

BILL ANALYSIS

Senate Research Center
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H.B. 2217
By: Button et al. (Perry)
Business & Commerce
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Engrossed

AUTHOR'S / SPONSOR'S STATEMENT OF INTENT

The structure of the required examination for state certification in public accountancy has changed significantly since the Public Accountancy Act was last amended. Certain sections of the current law reflect outdated methods of examination and communication and contain language that limits the ability of the Texas State Board of Public Accountancy to efficiently oversee licensed and prospective accountants.

H.B. 2217 seeks to address these issues by updating language in the Public Accountancy Act to reflect current practices and provide needed clarifications.

H.B. 2217 amends current law relating to the regulation of the practice of public accountancy.

RULEMAKING AUTHORITY

Rulemaking authority previously granted to the Texas State Board of Public Accountancy is modified in SECTION 6 (Section 901.311, Occupations Code) of this bill.

Rulemaking authority previously granted to the Texas State Board of Public Accountancy is rescinded in SECTION 12 (Section 901.310, Occupations Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 901.002(a)(7), Occupations Code, to redefine "corporation."

SECTION 2. Amends Section 901.252, Occupations Code, as follows:

Sec. 901.252. ELIGIBILITY REQUIREMENTS. Deletes existing text requiring a person, to be eligible to receive a certificate, to meet the education requirements established under Section 901.255 (Special Education Requirements for Part-Time Student).

SECTION 3. Amends Section 901.304(a), Occupations Code, to require the Texas State Board of Public Accountancy (TSBPA), for each examination or reexamination, to collect from each applicant a fee set by TSBPA rule not to exceed the cost of administering the parts of the examination that the applicant is eligible to take.

SECTION 4. Amends the heading to Section 901.310, Occupations Code, to read as follows:

Sec. 901.310. PASSAGE OF EXAMINATION.

SECTION 5. Amends Section 901.310(c), Occupations Code, as follows:

(c) Requires TSBPA to consider a person to have passed an examination if the person receives credit for each subject within the time prescribed by TSBPA. Deletes existing text requiring TSBPA to consider a person to have passed an examination if the person receives credit for each subject by receiving conditional credit after September 1, 1989, and passing the remaining subjects within the six consecutive examinations following the examination for which the person receives conditional credit.

SECTION 6. Amends Section 901.311, Occupations Code, as follows:

Sec. 901.311. RESTRUCTURE OF EXAMINATION. Requires TSBPA by rule, on the restructuring of the uniform CPA examination, to determine the manner in which credit for a subject is integrated into the new structure. Makes nonsubstantive changes.

SECTION 7. Amends Section 901.355(a), Occupations Code, as follows:

(a) Authorizes the holder of a certificate, license, or degree authorizing the person to practice public accountancy in a foreign country who on or before September 1, 2023, registered with TSBPA as the holder of a certificate, license, or degree issued by the foreign country to continue to practice in this state under that registration for as long as the person stays in compliance with the provisions of Chapter 901 (Accountants) and TSBPA rules applicable to the person. Deletes existing text authorizing the holder of a certificate, license, or degree authorizing the person to practice public accountancy in a foreign country, if TSBPA determines that the standards under which the applicant was certified or otherwise authorized to practice public accountancy were at least as high as the standards of this state at the time that authority was granted, to register with TSBPA as the holder of a certificate, license, or degree issued by the foreign country.

SECTION 8. Amends Section 901.404, Occupations Code, as follows:

Sec. 901.404. NOTICE OF LICENSE EXPIRATION. (a) Requires TSBPA, not later than the 30th day before the expiration date of a person's license, to send written or electronic notice of the impending license expiration to the person at the person's last known address or e-mail address according to TSBPA's records.

(b) Requires TSBPA to determine the amount of the renewal fee and to provide written or electronic notice, rather than to mail notice, of that amount to the person within the time provided by Subsection (a).

SECTION 9. Amends the heading to Section 901.457, Occupations Code, to read as follows:

Sec. 901.457. ACCOUNTANT-CLIENT CONFIDENTIALITY.

SECTION 10. Amends Section 901.656(b), Occupations Code, to authorize TSBPA to award a scholarship under Subchapter N (Scholarships for Fifth-Year Accounting Students) only to an eligible student who intends to take the uniform CPA examination, rather than the written examination, conducted by TSBPA for the purpose of granting a certificate of "certified public accountant."

SECTION 11. Amends Section 33.01(15-a), Penal Code, to redefine "privileged information."

SECTION 12. Repealers: Sections 901.054(b) (relating to providing that a TSBPA member who has served all or part of six consecutive years is not eligible for reappointment until the second anniversary of the expiration date of the member's most recent term) and 901.255 (Special Education Requirements for Part-Time Student), Occupations Code.

Repealers: Sections 901.310(a) (relating to requiring TSBPA to award conditional credit to certain persons) and (b) (relating to requiring TSBPA to award credit to a person who attains a passing score on a subsequent examination and meets certain requirements), Occupations Code.

Repealers: Sections 901.355(b) (relating to requiring a person, to register with TSBPA, to pay certain fees) and (c) (relating to authorizing a person to renew the registration in a certain manner), Occupations Code.

SECTION 13. Effective date: upon passage or September 1, 2023.