

A Bill for an Act Relating to Public Accountancy.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Section 466-4, Hawaii Revised Statutes, is amended to read as follows:

“**§466-4 Board of public accountancy.** (a) **Members.** There shall be a board of public accountancy to be known as the state board of public accountancy, which shall consist of nine members appointed by the governor in the manner prescribed in section 26-34. All members of the board shall be citizens of the United States and residents of this State. Five members thereof shall be certified public accountants in active practice holding current certificates as such and current permits to practice public accountancy, issued under this chapter. Two members thereof shall be public accountants in active practice holding current registrations as such and current permits to practice public accountancy issued under this chapter and two shall be public members.

(b) **Removal.** The governor shall remove or suspend any member of the board for cause, in accordance with the provisions of section 26-34, including any member thereof (1) who ceases to engage in active practice as a certified public accountant or as a public accountant, as the case may be, or (2) whose certificate of certified public accountant or registration of public accountant, as the case may be, or whose permit to practice public accountancy (i) has been cancelled, revoked, or suspended, (ii) has expired without renewal, or (iii) has otherwise become invalid.

(c) **Organization.** The board shall elect annually a chairman and a secretary-treasurer from its members. The board shall conduct its meetings and keep records of its proceedings in accordance with the provisions of chapter 92.

(d) **Compensation and expenses.** Members of the board of accountants shall not receive any compensation for performance of the duties imposed upon them by this chapter, but shall be entitled to necessary traveling expenses.

(e) **Employees.** The director of [regulatory agencies] commerce and consumer affairs shall employ clerks, proctors, examiners and other personnel under the provisions of chapters 76 and 77 to assist the board in the performance of its duties.

(f) Powers. The board may, in accordance with the provisions of chapter 91, (1) conduct investigations and hearings, either upon complaint or on its own motion on any matter involving the conduct of certified public accountants or public accountants or the violation of any of the provisions of this chapter, and (2) adopt, amend, and repeal rules [and regulations] with the approval of the governor and the director of [regulatory agencies,] commerce and consumer affairs, and issue decisions, orders and declaratory rulings, for the orderly conduct of its affairs and for the administration of this chapter including, but not limited to, rules [and regulations] governing professional qualifications, continuing education and professional conduct, and the affiliations of individuals, partnerships and corporations for the practice of public accountancy, as it deems appropriate to establish and maintain high standards of competence and integrity in the practice of public accountancy.

(g) Annual report. The board shall prepare and present an annual report to the governor through the director of regulatory agencies which shall include a statement of the board's activities and its receipts and expenditures during the preceding year, together with such recommendations as the board shall determine to be appropriate.

(h) (g) Existing board. A person who, on January 1, 1974, was serving as a member of the board of public accountants theretofore existing under the laws of this State shall be permitted to continue without reappointment as a member of the State board of public accountancy established in this section for the duration of the term in which he was previously appointed, but shall otherwise be subject to all the provisions of this chapter; and his appointment as a member of the previous board shall, for all purposes, be considered as made under this chapter and subject to the provisions hereof."

SECTION 2. Section 466-8, Hawaii Revised Statutes, is amended to read as follows:

"**§466-8 Fees.** (a) Examination. An applicant for admission to the examination described in section 466-5(d) shall pay a fee with such application for admission in such amount as the board shall prescribe by [regulation.] rule. The board may also prescribe by [regulation] rule the terms and conditions upon which an applicant who is unable to attend such examination may receive a credit in the amount of the fee paid toward a subsequent examination.

(b) Issuance of certificate or registration. An applicant for the issuance of a certificate of certified public accountant under section 466-5(a) or a registration of public accountant under section 466-6(a) shall pay a fee with such application in such amount as the board shall prescribe by [regulation.] rule.

(c) Renewal of certificate or registration. An applicant for the renewal of a current certificate of certified public accountant under section 466-5(a) or for the renewal of a registration of public accountant under section 466-6(a) shall pay a fee of \$30 biennially in each odd-numbered year on or before December 31. An applicant for the renewal of a certificate of certified public accountant or for the renewal of a registration of public accountant which is not current under the provisions of this chapter or under the laws of this State theretofore existing shall pay a fee with such application for renewal in an amount equal to twice the amount

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of the fees which the applicant would have paid had he timely renewed such certificate or registration since the date it was last current.

(d) Biennial permits to practice. An applicant for the issuance of a biennial permit to practice under section 466-7(a) who is in the practice of public accountancy in his own name as a sole proprietor, or as a partner of a partnership in the practice of public accountancy, or as a shareholder of a corporation in the practice of public accountancy, shall pay a fee with such application in the amount of \$30. All other applicants for the issuance of a biennial permit to practice shall pay a fee of \$10.

(e) Temporary permits to practice. An applicant for the issuance of a temporary permit to practice under section 466-7(b) shall pay a fee with such application in the amount of \$30.

(f) Disposition of fees. All fees and other monies received by the board pursuant to the provisions of this chapter shall be deposited by the director of [regulatory agencies] commerce and consumer affairs with the director of finance to the credit of the general fund."

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored.

SECTION 4. This Act shall take effect upon its approval.

(Approved April 26, 1983.)