April 30, 2014

The Honorable Donna Mercado Kim,  
President  
and Members of the Senate  
Twenty-Seventh State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

The Honorable Joseph M. Souki,  
Speaker and Members of the  
House of Representatives  
Twenty-Seventh State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Kim, Speaker Souki, and Members of the Legislature:

This is to inform you that on April 30, 2014, the following bill was signed into law:

HB716 SD1 RELATING TO THE DISCIPLINARY AUTHORITY OF THE BOARD OF PUBLIC ACCOUNTANCY ACT 058 (14)

Sincerely,

NEIL ABERCROMBIE  
Governor, State of Hawaii
A BILL FOR AN ACT

RELATING TO THE DISCIPLINARY AUTHORITY OF THE BOARD OF PUBLIC ACCOUNTANCY.

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

SECTION 1. Section 466-9, Hawaii Revised Statutes, is amended by amending subsections (a) and (b) to read as follows:

"(a) In addition to any other actions or conditions authorized by law, in accordance with chapter 91, the board may take any one or more of the following actions:

(1) Revoke a license or permit issued under section 466-5, 466-6, or 466-7, or corresponding provisions of prior law;

(2) Suspend a license or permit for a period of not more than two years;

(3) Refuse to renew a license or permit for a period of not more than two years;

(4) Reprimand, censure, or limit the scope of practice of any licensee or firm;

(5) Impose an administrative fine not exceeding $5,000 per violation;

(6) Place a licensee or firm on probation;
(7) Require a firm to have a peer review conducted in the manner specified by the board; or

(8) Require a licensee to attain satisfactory completion of additional continuing professional education hours as specified by the board.

(b) In addition to any other grounds for disciplinary action authorized by law, any one or more of the following shall constitute grounds for disciplinary action:

(1) Fraud or deceit in obtaining a license or permit;

(2) Disciplinary action taken by another state where the license is canceled, revoked, suspended, denied, or refused renewal;

(3) Failure, on the part of a holder of a license or a permit [under section 466-5, 466-6, or 466-7,] to maintain compliance with the requirements for issuance of a license or a permit, or renewal of a license or permit, or to report changes to the board;

(4) Revocation or suspension of the right to practice before any state or federal agency;

(5) Dishonesty, deceit, fraud, or gross negligence in the practice of public accountancy or in the filing or
failure to file a licensee's or firm's own income tax returns;

(6) Violation of any provision of this chapter or of any rule adopted by the board;

(7) Violation of any provision of professional conduct established by the board under this chapter;

(8) Conviction of any crime an element of which is dishonesty or fraud, under the laws of the United States, of this State, or of any other state if the act involved would have constituted a crime under the laws of this State;

(9) Performance of any fraudulent act while holding a license or permit issued under this chapter; or

(10) Any conduct reflecting adversely upon the licensee's or permit holder's fitness to engage in the practice of public accountancy."

SECTION 2. Section 466-11, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

"(c) Any person or firm who violates this chapter may be fined not more than $5,000 for each violation."
SECTION 3. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

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.

APPROVED this 30 day of APR, 2014

[Signature]
GOVERNOR OF THE STATE OF HAWAII