

- SUBJECT:** Revising requirements for the certified public accountant examination
- COMMITTEE:** Licensing and Administrative Procedures — committee substitute recommended
- VOTE:** 7 ayes — Wilson, Yarbrough, Goolsby, D. Jones, Moreno, A. Reyna, Wise
0 nays
2 absent — Flores, Haggerty
- WITNESSES:** For — Robert Owen, Texas Society of Certified Public Accountants;
William Treacy, Texas State Board of Public Accountancy
Against — None
- BACKGROUND:** To become a certified public accountant (CPA) in Texas, a person must pass the uniform CPA examination conducted by the Texas State Board of Public Accountancy (TSBPA), as governed by Occupations Code, secs. 901.301 through 901.312. For each examination or reexamination, the board must apportion an amount of the total examination fee among the parts of the exam that an applicant is eligible to take on a particular date. The total fee may not exceed \$250. A person must score at least 75 percent on each subject of the exam to pass.
- DIGEST:** CSHB 430 would authorize the TSBPA to contract with another entity to administer the uniform CPA examination. The board would have to collect a fee for each examination or reexamination up to the cost of administering the exam. The board also would have to adopt methods for grading exams and would have to establish the criteria for passing the exam. The bill would delete the requirement of a passing score of 75 percent.

The bill also would delete the criterion of increasing reciprocity with exam results in other states to justify the use of exams from the National Association of State Boards of Accountancy. It would allow exams to be administered in other media besides paper.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2001.

**SUPPORTERS
SAY:**

CSHB 430 is necessary to bring Texas up to technological standards in administering the uniform CPA exam. New electronic technology allows the CPA exam to be more efficient and to be given more often at more locations around the state. This bill would allow more flexibility in administering the exams.

CSHB 430 would allow the TSBPA to contract out the administration of the exam, allowing the exam to be given at several locations throughout the state. This should cut down significantly on the cost of travel for test takers, thus offsetting any increase in the exam fee.

**OPPONENTS
SAY:**

The bill could increase the fee for the uniform CPA exam because of the costs of implementing the electronic format and contracting out the administration of the exam.

NOTES:

The committee substitute changed the filed version by removing the criterion of increasing reciprocity of exam results from other states to justify the use of exams from the National Association of State Boards of Accountancy. The filed version would have required the TSBPA to determine what the passing grade must be rather than establish the criteria for passing the exam.