

SENATE AMENDMENTS

2nd Printing

By: Button, Shaheen, Goldman, Cole, Orr

H.B. No. 2217

A BILL TO BE ENTITLED

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 1528c, Vernon's Texas Civil Statutes)]~~.

SECTION 2. 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.

1 SECTION 3. Section 901.304(a), Occupations Code, is amended
2 to read as follows:

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

10 SECTION 4. The heading to Section 901.310, Occupations
11 Code, is amended to read as follows:

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

14 SECTION 5. Section 901.310(c), Occupations Code, is amended
15 to read as follows:

16 (c) The board shall consider a person to have passed an
17 examination if the person receives credit for each subject within
18 the time prescribed by the board [~~by receiving conditional credit~~
19 ~~after September 1, 1989, and passing the remaining subjects within~~
20 ~~the six consecutive examinations following the examination for~~
21 ~~which the person receives conditional credit~~].

22 SECTION 6. Section 901.311, Occupations Code, is amended to
23 read as follows:

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

1 SECTION 7. Section 901.355(a), Occupations Code, is amended
2 to read as follows:

3 (a) The holder of a certificate, license, or degree
4 authorizing the person to practice public accountancy in a foreign
5 country who on or before September 1, 2023, registered [~~may~~
6 ~~register~~] with the board as the holder of a certificate, license, or
7 degree issued by the foreign country may continue to practice in
8 this state under that registration for as long as the person stays
9 in compliance with the provisions of this chapter and board rules
10 applicable to the person [~~, if the board determines that the~~
11 ~~standards under which the applicant was certified or otherwise~~
12 ~~authorized to practice public accountancy were at least as high as~~
13 ~~the standards of this state at the time that authority was granted~~].

14 SECTION 8. Section 901.404, Occupations Code, is amended to
15 read as follows:

16 Sec. 901.404. NOTICE OF LICENSE EXPIRATION. (a) Not later
17 than the 30th day before the expiration date of a person's license,
18 the board shall send written or electronic notice of the impending
19 license expiration to the person at the person's last known address
20 or e-mail address according to the board's records.

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

24 SECTION 9. The heading to Section 901.457, Occupations
25 Code, is amended to read as follows:

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

1 SECTION 10. Section 901.656(b), Occupations Code, is
2 amended to read as follows:

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

10 SECTION 11. Section 33.01(15-a), Penal Code, is amended to
11 read as follows:

12 (15-a) "Privileged information" means:

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

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

17 (C) information that is subject to ~~[the]~~
18 accountant-client confidentiality ~~[privilege]~~ under Section
19 901.457, Occupations Code, or other law, if the information is on a
20 computer, computer network, or computer system owned by a person
21 possessing a license issued under Subchapter H, Chapter 901,
22 Occupations Code.

23 SECTION 12. The following provisions of the Occupations
24 Code are repealed:

25 (1) Section 901.054(b);

26 (2) Section 901.255;

27 (3) Sections 901.310(a) and (b); and

1 (4) Sections 901.355(b) and (c).

2 SECTION 13. This Act takes effect immediately if it
3 receives a vote of two-thirds of all the members elected to each
4 house, as provided by Section 39, Article III, Texas Constitution.
5 If this Act does not receive the vote necessary for immediate
6 effect, this Act takes effect September 1, 2023.

ADOPTED

✓✓
MAY 15 2023

FLOOR AMENDMENT NO. _____

Lacey Spaw
Secretary of the Senate

BY: _____

Chad Perry

1 Amend H.B. No. 2217 (senate committee report) as follows:

2 (1) In the recital to SECTION 10 of the bill (page 2, line
3 35), strike "Section 901.656(b), Occupations Code, is" and
4 substitute "Sections 901.656(a) and (b), Occupations Code, are".

5 (2) In SECTION 10 of the bill, in amended Section 901.656,
6 Occupations Code (page 2, between lines 36 and 37), insert the
7 following:

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

15 (1) any institution of higher education; or

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

19 (3) In SECTION 12 of the bill, in the repealer provision,
20 strike Subdivisions (3) and (4) (page 2, lines 61 and 62), and
21 substitute the following:

22 (3) Sections 901.310(a) and (b);

23 (4) Sections 901.355(b) and (c); and

24 (5) Section 901.651.

25 (4) Add the following appropriately numbered SECTIONS to
26 the bill and renumber the SECTIONS of the bill accordingly:

27 SECTION _____. Section 901.155, Occupations Code, is amended
28 to read as follows:

29 Sec. 901.155. SCHOLARSHIP TRUST FUND FOR [~~FIFTH-YEAR~~]

1 ACCOUNTING STUDENTS. (a) The fee for the issuance or renewal of a
2 license under this chapter consists of:

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

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

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

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

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

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

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

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

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

25 SECTION _____. Section 901.653, Occupations Code, is amended
26 to read as follows:

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

31 SECTION _____. Section 901.654(b), Occupations Code, is

1 amended to read as follows:

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

6 (1) financial need;

7 (2) ethnic or racial minority status; and

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

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

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

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

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 16, 2023

TO: Honorable Dade Phelan, Speaker of the House, House of Representatives

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2217 by Button (Relating to the regulation of the practice of public accountancy.), **As Passed 2nd House**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 457 Board of Public Accountancy, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 783 University of Houston System Administration, 977 Alamo Community College, 978 San Jacinto College

LBB Staff: JMc, CMA, SZ, GDZ, SLee

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

May 2, 2023

TO: Honorable Charles Schwertner, Chair, Senate Committee on Business & Commerce

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: **HB2217** by Button (Relating to the regulation of the practice of public accountancy.), **As Engrossed**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 457 Board of Public Accountancy, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 783 University of Houston System Administration, 977 Alamo Community College, 978 San Jacinto College

LBB Staff: JMc, SZ, GDZ, SLee

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 29, 2023

TO: Honorable Ken King, Chair, House Committee on Licensing & Administrative Procedures

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2217 by Button (relating to the regulation of the practice of public accountancy.), **Committee Report 1st House, Substituted**

No significant fiscal implication to the State is anticipated.

It is assumed that any costs associated with the bill could be absorbed using existing resources.

Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 457 Board of Public Accountancy, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 783 University of Houston System Administration, 977 Alamo Community College, 978 San Jacinto College

LBB Staff: JMc, SZ, GDZ, SLee

LEGISLATIVE BUDGET BOARD

Austin, Texas

FISCAL NOTE, 88TH LEGISLATIVE REGULAR SESSION

March 21, 2023

TO: Honorable Ken King, Chair, House Committee on Licensing & Administrative Procedures

FROM: Jerry McGinty, Director, Legislative Budget Board

IN RE: HB2217 by Button (Relating to the regulation of the practice of public accountancy.), **As Introduced**

No significant fiscal implication to the State is anticipated.

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Local Government Impact

No significant fiscal implication to units of local government is anticipated.

Source Agencies: 457 Board of Public Accountancy, 710 Texas A&M University System Administrative and General Offices, 720 The University of Texas System Administration, 758 Texas State University System, 768 Texas Tech University System Administration, 769 University of North Texas System Administration, 775 Texas Woman's University System, 783 University of Houston System Administration, 977 Alamo Community College, 978 San Jacinto College

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