

Honolulu, Hawaii

MAR 01 2007

RE: S.B. No. 1010
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Madam:

Your Committee on Commerce, Consumer Protection, and
Affordable Housing, to which was referred S.B. No. 1010 entitled:

"A BILL FOR AN ACT RELATING TO CERTIFIED PUBLIC ACCOUNTANTS,"

begs leave to report as follows:

The purpose of this measure is to remove private or
governmental accounting experience as meeting the required
professional experience for a license in public accountancy and to
remove the requirement that a candidate have a baccalaureate
degree in accounting prior to taking the certified public
accountant (CPA) examination.

Your Committee received testimony in support of this measure
from the Hawaii Association of Public Accountants and forty-seven
individuals. Testimony in opposition to this measure was received
by the Board of Public Accountancy of the Department of Commerce
and Consumer Affairs, the State Auditor, the Department of
Taxation, the Hawaii Society of Certified Public Accountants, and
fifteen individuals. Comments were received from Horwath Kam &
Company.

Your Committee finds that the public is better served when
candidates for a CPA license are required to obtain their work
experience in public accounting rather than through private or
government experience. In addition, your Committee finds that
allowing all candidates with a baccalaureate degree other than in
accounting to take the CPA exam does not change the CPA licensing
requirements, but simply allows those candidates to take the exam



at an earlier date. This would open the accounting profession to a larger pool of potential CPAs. This measure will also benefit potential CPA candidates who attended a school that did not offer a baccalaureate degree in accounting, by allowing them to take the exam earlier and encouraging them to stay in the accounting field.

Your Committee has amended this measure by changing the effective date to allow section 1, relating to the professional experience requirements, to take effect on July 1, 2010, rather than upon approval. Your Committee finds that this amendment will allow those persons who are already in the processes of meeting the CPA experience requirements in private or government accounting or auditing work to complete these requirements and an opportunity to obtain their CPA license under the current law.

As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Affordable Housing that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1010, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1010, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Affordable
Housing,


BRIAN T. TANIGUCHI, Chair



