

## **July 10, 2025 Board Meeting – Proposed Rules**

The Texas State Board of Public Accountancy (Board) proposes the following changes to the rules:

- 511.51 concerning Educational Definitions

Some schools use the term “upper level accounting or business courses” and others use the term “upper division accounting or business courses. This proposed amendment makes it clear that both are accepted as having the same meaning in the Board’s rules.

- 511.52 concerning Recognized Institutions of Higher Education

The proposed amendment is a grammatical change.

- 511.53 concerning Evaluation of International Education Documents 523.118 concerning Limitations of Courses

The amendment proposes to relocate Board Rule §511.59 to Rule §511.56 for a better fit, eliminates Board Rule §511.60 which is outdated and no longer effective, and revises Board Rule §511.59 to provide for the 120-semester credit hour pathway to certification.

- 511.54 concerning Recognized Texas Community Colleges

The amendment proposes to eliminate the no longer effective Board Rule §511.60, incorporates the statutory language “Courses in an Accounting Concentration to take the UCPAE” for certification, and to incorporate the three semester hour ethics course offered at community colleges for individuals studying to become certified through the 120-hour pathway.

- 511.56 concerning Educational Qualifications under the Act to take the UCPAE

The amendment proposes to publish the criteria for certification through July 31, 2026 and the criteria for the additional pathway created in the Public Accountancy Act effective August 1, 2026.

- 511.57 concerning Qualified Accounting Courses to take the UCPAE.

The amendment proposes to eliminate the no longer effective Board Rule §511.60 and incorporates the dates for existing criteria for certification and the added criteria for the new pathway toward certification.

- 511.58 concerning Definitions of Related Business Subjects to take the UCPAE

The amendment proposes to require at least 21 hours of upper level courses to sit for the UCPAE with no more than six credit hours in any of the listed subjects and a course that is repeated may only be counted as once toward the 21-hour requirement.

- 511.59 concerning Definitions of 120 Semester Hours to take the UCPAE.523.118 concerning Limitations of Courses

The amendment proposes to establish the criteria for certification with the 120-hour pathway effective August 1, 2026. It requires 27 upper level hours of accounting courses and a three-semester hour board-approved standalone course in accounting or business ethics taken at a board-recognized educational institution.

- 511.60 concerning Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE

The repeal deletes Board Rule §511.60 which automatically expired by board rule on January 1, 2024.

- 511.164 concerning Definition of 150 Semester Hours to Qualify for Issuance of a Certificate

These revisions propose to clarify the criteria for certification with 150 approved semester hours and the criteria effective beginning August 1, 2026.

- 512.1 concerning Certification as a Certified Public Accountant by Reciprocity

The National Qualifications Appraisal Services (NQAS) of NASBA has had the responsibility to determine if another jurisdiction has substantially equivalent licensing requirements as Texas. That responsibility has been removed from the Texas *Public Accountancy Act* during the recent legislative session. The proposed revisions to §512.1 reflect that legislative revision.

- 512.2 concerning NASBA Verified Substantially Equivalent Jurisdictions

The Board is proposing the language in §512.2 that addresses the role of the National Qualifications Appraisal Services to be repealed since that responsibility has been removed by the Texas Legislature.

- 512.4 concerning Application for Certification by Reciprocity

With the removal of the responsibility of determining the substantial equivalency of out of state regulatory programs from the National Qualifications Appraisal Services, language is being removed from §512.4 to reflect that legislative directive.

Language is also added to require the verification of the education, and experience of an out of state licensee as well as the status of the license from the licensee's regulatory authority. This is the result of removing NQAS responsibility.

- 513.11 concerning Qualifications for Non-CPA Owners of Firm License Holders

The Board is proposing a revision to §513.11 to make it clear that a non-CPA firm owner must be a Texas resident. This is a statutory requirement.

- 515.8 concerning Retired or Disability Status

A licensee taking retired status may not be associated with the practice of public accountancy. The proposed rule makes it clear, however, that a retired CPA may verify the work experience requirement of a candidate to become a CPA if the experience was received when the retired CPA was not retired.

- 517.2 concerning Practice by Certain Out of State Individuals

The Board proposes to:

1. delete the reference to the National Qualifications Appraisal Services, which language the legislature removed from the Act;
2. clarify that the Board will allow licensees to practice in Texas without a reciprocal license, in order to provide for “mobility”, so long as the state they are licensed in has substantially the same licensing requirements as Texas;
3. reflect that if an out of state licensee held the substantially equivalent out of state license on December 31, 2024, the licensee would be permitted to practice under mobility without a reciprocal license. This protects those licensed out of state on that date, if the state they were originally licensed in, is subsequently determined to not have substantially equivalent licensing requirements.

- 523.112 concerning Required CPE Participation

The Board proposes to revise Board §523.112 to clarify that an applicant for reinstatement must have at least 120 hours of CPE within the last 36 months from the date of the application for reinstatement with 20 of those continuing professional education (CPE) hours having been completed within the 12 months preceding the application for reinstatement.

- 523.113 concerning Exemptions from CPE

The Board is recommending a revision to §523.113 to clarify that a faculty member is not considered to be in the practice of public accountancy when the faculty member only provides instruction in accounting courses. The faculty member loses this exemption from continuing professional education (CPE) and licensing when holding out to be a CPA when providing his expertise as a CPA while not providing instruction in accounting outside of the educational course work setting.

- 523.118 concerning Limitations of Courses

The proposed rule revision limits the total number of hours a licensee may apply toward one certification program to 20 hours. (An example of a certification program is Certified Financial Planner). It also limits the total number of continuing professional education (CPE) credits from a certification program to no more than 50 per cent of the total CPE credits applied in a three-year reporting period.