

STAND. COM. REP. NO.

242

Honolulu, Hawaii

February 8, 2019

RE: H.B. No. 1109

H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committee on Intrastate Commerce, to which was referred  
H.B. No. 1109 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish procedures for the grant of a practice privilege to an out-of-state individual who is licensed as a certified public accountant and eligible accountancy firms to be granted practice privileges by the Board of Public Accountancy (Board) if the licensee or firm meets certain qualifications and requirements for substantial equivalency in licensure qualification;
- (2) Subject all persons and firms practicing accountancy in the State to the regulatory and enforcement jurisdiction of the Board of Accountancy; and
- (3) Make conforming amendments to the laws relating to public accountancy to apply statutory requirements to practice privileges.



TRUSTA, An Accountancy Corporation, Island Plastic Bags, Inc., C&Y CPAs LLC, Verity Certified Public Accountants, Hawaii Society of Certified Public Accountants, and numerous concerned individuals testified in support of this measure. The Department of Commerce and Consumer Affairs' Regulated Industries Complaints Office; Board of Public Accountancy; Hawaii Association of Public Accountants; Maui Chamber of Commerce; Niwao & Roberts, CPAs; Ginger Sandell Financial Services; Taketa, Iwata, Hara & Associates, LLC, and a few concerned individuals testified in opposition to this measure.

Your Committee has amended this measure by:

- (1) Restricting the duration of a practice privilege in the State to no more than 120 days per year;
- (2) Clarifying that licensees of another state exercising a practice privilege and the licensee's firm have thirty days to notify the Board of certain disciplinary actions or criminal convictions;
- (3) Allowing the Board to impose fees, fines, and costs associated with investigation and enforcement on an individual with a practice privilege or on the holder of a permit to practice of public accountancy;
- (4) Authorizing the Board to take certain disciplinary actions against either the individual with a practice privilege or the holder of a permit to practice of public accountancy;
- (5) Changing its effective date to July 1, 3000; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Intrastate Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1109, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1109, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Intrastate  
Commerce,



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TAKASHI OHNO, Chair



