
A BILL FOR AN ACT

RELATING TO CERTIFIED PUBLIC ACCOUNTANTS.

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

1 SECTION 1. The legislature finds that business and
2 commerce continue to grow more complicated, increasing the need
3 for well-qualified certified public accountants in the State and
4 nationwide. At the same time, however, a declining percentage
5 of students in accounting classes are pursuing certified public
6 accountant (CPA) licenses. In part, this decline is due to the
7 requirement of thirty additional semester hours of education,
8 beyond the requirements of a bachelor's degree, to obtain a CPA
9 license. The time and monetary costs of this additional
10 education can be a serious obstacle for many students. Thus,
11 the additional education requirement effectively blocks many
12 potential candidates from obtaining CPA licenses, at a time when
13 more qualified CPAs are needed.

14 The purpose of this Act is to generate more qualified CPAs
15 by establishing alternative pathways to licensure that eliminate
16 certain barriers for eligible applicants.



SECTION 2. Section 466-5, Hawaii Revised Statutes, is amended by amending subsections (a) through (d) to read as follows:

"(a) A license and a permit are required to practice public accountancy. The board may license and grant the designation of "certified public accountant" to any person who has met the following:

- (1) Attained eighteen years of age;
- (2) Possesses a history of competence, trustworthiness, and fair dealing;
- (3) Educational requirements of this section [~~or section 466-5.5~~];
- (4) Experience requirements of subsection (d);
- (5) Examination requirements of subsection (e); and
- (6) Paid the appropriate fees and assessments.

(b) The educational requirement for a license shall include a baccalaureate degree conferred by a college or university recognized by the board and:

- (1) Completion of not less than thirty semester hours of study in addition to those semester hours required for a baccalaureate degree [~~—The baccalaureate degree and~~



1 ~~the thirty semester hours of additional study shall~~
2 ~~include a minimum of eighteen semester hours of upper~~
3 ~~division or graduate level accounting or auditing~~
4 ~~subjects. The]; provided that the content of the~~
5 ~~additional qualifying hours of study shall be~~
6 ~~determined by rules adopted by the board pursuant to~~
7 ~~chapter 91; [or] and~~

8 (2) ~~[If the applicant has a] A minimum of eighteen~~
9 ~~semester hours of upper division or graduate level~~
10 ~~accounting and auditing subjects[, the applicant may~~
11 ~~elect to replace the thirty semester hours with an~~
12 ~~additional thirty months of professional experience in~~
13 ~~a public accounting practice. This experience shall~~
14 ~~not be credited toward the experience requirements in~~
15 ~~subsection (d).]; provided that the content of the~~
16 ~~additional qualifying hours of study shall be~~
17 ~~determined by rules adopted by the board pursuant to~~
18 ~~chapter 91.~~

19 In lieu of paragraph (1), the applicant may demonstrate
20 completion of twelve months of professional experience in the
21 practice of public accounting, as determined by the board and



1 pursuant to subsection (d); provided that this professional
2 experience shall be in addition to any professional experience
3 required for a license pursuant to this section.

4 (c) A person shall be exempt from the requirements in
5 subsection (b) [~~or section 466-5.5~~] if that person:

6 (1) Holds a current license as a public accountant under
7 section 466-6; or

8 (2) Holds, and has continued to hold, a valid comparable
9 certificate, registration, or license of certified
10 public accountant of another state for a period of not
11 less than ten years preceding the date of the person's
12 application under this section, and has been in active
13 practice of public accountancy in one or more states
14 for a period of not less than five years preceding the
15 date of the application.

16 (d) Each applicant shall present satisfactory evidence in
17 the form of a certified statement, from present or former
18 employer(s), that the applicant has [~~met one of the following~~
19 ~~experience requirements for license:~~

20 ~~(1) Completion of one thousand five hundred chargeable~~
21 ~~hours in the performance of audits involving the~~



1 ~~application of generally accepted accounting~~
2 ~~principles and auditing standards earned while in~~
3 ~~public accounting practice; or~~

4 (2) ~~Completion of]~~ completed two years of professional
5 experience in public accountancy practice as defined
6 in section 466-3. Completion of experience in private
7 or government accounting or auditing work, deemed by
8 the board to be equivalent to professional experience
9 in public accountancy practice as defined in
10 section 466-3, may be substituted for all or part of
11 the two years of professional experience in public
12 accounting practice. The nature, variety, and depth
13 of acceptable private or government accounting or
14 auditing experience shall be defined by the board in
15 its rules."

16 SECTION 3. Section 466-5.5, Hawaii Revised Statutes, is
17 repealed.

18 ~~["§466-5.5 Educational requirements for licensure~~
19 ~~effective December 31, 2000. Effective December 31, 2000, an~~
20 ~~applicant for licensure shall have at least one hundred fifty~~



~~semester hours of college education. Within the~~
~~one hundred fifty semester hours, the applicant shall have:~~
~~(1) A baccalaureate or higher degree conferred by a~~
~~college or university acceptable to the board; and~~
~~(2) An accounting concentration or its equivalent as~~
~~specified in the rules of the board;~~
~~except that applicants for licensure who have successfully~~
~~completed the Uniform Certified Public Accountant Examination~~
~~before December 31, 2000, or held conditional credit before~~
~~December 31, 2000, and subsequently completed the examination~~
~~before the conditional credit expired, may continue to meet the~~
~~educational requirements of section 466-5(b)."]~~

SECTION 4. Statutory material to be repealed is bracketed
and stricken. New statutory material is underscored.

SECTION 5. This Act shall take effect upon its approval.

INTRODUCED BY: 

JAN 21 2025



H.B. NO. 983

Report Title:

Board of Public Accountancy; Qualifications; Licensure;
Certified Public Accountants

Description:

Clarifies the education and professional experience requirements for certified public accountant license applicants to establish alternative pathways to licensure.

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