

Honolulu, Hawaii  
February 5, 2016  
RE: H.B. No. 1670

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 1670 entitled:

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

begs leave to report as follows:

The purpose of this measure is to assist members of the Public Accountancy Peer Review Oversight Committee by:

- (1) Allowing members of the Committee to be reimbursed for expenses incurred in the performance of their official duties; and
- (2) Protecting members of the Committee from civil liability for actions taken in furtherance of the purpose of the Committee.

The Board of Public Accountancy testified in support of this measure.

The Public Accountancy Peer Review Oversight Committee was established for oversight of third-party entities that meet the standards for administering peer reviews of Hawaii public accountancy firms. The Committee consists of three Hawaii-licensed Certified Public Accountants who perform various duties as part of their official committee duties and incur expenses that are not currently reimbursed. Your Committee finds that official expenses incurred as a result of official duties should be reimbursed.



Concerns have also been raised that the possibility of individual members of the Public Accountancy Peer Review Oversight Committee being subject to civil liability for actions taken in the furtherance of purposes of the Committee may impair the judgment of the individual members or influence the Committee's assessment of a peer review program. Your Committee finds that indemnifying members from this civil liability will address these concerns.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1670 and recommends that it pass Second Reading and be referred to your Committee on Consumer Protection & Commerce.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



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DEREK S.K. KAWAKAMI, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

**HSCR 47-16**

**Record of Votes of the Committee on Economic Development & Business**

Bill/Resolution No.: <b>HB 1670</b>	Committee Referral: <b>EDB, CPC, FIN</b>	Date: <b>2 FEB 16</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. KAWAKAMI, Derek S.K. (C)	✓			
2. KONG, Sam Satoru (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.	✓			
6. DeCOITE, Lynn	✓			
7. ITO, Ken	✓			
8. OHNO, Takashi	✓			
9. ONISHI, Richard H.K.	✓			
10. TOKIOKA, James Kunane	✓			
11. TSUJI, Clift	✓			
12. WOODSON, Justin H.	✓			
13. MATSUMOTO, Lauren Kealohilani	✓			
14. WARD, Gene		✓		
<b>TOTAL (14)</b>	<b>13</b>	<b>1</b>		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u>James S. King</u>				
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