

BILL ANALYSIS

S.B. 777
By: Williams
Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Certified Public Accountants (CPAs) pay \$10 annually as part of their annual CPA license fee, which provides the funding for college and university scholarships awarded to fifth-year accounting students to take the CPA examination. This program was established by the legislature in 1991.

The 81st Legislature passed H.B. 2440, which transferred the administration of these funds from the Texas Higher Education Coordinating Board (THECB) to the Texas State Board of Public Accountancy (TSBPA) and transferred the accumulated funds and future collected funds from a designated general fund to a trust fund outside the treasury to be used by TSBPA solely for the purpose of funding these scholarships.

The funds consolidation bill of the 81st Legislature reversed the transfer of the funds; therefore, they remain in the designated general fund. TSBPA has been administering the scholarships, and THECB has been writing the checks from an appropriation for that purpose.

TSBPA is not funded by appropriations because TSBPA is a self-directed, semi-independent agency. To be sure that the scholarship funds will be available to students for the next biennium, the fund transfer from the designated general fund to the trust fund needs to be reauthorized.

As proposed, S.B. 777 amends current law relating to re-creating the scholarship trust fund for fifth-year accounting students as a trust fund outside the treasury.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

SECTION 1. Amends Section 901.155(a), Occupations Code, as follows:

- (a) Provides that the fee for the issuance or renewal of a license under this chapter consists of:
 - (1) the amount of the fee set by the Texas State Board of Public Accountancy (TSBPA) under Section 901.154 (Fees);
 - (2) the fee increase imposed under Section 901.406 (Fee Increase), rather than together with the fee increase imposed under Section 901.406; and
 - (3) an additional \$10 annual fee to be deposited to the credit of the scholarship trust fund for fifth-year accounting students.

Makes nonsubstantive changes.

SECTION 2. Reenacts Section 901.155(b), Occupations Code, as amended by Chapter 119 (H.B. 2440), Acts of the 81st Legislature, Regular Session, 2009, as follows:

(b) Makes no changes to this subsection.

SECTION 3. Amends Section 901.155(c), Occupations Code, to prohibit the administrative costs incurred to collect the fee imposed under Subsection (a)(3), rather than Subsection (a), and to disburse the money from exceeding 10 percent of the total money collected.

SECTION 4. Provides that the scholarship trust fund for fifth-year accounting students is re-created by this Act as a trust fund held outside the state treasury by TSBPA. Provides that the revenue dedicated to the trust fund as provided by Chapter 119 (H.B. 2440), Acts of the 81st Legislature, Regular Session, 2009, is rededicated by this Act for the purposes specified by Subchapter N (Scholarships For Fifth-Year Accounting Students), Chapter 901 (Accountants), Occupations Code, as amended by that Act.

SECTION 5. Effective date: upon passage or September 1, 2011.

EFFECTIVE DATE

Upon passage, or, if the Act does not receive the necessary vote, the Act takes effect September 1, 2011.