

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 as provided by Section 551.090, Government Code, to investigate and deliberate a disciplinary action under Subchapter K relating to the enforcement of this chapter or board rules.

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] ~~[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; or

12 (7) in the course of a practice review by another
13 certified public accountant or certified public accountancy firm
14 for a potential acquisition or merger of one firm with another, if
15 both firms enter into a nondisclosure agreement with regard to all
16 client information shared between the firms.

17 SECTION 3. Subchapter D, Chapter 551, Government Code, is
18 amended by adding Section 551.090 to read as follows:

19 Sec. 551.090. ENFORCEMENT COMMITTEE APPOINTED BY TEXAS
20 STATE BOARD OF PUBLIC ACCOUNTANCY. This chapter does not require an
21 enforcement committee appointed by the Texas State Board of Public
22 Accountancy to conduct an open meeting to investigate and
23 deliberate a disciplinary action under Subchapter K, Chapter 901,
24 Occupations Code, relating to the enforcement of Chapter 901 or the
25 rules of the Texas State Board of Public Accountancy.

26 SECTION 4. The following sections of the Occupations Code
27 are repealed:

1 (1) Subsection (c), Section 901.154; and

2 (2) Subsections (d) and (e), Section 901.308.

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

9 SECTION 6. This Act takes effect September 1, 2013.

President of the Senate

Speaker of the House

I hereby certify that S.B. No. 228 passed the Senate on March 13, 2013, by the following vote: Yeas 31, Nays 0.

Secretary of the Senate

I hereby certify that S.B. No. 228 passed the House on April 25, 2013, by the following vote: Yeas 134, Nays 2, two present not voting.

Chief Clerk of the House

Approved:

Date

Governor