

By: Williams

S.B. No. 566

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the regulation of the practice of public accountancy.

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

4 SECTION 1. Section 901.457(b), Occupations Code, is amended
5 to read as follows:

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

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

10 (2) by applicable laws or government rules, including
11 ~~[under a summons under]~~ the provisions of the Internal Revenue Code
12 of 1986 and its subsequent amendments, the Securities Act of 1933
13 (15 U.S.C. Section 77a et seq.) and its subsequent amendments, and
14 ~~[or]~~ the Securities Exchange Act of 1934 (15 U.S.C. Section 78a et
15 seq.) and its subsequent amendments;

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

18 (A) is addressed to the license holder;

19 (B) mentions the client by name; and

20 (C) requests specific information concerning the
21 client;

22 (4) [3] ~~[3]~~ in an investigation or proceeding conducted
23 by the board;

24 (5) [4] ~~[4]~~ in an ethical investigation conducted by a

1 professional organization of certified public accountants; or
2 (6) [(5)] in the course of a peer review under Section
3 901.159 or in accordance with the requirements of the Public
4 Company Accounting Oversight Board or its successor.

5 SECTION 2. Section 901.601, Occupations Code, is amended by
6 amending Subsections (a) and (b) and adding Subsection (a-1) to
7 read as follows:

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

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

18 (b) A violation of an order under this section constitutes
19 grounds for the board to seek injunctive relief and to impose
20 [~~imposition of~~] an administrative penalty under Subchapter L.
21 Notwithstanding Section 901.552, the amount of an administrative
22 penalty for a violation of an order under this section may not
23 exceed \$25,000.

24 SECTION 3. The following sections of the Occupations Code
25 are repealed:

- 26 (1) Section 901.154(c); and
27 (2) Sections 901.308(d) and (e).

1 SECTION 4. The changes in law made by this Act to Section
2 901.308, Occupations Code, apply only to an examination
3 administered on or after the effective date of this Act. An
4 examination administered before that date is governed by the law in
5 effect at the time the examination was administered, and the former
6 law is continued in effect for that purpose.

7 SECTION 5. This Act takes effect September 1, 2011.