

Honolulu, Hawaii

APR 30 2009 , 2009

RE: S.B. No. 55
S.D. 1
H.D. 1
C.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2009
State of Hawaii

Madam and Sir:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 55, S.D. 1, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC ACCOUNTANCY,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to suspend the requirement that firms obtain a permit to practice public accountancy until one hundred eighty days after the effective date of administrative rules prescribing the methods and requirements for firm permit applications.

Under current law, public accountancy firms are required to obtain a permit for the firm to practice public accountancy in addition to the individual permits required of members of the firm who practice accountancy. The current law empowers the Board of Accountancy to enact rules for issuing firm permits. However, your Committee finds that the Board of Public Accountancy has never



enacted rules for awarding firm permits and, therefore, firm permits have never been issued. This exposes every public accounting firm in the State to liability under the law for operating without a permit and curtails out-of-state business opportunities for public accountancy firms because the Board's inaction forces all firms to remain out of compliance with the State's regulatory requirements.

Your Committee, upon further consideration, has amended this measure by:

- (1) Amending its purpose section to accurately reflect the contents of the measure;
- (2) Adding a provision to require the Director of Commerce and Consumer Affairs to report the progress and status of the rule-making process to the Legislature no later than twenty days before the convening of the Regular Session of 2010; and
- (3) Adding a provision to require the Director of Commerce and Consumer Affairs to notify the Legislature and to provide public notice of the adoption of administrative rules prescribing the methods and requirements for a firm to apply for and obtain a permit to practice public accountancy.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 55, S.D. 1, H.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as S.B. No. 55, S.D. 1, H.D. 1, C.D. 1.

Respectfully submitted on behalf
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE



ROBERT N. HERKES, Chair



ROSALYN H. BAKER, Chair



