the examination described in subsection (e) of this section, shall, upon application to the board, be exempt from the examination requirements specified in subsection (e) of this section.

(i) Existing certificate holders. A person who, on January 1, 1974, holds a certificate of certified public accountant issued under the laws of this State theretofore existing shall not be required to obtain an additional certificate of certified public accountant under this chapter, but shall otherwise be subject to all the provisions of this chapter; and such a certificate theretofore issued shall, for all purposes, be considered a certificate issued under this chapter and subject to the provisions hereof."

SECTION 2. Section 466-7, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

"(a) Biennial practice permits. A person (1) who is holding a current certificate of certified public accountant or a current registration as a public accountant and (2) who has complied with continuing education requirements established by rule of the board, shall, upon application to the board, be issued a permit to practice public accountancy in this State. Such permit to practice shall be effective for a period not exceeding two years."

ACT 53

SECTION 4.† Statutory material to be repealed is bracketed. New material is underscored.*

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

(Approved April 25, 1980.)

†So in original. There is no section 3.

*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.