

## BILL ANALYSIS

Senate Research Center  
77R6729 GJH-F

H.B. 430  
By: Pitts (Armbrister)  
Business & Commerce  
5/2/2001  
Engrossed

### DIGEST AND PURPOSE

To become a certified public accountant (CPA), a person is required to take an examination in a specified location and achieve a specified score. The current examination is paper-based, but new technology allows for the test to be given electronically, which may result in a more efficient, frequent, and widely available testing process. A revised examination has been targeted for delivery by computer and could be administered through various secure testing centers throughout the state. H.B. 430 authorizes the Texas State Board of Public Accountancy to contract for the delivery of the examination and removes the numerical grade necessary to pass the examination to allow a passing score to be calculated based on the specific test and the material it covers.

### RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the State Board of Accountancy in SECTION 5 (Sec. 901.307, Occupations Code), of this bill.

### SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 901.301, Occupations Code, to require the Texas State Board of Public Accountancy board to conduct uniform CPA examinations administered under this chapter or contract with a person to conduct uniform CPA examinations administered under this chapter.

(b) Deletes language regarding the method used to grade the examination and criteria to determine the passing score.

SECTION 2. Amends Section 901.304(a), Occupations Code, to require the board, for each examination or reexamination, to collect a fee not to exceed the cost of administering the examination. Deletes language regarding fees in excess of \$250.

SECTION 3. Amends Section 901.305, Occupations Code, to require a uniform CPA examination to be administered under this chapter as often as necessary but at least once each year.

SECTION 4. Amends Section 901.306(a), Occupations Code, to authorize the board to use or require the use of all or part of the uniform CPA examination and any related service available from the American Institute of Certified Public Accountants or the National Association of State Boards of Accountancy.

SECTION 5. Amends Section 901.307, Occupations Code, to read as follows:

Sec. 901.307. New heading: GRADING EXAMINATION. Requires the board by rule to adopt methods for grading examinations and establish the criteria for passing the examination.

SECTION 6. Amends Section 901.308(d), Occupations Code, to provide that a person who fails a paper examination is entitled to inspect the examination questions and the person's answers not later than the 91st day after the date the board receives the results.

SECTION 7. (a) Effective date: upon passage or September 1, 2001.

(b) Makes application of this Act prospective.