H.B. No. 2217

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 901.002(a)(7), Occupations Code, is amended to read as follows:

(7)  "Corporation" has the meaning assigned by Section 1.002, Business Organizations Code. The term includes an entity [~~means a corporation~~] authorized by [~~a statute applicable to this state or by~~] an equivalent law of another state or a foreign country [~~, including a professional public accounting corporation organized under The Texas Professional Corporation Act (Article 1528e, Vernon's Texas Civil Statutes)~~].

SECTION 2.  Section 901.155, Occupations Code, is amended to read as follows:

Sec. 901.155.  SCHOLARSHIP TRUST FUND FOR [~~FIFTH-YEAR~~] ACCOUNTING STUDENTS. (a) The fee for the issuance or renewal of a license under this chapter consists of:

(1)  the amount of the fee set by the board under Section 901.154; and

(2)  an additional $10 annual fee to be deposited to the credit of the scholarship trust fund for [~~fifth-year~~] accounting students.

(b)  The scholarship trust fund for [~~fifth-year~~] accounting students is held by the board outside the state treasury and may be used only to:

(1)  provide scholarships under Subchapter N to accounting students in [~~the fifth year of~~] a program designed to qualify each student to apply for certification as a certified public accountant; and

(2)  pay administrative costs under Subsection (c).

(c)  The administrative costs incurred to collect the fee imposed under Subsection (a)(2) and to disburse the money may not exceed 10 percent of the total money collected.

(d)  Notwithstanding Section 404.071, Government Code, interest earned on amounts in the scholarship trust fund for [~~fifth-year~~] accounting students shall be credited to that fund.

SECTION 3.  Section 901.252, Occupations Code, is amended to read as follows:

Sec. 901.252.  ELIGIBILITY REQUIREMENTS. To be eligible to receive a certificate, a person must:

(1)  satisfy the requirements of Section 901.253;

(2)  meet the education requirements established under Section 901.254 [~~or 901.255~~];

(3)  pass the uniform CPA examination;

(4)  meet the work experience requirements established under Section 901.256; and

(5)  pass an examination on the rules of professional conduct as determined by board rule.

SECTION 4.  Section 901.304(a), Occupations Code, is amended to read as follows:

(a)  For each examination or reexamination, the board by rule shall apportion an amount of the total examination fee among the parts of the examination that an applicant is eligible to take on a particular examination date. For each examination or reexamination, the board shall collect from each applicant a fee set by board rule not to exceed the cost of administering the parts of the examination that the applicant is eligible to take.

SECTION 5.  The heading to Section 901.310, Occupations Code, is amended to read as follows:

Sec. 901.310.  PASSAGE OF [~~CONDITIONAL~~] EXAMINATION [~~CREDIT~~].

SECTION 6.  Section 901.310(c), Occupations Code, is amended to read as follows:

(c)  The board shall consider a person to have passed an examination if the person receives credit for each subject within the time prescribed by the board [~~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 7.  Section 901.311, Occupations Code, is amended to read as follows:

Sec. 901.311.  RESTRUCTURE OF EXAMINATION. On the restructuring of [~~If~~] the uniform CPA examination [~~is restructured~~], the board by rule shall determine the manner in which credit for a subject is integrated into the new structure.

SECTION 8.  Section 901.355(a), Occupations Code, is amended to read as follows:

(a)  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 [~~may register~~] with the board as the holder of a certificate, license, or degree issued by the foreign country may continue to practice in this state under that registration for as long as the person stays in compliance with the provisions of this chapter and board rules applicable to the person[~~, if the board 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~~].

SECTION 9.  Section 901.404, Occupations Code, is amended to read as follows:

Sec. 901.404.  NOTICE OF LICENSE EXPIRATION. (a) Not later than the 30th day before the expiration date of a person's license, the board shall 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 the board's records.

(b)  The board shall determine the amount of the renewal fee and shall provide written or electronic [~~mail~~] notice of that amount to the person within the time provided by Subsection (a).

SECTION 10.  The heading to Section 901.457, Occupations Code, is amended to read as follows:

Sec. 901.457.  ACCOUNTANT-CLIENT CONFIDENTIALITY [~~PRIVILEGE~~].

SECTION 11.  The heading to Subchapter N, Chapter 901, Occupations Code, is amended to read as follows:

SUBCHAPTER N. SCHOLARSHIPS FOR [~~FIFTH-YEAR~~] ACCOUNTING STUDENTS

SECTION 12.  Section 901.653, Occupations Code, is amended to read as follows:

Sec. 901.653.  SCHOLARSHIPS. The board shall establish and administer, using funds collected and appropriated for that purpose and in accordance with this subchapter and board rules, scholarships for [~~fifth-year~~] accounting students.

SECTION 13.  Section 901.654(b), Occupations Code, is amended to read as follows:

(b)  In determining what best promotes the public purpose, the board shall consider at a minimum the following factors relating to each person applying for a scholarship under this section:

(1)  financial need;

(2)  ethnic or racial minority status; and

(3)  scholastic ability and performance in at least 15 hours of upper-level accounting coursework.

SECTION 14.  Sections 901.656(a) and (b), Occupations Code, are amended to read as follows:

(a)  The board shall determine the maximum amount of any scholarship awarded under this subchapter. The scholarship may be spent by the recipient on the expenses for tuition, fees, books, supplies, and living expenses incurred by the accounting student in connection with the student's study in [~~fifth year of~~] an accounting program. Scholarships shall be made available to eligible students attending:

(1)  any institution of higher education; or

(2)  any nonprofit independent institution approved by the Texas Higher Education Coordinating Board under Section 61.222, Education Code.

(b)  The board may award a scholarship under this subchapter only to an eligible student who intends to take the uniform CPA [~~written~~] examination conducted by the board for the purpose of granting a certificate of "certified public accountant." An applicant for a scholarship under this subchapter shall state such an intent by filing a form provided by the board stating an intent to take the examination.

SECTION 15.  Section 901.660(a), Occupations Code, is amended to read as follows:

(a)  Before January 15 of each odd-numbered year, the board shall report to the legislature concerning the scholarship program for [~~fifth-year~~] accounting students administered by the board under this subchapter.

SECTION 16.  Section 33.01(15-a), Penal Code, is amended to read as follows:

(15-a)  "Privileged information" means:

(A)  protected health information, as that term is defined by Section 182.002, Health and Safety Code;

(B)  information that is subject to the attorney-client privilege; or

(C)  information that is subject to [~~the~~] accountant-client confidentiality [~~privilege~~] under Section 901.457, Occupations Code, or other law, if the information is on a computer, computer network, or computer system owned by a person possessing a license issued under Subchapter H, Chapter 901, Occupations Code.

SECTION 17.  The following provisions of the Occupations Code are repealed:

(1)  Section 901.054(b);

(2)  Section 901.255;

(3)  Sections 901.310(a) and (b);

(4)  Sections 901.355(b) and (c); and

(5)  Section 901.651.

SECTION 18.  The Texas State Board of Public Accountancy shall adopt rules necessary to implement the changes in law made by this Act not later than October 1, 2023.

SECTION 19.  This Act takes effect immediately if it receives a vote of two-thirds of all the members elected to each house, as provided by Section 39, Article III, Texas Constitution. If this Act does not receive the vote necessary for immediate effect, this Act takes effect September 1, 2023.

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    President of the Senate Speaker of the House

I certify that H.B. No. 2217 was passed by the House on April 20, 2023, by the following vote:  Yeas 145, Nays 0, 1 present, not voting; and that the House concurred in Senate amendments to H.B. No. 2217 on May 17, 2023, by the following vote:  Yeas 136, Nays 5, 1 present, not voting.

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Chief Clerk of the House

I certify that H.B. No. 2217 was passed by the Senate, with amendments, on May 15, 2023, by the following vote:  Yeas 31, Nays 0.

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Secretary of the Senate

APPROVED: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

                 Date

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               Governor