
A BILL FOR AN ACT

RELATING TO PUBLIC ACCOUNTANCY.

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

1 SECTION 1. The legislature finds that present laws require
2 both individuals and firms to obtain licenses or permits to
3 practice public accountancy. However, the legislature further
4 finds that the requirement that firms obtain permits is
5 redundant, and if implemented, would impose unnecessary burdens
6 upon practitioners. The purpose of this Act is to remove the
7 requirement that accounting firms must obtain a permit to
8 actively engage in the practice of accountancy.

9 SECTION 2. Section 466-7, Hawaii Revised Statutes, is
10 amended to read as follows:

11 "**§466-7 Permits to practice.** (a) A license and permit
12 are required to actively engage in the practice of public
13 accountancy. The board may grant or renew a permit to actively
14 engage in the practice of public accountancy. Permits shall be
15 initially issued and renewed for periods of two years but in any
16 event shall expire on December 31 of every odd-numbered year.



1 The board shall prescribe the methods and requirements for
2 application.

3 (b) An applicant for the initial issuance or renewal of a
4 permit shall have:

5 (1) A valid license;

6 (2) Completed continuing professional education hours, the
7 content of which shall be specified by the board which
8 may provide for special consideration by the board to
9 applicants for permit renewal when, in the judgment of
10 the board, full compliance with all requirements of
11 continuing education cannot reasonably be met;

12 (3) Completed an application; and

13 (4) Paid appropriate fees and assessments.

14 (c) The board may grant a temporary permit to actively
15 engage in the practice of public accountancy to any person who:

16 (1) Has attained eighteen years of age;

17 (2) Possesses a history of competence, trustworthiness,
18 and fair dealing;

19 (3) Holds a valid license of certified public accountant
20 or of public accountant issued under the laws of
21 another state, or who holds a valid comparable
22 certificate, registration, or license or degree from a



1 foreign country determined by the board to be a
2 recognized qualification for the practice of public
3 accountancy in such other country;

4 (4) Incidental to the person's practice in such other
5 state or country, desires to practice public
6 accountancy in this State on a temporary basis; and

7 (5) Has completed an application.

8 Such permit shall be effective for a period not exceeding three
9 months, and shall specify the nature and extent of the practice
10 so permitted.

11 ~~[(d) All firms shall obtain a permit to practice. The~~
12 ~~board may issue or renew a permit to actively engage in the~~
13 ~~practice of public accountancy to any firm which submits a~~
14 ~~completed application and demonstrates qualifications as~~
15 ~~prescribed by the board.~~

16 ~~(e)]~~ (d) Failure to submit the required fees, continuing
17 education hours, or other requirements for renewal as specified
18 in this section by December 31 of every odd-numbered year, shall
19 constitute forfeiture of the permit. Continued performance in
20 the practice of public accountancy without a permit shall
21 constitute unlicensed activity and the individual ~~[or firm]~~
22 shall be subject to sections 466-9, 466-11, 487-13, and 26-9.



1 [~~(f)~~] (e) The board may restore forfeited permits to the
2 individual [~~or firm which~~] who satisfies the following:

3 (1) The requirements of subsection (a), (b), or (c) [~~or~~
4 ~~(d) of this section~~]; and

5 (2) Payment of required fees."

6 SECTION 3. Section 466-8, Hawaii Revised Statutes, is
7 amended by amending subsection (d) to read as follows:

8 "(d) An application for the issuance of a biennial permit
9 to practice for an individual [~~or firm~~] under section 466-7(a)
10 [~~and (d)~~] shall be accompanied by the application and permit to
11 practice fees."

12 SECTION 4. This Act shall terminate all rights and duties
13 that matured, penalties that were incurred, and proceedings that
14 were begun, under section 466-7(d), Hawaii Revised Statutes, in
15 the form in which it existed on the day before the effective
16 date of this Act.

17 SECTION 5. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 6. This Act shall take effect upon its approval.

20

INTRODUCED BY: *Israel W. Choy*

JAN 21 2009

Report Title:

Public Accountancy

Description:

Repeals permit requirement for accounting firms to engage in public accountancy. Terminates rights, duties, and proceedings under repealed requirement on effective date of Act.

