

By: Williams

S.B. No. 566

A BILL TO BE ENTITLED

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 901.153, Occupations Code, is amended by adding Subsection (f) to read as follows:

(f) An enforcement committee may hold a closed meeting to investigate and deliberate a disciplinary action under Subchapter K relating to the enforcement of this chapter or board rules as provided by Section 551.092, Government Code.

SECTION 2. Subsection (b), Section 901.457, Occupations Code, is amended to read as follows:

(b) This section does not prohibit a license holder from disclosing information that is required to be disclosed:

(1) by the professional standards for reporting on the examination of a financial statement;

(2) under a summons or subpoena under the provisions of the Internal Revenue Code of 1986 and its subsequent amendments, the Securities Act of 1933 (15 U.S.C. Section 77a et seq.) and its subsequent amendments, ~~[or]~~ the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et seq.) and its subsequent amendments, or The Securities Act (Article 581-1 et seq., Vernon's Texas Civil Statutes);

(3) ~~[or]~~ under a court order signed by a judge if the ~~[summons or]~~ order:

1 (A) is addressed to the license holder;
2 (B) mentions the client by name; and
3 (C) requests specific information concerning the
4 client;

5 (4) [~~(3)~~] in an investigation or proceeding conducted
6 by the board;

7 (5) [~~(4)~~] in an ethical investigation conducted by a
8 professional organization of certified public accountants; or

9 (6) [~~(5)~~] in the course of a peer review under Section
10 901.159 or in accordance with the requirements of the Public
11 Company Accounting Oversight Board or its successor.

12 SECTION 3. Section 901.601, Occupations Code, is amended by
13 amending Subsections (a) and (b) and adding Subsection (a-1) to
14 read as follows:

15 (a) If it appears to the board that a person is engaging in
16 an act or practice that constitutes the practice of public
17 accountancy without a license under this chapter, the board, after
18 notice [~~and an opportunity for a hearing~~], may issue a cease and
19 desist order prohibiting the person from engaging in that activity.

20 (a-1) A person who is issued a cease and desist order under
21 this section may request a hearing before the State Office of
22 Administrative Hearings. The hearing must be held not later than
23 the 10th day after the date the board receives the request for a
24 hearing.

25 (b) A violation of an order under this section constitutes
26 grounds for the board to seek injunctive relief and to impose
27 [~~imposition of~~] an administrative penalty under Subchapter L.

1 Notwithstanding Section 901.552, the amount of an administrative
2 penalty for a violation of an order under this section may not
3 exceed \$25,000.

4 SECTION 4. Subchapter D, Chapter 551, Government Code, is
5 amended by adding Section 551.092 to read as follows:

6 Sec. 551.092. ENFORCEMENT COMMITTEE APPOINTED BY TEXAS
7 STATE BOARD OF PUBLIC ACCOUNTANCY. This chapter does not require an
8 enforcement committee appointed by the Texas State Board of Public
9 Accountancy to conduct an open meeting to investigate and
10 deliberate a disciplinary action under Subchapter K, Chapter 901,
11 Occupations Code, relating to the enforcement of Chapter 901 or the
12 rules of the Texas State Board of Public Accountancy.

13 SECTION 5. The following sections of the Occupations Code
14 are repealed:

- 15 (1) Subsection (c), Section 901.154; and
- 16 (2) Subsections (d) and (e), Section 901.308.

17 SECTION 6. The changes in law made by this Act to Section
18 901.308, Occupations Code, apply only to an examination
19 administered on or after the effective date of this Act. An
20 examination administered before that date is governed by the law in
21 effect at the time the examination was administered, and the former
22 law is continued in effect for that purpose.

23 SECTION 7. This Act takes effect September 1, 2011.