
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 certified public
2 accountants sometimes provide services for Hawaii clients from
3 outside of the State. However, the board of accountancy does
4 not currently have clear and specific authority to regulate out-
5 of-state accountants, nor are there clear limits in the law on
6 the types of services that may be performed in Hawaii without a
7 Hawaii license.

8 The purpose of this Act is to regulate out-of-state
9 certified public accountants by establishing clear standards,
10 including a limited privilege to practice within the State, and
11 by subjecting all certified public accountants practicing in
12 Hawaii to oversight by the Hawaii state board of public
13 accountancy.

14 SECTION 2. Chapter 466, Hawaii Revised Statutes, is
15 amended by adding a new section to be appropriately designated
16 and to read as follows:

17 "§466- Substantial equivalency; privilege to practice;
18 requirements. (a) An individual whose principal place of



1 business is not in this State and who holds a valid license as a
2 certified public accountant from any state that the National
3 Association of State Boards of Accountancy National
4 Qualification Appraisal Service has verified to be in
5 substantial equivalence with the certified public accountant
6 licensure requirements of the American Institute of Certified
7 Public Accountants/National Association of State Boards of
8 Accountancy Uniform Accountancy Act may engage in the practice
9 of public accountancy in this State under a practice privilege
10 without obtaining a license and permit under section 466-5 or
11 466-7; provided that the following requirements are met:

12 (1) The individual, before engaging in the practice of
13 accountancy in this State, shall register with the
14 board on a form prescribed by the board; and

15 (2) As part of the registration process, the individual
16 shall attest to the individual's fitness to practice
17 under the privilege and shall provide a state general
18 excise tax number.

19 (b) An individual who holds a practice privilege under
20 this section:



- 1 (1) Shall be subject to the personal and subject matter
2 jurisdiction and disciplinary authority of the board
3 and the courts of this State;
- 4 (2) Shall comply with and be subject to this chapter,
5 board rules, and other laws, regulations, and
6 professional standards applicable to the practice of
7 public accountancy by the licensees of this State and
8 to any other laws and regulations applicable to
9 individuals practicing under practice privileges in
10 this State;
- 11 (3) Shall be deemed to have appointed the regulatory
12 agency of the state that issued the individual's
13 certificate, license, or permit upon which substantial
14 equivalency is based as the individual's agent on whom
15 notices, subpoenas, or other process may be served in
16 any action or proceeding by the board against the
17 individual;
- 18 (4) Shall cooperate with any board investigation, inquiry,
19 or request; shall respond to a board investigation,
20 inquiry, or request within thirty days; shall timely
21 respond to any notice, demand, or subpoena for



1 information or documents; and timely provide to the
2 board the identified information and documents;
3 (5) Shall cease exercising the practice privilege in this
4 State if the board finds that the individual has
5 failed to respond as required by paragraph (4);
6 (6) Shall cease exercising the practice privilege in this
7 State if:
8 (A) The state in which the individual's certificate,
9 license, or permit was issued takes disciplinary
10 action resulting in the suspension or revocation,
11 including stayed suspension, stayed revocation,
12 or probation, of the individual's certificate,
13 license, or permit;
14 (B) The individual is convicted in any jurisdiction
15 of any crime involving dishonesty, including but
16 not limited to embezzlement, theft,
17 misappropriation of funds or property, or
18 obtaining money, property, or other valuable
19 consideration by fraudulent means or false
20 pretenses; or



1 (C) For any other reason, the board determines
2 pursuant to its rules that the individual shall
3 cease exercising the practice privilege in this
4 State;

5 (7) Shall cease practice pursuant to paragraph (6) and
6 shall notify the board within fifteen calendar days,
7 on a form prescribed by the board. The individual
8 shall not practice public accountancy in this State
9 pursuant to this section until the individual has
10 received from the board written permission to do so.
11 Failure to timely notify the board will result in the
12 automatic revocation of the individual's practice
13 privilege; and

14 (8) Shall include the individual's certificate, license,
15 or permit number on which the individual's privilege
16 to practice in this State is based and this State's
17 general excise tax number on any invoice for services.

18 (c) An individual who engages in the practice of public
19 accountancy in this State without having obtained a privilege to
20 practice as required in this section shall be deemed to be



1 engaged in unlicensed activity and shall be subject to civil and
2 criminal prosecution as provided in this chapter.

3 (d) Nothing in this section shall be deemed to allow an
4 out-of-state firm to practice in Hawaii without first obtaining
5 a Hawaii license and firm permit to practice. Such activity by
6 an out-of-state firm shall be deemed an unlicensed activity and
7 subject to civil and criminal prosecution."

8 SECTION 3. This Act does not affect rights and duties that
9 matured, penalties that were incurred, and proceedings that were
10 begun before its effective date.

11 SECTION 4. New statutory material is underscored.

12 SECTION 5. This Act shall take effect on January 1, 2050.



Report Title:

Public Accountancy; Out-of-State; Certified Public Accountants; Mobility; Board of Public Accountancy; Practice Privilege

Description:

Regulates out-of-state certified public accountants by establishing clear standards, including a limited privilege to practice within the State, and subjecting all certified public accountants practicing in Hawaii to oversight by the state board of public accountancy. Effective 01/01/2050. (SD1)

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