

AN ACT

relating to the regulation of the practice of public accountancy.

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

SECTION 1. Section 901.002(a)(7), Occupations Code, is amended to read as follows:

(7) "Corporation" has the meaning assigned by Section 1.002, Business Organizations Code. The term includes an entity ~~[means a corporation] authorized by [a statute applicable to this state or by] an equivalent law of another state or a foreign country [including a professional public accounting corporation organized under The Texas Professional Corporation Act (Article 1528c, Vernon's Texas Civil Statutes)]~~.

SECTION 2. Section 901.155, Occupations Code, is amended to read as follows:

Sec. 901.155. SCHOLARSHIP TRUST FUND FOR ~~[FIFTH-YEAR]~~ ACCOUNTING STUDENTS. (a) The fee for the issuance or renewal of a license under this chapter consists of:

(1) the amount of the fee set by the board under Section 901.154; and

(2) an additional \$10 annual fee to be deposited to the credit of the scholarship trust fund for ~~[fifth-year]~~ accounting students.

(b) The scholarship trust fund for ~~[fifth-year]~~ accounting students is held by the board outside the state treasury and may be

1 used only to:

2 (1) provide scholarships under Subchapter N to
3 accounting students in [~~the fifth year of~~] a program designed to
4 qualify each student to apply for certification as a certified
5 public accountant; and

6 (2) pay administrative costs under Subsection (c).

7 (c) The administrative costs incurred to collect the fee
8 imposed under Subsection (a)(2) and to disburse the money may not
9 exceed 10 percent of the total money collected.

10 (d) Notwithstanding Section 404.071, Government Code,
11 interest earned on amounts in the scholarship trust fund for
12 [~~fifth-year~~] accounting students shall be credited to that fund.

13 SECTION 3. Section 901.252, Occupations Code, is amended to
14 read as follows:

15 Sec. 901.252. ELIGIBILITY REQUIREMENTS. To be eligible to
16 receive a certificate, a person must:

17 (1) satisfy the requirements of Section 901.253;

18 (2) meet the education requirements established under
19 Section 901.254 [~~or 901.255~~];

20 (3) pass the uniform CPA examination;

21 (4) meet the work experience requirements established
22 under Section 901.256; and

23 (5) pass an examination on the rules of professional
24 conduct as determined by board rule.

25 SECTION 4. Section 901.304(a), Occupations Code, is amended
26 to read as follows:

27 (a) For each examination or reexamination, the board by rule

1 shall apportion an amount of the total examination fee among the
2 parts of the examination that an applicant is eligible to take on a
3 particular examination date. For each examination or
4 reexamination, the board shall collect from each applicant a fee
5 set by board rule not to exceed the cost of administering the parts
6 of the examination that the applicant is eligible to take.

7 SECTION 5. The heading to Section 901.310, Occupations
8 Code, is amended to read as follows:

9 Sec. 901.310. PASSAGE OF [~~CONDITIONAL~~] EXAMINATION
10 [~~CREDIT~~].

11 SECTION 6. Section 901.310(c), Occupations Code, is amended
12 to read as follows:

13 (c) The board shall consider a person to have passed an
14 examination if the person receives credit for each subject within
15 the time prescribed by the board [~~by receiving conditional credit~~
16 ~~after September 1, 1989, and passing the remaining subjects within~~
17 ~~the six consecutive examinations following the examination for~~
18 ~~which the person receives conditional credit~~].

19 SECTION 7. Section 901.311, Occupations Code, is amended to
20 read as follows:

21 Sec. 901.311. RESTRUCTURE OF EXAMINATION. On the
22 restructuring of [~~if~~] the uniform CPA examination [~~is~~
23 ~~restructured~~], the board by rule shall determine the manner in
24 which credit for a subject is integrated into the new structure.

25 SECTION 8. Section 901.355(a), Occupations Code, is amended
26 to read as follows:

27 (a) The holder of a certificate, license, or degree

1 authorizing the person to practice public accountancy in a foreign
2 country who on or before September 1, 2023, registered [~~may~~
3 ~~register~~] with the board as the holder of a certificate, license, or
4 degree issued by the foreign country may continue to practice in
5 this state under that registration for as long as the person stays
6 in compliance with the provisions of this chapter and board rules
7 applicable to the person[~~, if the board determines that the~~
8 ~~standards under which the applicant was certified or otherwise~~
9 ~~authorized to practice public accountancy were at least as high as~~
10 ~~the standards of this state at the time that authority was granted~~].

11 SECTION 9. Section 901.404, Occupations Code, is amended to
12 read as follows:

13 Sec. 901.404. NOTICE OF LICENSE EXPIRATION. (a) Not later
14 than the 30th day before the expiration date of a person's license,
15 the board shall send written or electronic notice of the impending
16 license expiration to the person at the person's last known address
17 or e-mail address according to the board's records.

18 (b) The board shall determine the amount of the renewal fee
19 and shall provide written or electronic [~~mail~~] notice of that
20 amount to the person within the time provided by Subsection (a).

21 SECTION 10. The heading to Section 901.457, Occupations
22 Code, is amended to read as follows:

23 Sec. 901.457. ACCOUNTANT-CLIENT CONFIDENTIALITY
24 [~~PRIVILEGE~~].

25 SECTION 11. The heading to Subchapter N, Chapter 901,
26 Occupations Code, is amended to read as follows:

1 SUBCHAPTER N. SCHOLARSHIPS FOR [~~FIFTH-YEAR~~] ACCOUNTING STUDENTS

2 SECTION 12. Section 901.653, Occupations Code, is amended
3 to read as follows:

4 Sec. 901.653. SCHOLARSHIPS. The board shall establish and
5 administer, using funds collected and appropriated for that purpose
6 and in accordance with this subchapter and board rules,
7 scholarships for [~~fifth-year~~] accounting students.

8 SECTION 13. Section 901.654(b), Occupations Code, is
9 amended to read as follows:

10 (b) In determining what best promotes the public purpose,
11 the board shall consider at a minimum the following factors
12 relating to each person applying for a scholarship under this
13 section:

- 14 (1) financial need;
- 15 (2) ethnic or racial minority status; and
- 16 (3) scholastic ability and performance in at least 15
17 hours of upper-level accounting coursework.

18 SECTION 14. Sections 901.656(a) and (b), Occupations Code,
19 are amended to read as follows:

20 (a) The board shall determine the maximum amount of any
21 scholarship awarded under this subchapter. The scholarship may be
22 spent by the recipient on the expenses for tuition, fees, books,
23 supplies, and living expenses incurred by the accounting student in
24 connection with the student's study in [~~fifth-year of~~] an
25 accounting program. Scholarships shall be made available to
26 eligible students attending:

- 27 (1) any institution of higher education; or

1 (2) any nonprofit independent institution approved by
2 the Texas Higher Education Coordinating Board under Section 61.222,
3 Education Code.

4 (b) The board may award a scholarship under this subchapter
5 only to an eligible student who intends to take the uniform CPA
6 [~~written~~] examination conducted by the board for the purpose of
7 granting a certificate of "certified public accountant." An
8 applicant for a scholarship under this subchapter shall state such
9 an intent by filing a form provided by the board stating an intent
10 to take the examination.

11 SECTION 15. Section 901.660(a), Occupations Code, is
12 amended to read as follows:

13 (a) Before January 15 of each odd-numbered year, the board
14 shall report to the legislature concerning the scholarship program
15 for [~~fifth-year~~] accounting students administered by the board
16 under this subchapter.

17 SECTION 16. Section 33.01(15-a), Penal Code, is amended to
18 read as follows:

19 (15-a) "Privileged information" means:

20 (A) protected health information, as that term is
21 defined by Section 182.002, Health and Safety Code;

22 (B) information that is subject to the
23 attorney-client privilege; or

24 (C) information that is subject to [~~the~~]
25 accountant-client confidentiality [~~privilege~~] under Section
26 901.457, Occupations Code, or other law, if the information is on a
27 computer, computer network, or computer system owned by a person

1 possessing a license issued under Subchapter H, Chapter 901,
2 Occupations Code.

3 SECTION 17. The following provisions of the Occupations
4 Code are repealed:

- 5 (1) Section 901.054(b);
- 6 (2) Section 901.255;
- 7 (3) Sections 901.310(a) and (b);
- 8 (4) Sections 901.355(b) and (c); and
- 9 (5) Section 901.651.

10 SECTION 18. The Texas State Board of Public Accountancy
11 shall adopt rules necessary to implement the changes in law made by
12 this Act not later than October 1, 2023.

13 SECTION 19. This Act takes effect immediately if it
14 receives a vote of two-thirds of all the members elected to each
15 house, as provided by Section 39, Article III, Texas Constitution.
16 If this Act does not receive the vote necessary for immediate
17 effect, this Act takes effect September 1, 2023.

President of the Senate

Speaker of the House

I certify that H.B. No. 2217 was passed by the House on April 20, 2023, by the following vote: Yeas 145, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2217 on May 17, 2023, by the following vote: Yeas 136, Nays 5, 1 present, not voting.

Chief Clerk of the House

I certify that H.B. No. 2217 was passed by the Senate, with amendments, on May 15, 2023, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

APPROVED: _____

Date

Governor