

## **BILL ANALYSIS**

C.S.H.B. 797  
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Licensing & Administrative Procedures  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

There is both a shortage of certified public accountants (CPAs) and a decline in the number of accounting students and graduates who pursue CPA certifications. C.S.H.B. 797 seeks to reverse these trends by updating eligibility requirements to take the uniform CPA examination and for issuance of a certificate to practice public accountancy to allow accounting students and recent graduates to begin taking the CPA examination earlier and broadening acceptable work experience criteria necessary to ultimately earn the certification. The updated work experience requirements bring the standards in line with those of the Uniform Accountancy Act.

### **CRIMINAL JUSTICE IMPACT**

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

### **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**

C.S.H.B. 797 amends the Occupations Code to decrease from 150 to 120 the minimum number of semester hours or quarter-hour equivalents in courses recognized by the Texas State Board of Public Accountancy (TSBPA) that an applicant for the uniform CPA examination who satisfies other existing education requirements must complete to be eligible to take the examination. The bill replaces the requirement that those hours include an accounting concentration or equivalent courses as determined by TSBPA rule with a requirement that the hours include at least 24 semester hours of accounting or equivalent courses as determined by TSBPA rule. The bill prohibits those rules from requiring an applicant to complete more than 21 semester hours of upper-level accounting courses. These provisions apply only to an application to take an examination submitted on or after the bill's effective date.

C.S.H.B. 797 clarifies that an applicant for a public accountant certificate must still complete at least 150 semester hours or quarter-hour equivalents in TSBPA-recognized courses, including an accounting concentration or equivalent courses meeting certain eligibility requirements, as determined by TSBPA rule, as a condition of eligibility to receive the certificate. Additionally, the bill removes as a condition of eligibility for the certificate the condition that the person has completed at least two years of work experience under the supervision of a certified public accountant. These provisions apply only to an application for a public accountant certificate submitted on or after the bill's effective date.

## **EFFECTIVE DATE**

September 1, 2023.

## **COMPARISON OF INTRODUCED AND SUBSTITUTE**

While C.S.H.B. 797 may differ from the introduced in minor or nonsubstantive ways, the following summarizes the substantial differences between the introduced and committee substitute versions of the bill.

The substitute includes provisions that were not in the introduced that do the following with respect to the eligibility requirements to take the uniform CPA examination and to receive a public accountant certificate:

- prohibit the rules adopted by TSBPA from requiring an applicant to complete more than 21 semester hours of upper-level accounting courses as a condition of eligibility to take the examination;
- clarify that a person must still complete at least 150 semester hours or quarter-hour equivalents of applicable courses to receive the certificate; and
- remove the requirement for a person to complete at least two years of work experience under the supervision of a certified public accountant before receiving the certificate.

Accordingly, the substitute also includes a procedural provision absent from the introduced specifying that the provisions regarding eligibility to receive a public accountant certificate apply only to an application for such a certificate submitted on or after the bill's effective date.