**Adopted Amendment**

§511.51. Educational Definitions.

(a) The following words and terms extracted from rules promulgated by the Texas Higher Education Coordinating Board, shall have the following meanings for this chapter, unless the context clearly indicates otherwise.

(1) "Accelerated courses" means courses delivered in shortened semesters which are expected to have the same number of contact hours and the same requirement for out-of-class learning as courses taught in a normal semester.

(2) "Contact hour" means a time unit of instruction used by institutions of higher education consisting of 60 minutes, of which 50 minutes must be direct instruction.

(3) "Non-traditionally-delivered course" means a course that is offered in a non-traditional way and does not meet the definition of contact hours.

(4) "Semester" means and normally shall include 15 weeks for instruction and one week for final examination or a total of 16 weeks instruction and examination combined.

(5) "Semester credit hour" means a unit of measure of instruction consisting of 60 minutes, of which 50 minutes must be direct instruction, over a 15-week period in a semester system or a 10-week period in a quarter system.

(6) "Traditionally-delivered three semester-credit-hour course" or "traditional course" means a course containing 15 weeks of instruction (45 contact hours) plus a week for final examinations so that such a course contains 45-48 contact hours depending on whether there is a final exam.

(b) The following words and terms shall have the following meanings.

(1) "Recognized community college" means a Texas community college or campus of the community college that holds the designation 'Qualifying Educational Credit for the CPA Examination' awarded by the board.

(2) "Extension and correspondence school" means a program within an institution that offers courses that are not equivalent to courses offered in an academic department at the institution and the courses are not listed on an official transcript from the institution. (3) "Institution" or "Institution of Higher Education" means any U.S. public or private senior college or university which confers a baccalaureate or higher degree to its students completing a program of study required for the degree.

(4) "Independent study" means academic work selected or designed by the student with the pre-approval of the appropriate department or a college or university under faculty supervision. This work typically occurs outside of the regular classroom structure.

(5) "Internship" means faculty pre-approved and appropriately supervised short-term work experience, usually related to a student's major field of study, for which the student earns academic credit.

(6) "Proprietary organization" means a CPA review course provider.

(7) "Quarter credit hour" is the unit of measurement based upon an institution of higher education system that divides the academic year into three equal sessions of 10 to 11 weeks. A quarter credit hour represents proportionately less work than a semester hour because of the shorter session and is counted as 2/3 of a semester credit hour for each hour of credit.

(8) "Reporting institution" means the institution of higher education in the state that serves as the clearinghouse for educational institutions of higher education in Texas. Currently, the University of Texas-Austin is the reporting institution for the state of Texas.

(9) "SACS" means the Southern Association of Colleges and Schools-Commission on Colleges.

(10) "THECB" means the Texas Higher Education Coordinating Board.

(11) "Transcript," "Official Transcript" or "Official Educational Document" means a document prepared by an institution that contains a record of the academic coursework offered by an academic department that a student has taken, grades and credits earned, and degrees awarded. The document is printed on paper bearing a watermark specific to the institution and is embossed with the institution's seal, date and the signature of the Registrar who is responsible for certifying coursework and degrees. The document may be provided electronically from the institution or its authorized agent.

(12) "UCPAE" means the Uniform Certified Public Accountant Examination prepared and graded by the American Institute of Certified Public Accountants.

(13) "Upper Division Accounting Course" or "Upper Level Accounting Course" means at a minimum junior and senior year course work that requires the successful completion of introductory or basic course work before it can be taken.

(14) "Upper Division Business Course" or "Upper Level Business Course" means at a minimum junior and senior year course work that requires the successful completion of introductory or basic course work before it can be taken.

**Adopted Amendment**

§511.52. Recognized Institutions of Higher Education.

(a) The board recognizes institutions of higher education that offer a baccalaureate or higher degree, that either:

(1) are accredited by one of the following organizations:

(A) Middle States Commission on Higher Education (MSCHE);

(B) Northwest Commission on Colleges and Universities (NWCCU);

(C) The Higher Learning Commission (HLC);

(D) New England Commission of Higher Education (NECHE);

(E) Southern Association of Colleges and Schools, Commission on Colleges (SACS); and

(F) WASC Senior College and University Commission; or

(2) provide evidence of meeting equivalent accreditation requirements of SACS.

(b) The board is the final authority regarding the evaluation of an applicant's education and has received assistance from the reporting institution in the State of Texas, the University of Texas at Austin, in evaluating:

(1) an institution of higher education;

(2) organizations that award credits for coursework taken outside of a traditional academic environment and shown on a transcript from an institution of higher education;

(3) assessment methods such as credit by examination, challenge exams, and portfolio assessment; and

(4) non-college education and training.

(c) The following organizations and assessment methods may not be used to meet the requirements of this chapter:

(1) American Council on Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) StraighterLine.

(d) The board may accept courses completed through an extension school, a correspondence school or continuing education program provided that the courses are offered and accepted by the board approved educational institution for a business baccalaureate or higher degree conferred by that educational institution.

(e) Except as provided in subsection (d) of this section, extension and correspondence schools or programs and continuing education courses do not meet the criteria for recognized institutions of higher education.

(f) The requirements related to recognized community colleges are provided in §511.54 of this chapter (relating to Recognized Texas Community Colleges).

(g) The board may recognize a community college that offers a baccalaureate degree in accounting or business, provided that the applicant is admitted to a graduate program in accounting or business offered at a recognized institution of higher education that offers a graduate or higher degree.

**Adopted Amendment**

§511.53. Evaluation of International Education Documents.

(a) It is the responsibility of the board to confirm that education obtained at colleges and universities outside of the United States (international education) is equivalent to education earned at board-recognized institutions of higher education in the U.S.

(b) The board shall use, at the expense of the applicant, the services of the University of Texas at Austin, Graduate and International Admissions Center, to validate, review, and evaluate international education documents submitted by an applicant to determine if the courses taken and degrees earned are substantially equivalent to those offered by the board-recognized institutions of higher education located in the U.S. The evaluation shall provide the following information to the board:

(1) Degrees earned by the applicant that are substantially equivalent to those conferred by a board-recognized institution of higher education in the U.S. that meets §511.52 of this chapter (relating to Recognized Institutions of Higher Education);

(2) The total number of semester hours or quarter hour equivalents earned that are substantially equivalent to those earned at U.S. institutions of higher education;

(3) The total number of semester hours or quarter hour equivalents earned in accounting coursework that meets §511.57 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE;

(4) An analysis of the title and content of courses taken that are substantially equivalent to courses listed in §511.57 of this chapter; and

(5) The total number of semester hours or quarter hour equivalents earned in business coursework that meets §511.58 of this chapter (relating to Related Business Subjects).

(c) The University of Texas at Austin, Graduate and International Admissions Center, may use the American Association of Collegiate Registrars and Admissions Officers (AACRAO) material, including the Electronic Database for Global Education (EDGE), in evaluating international education documents.

(d) Other evaluation or credentialing services of international education are not accepted by the board.

(e) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) StraighterLine.

**Adopted Amendment**

§511.54. Recognized Texas Community Colleges.

(a) An applicant who has completed a baccalaureate or higher degree from a board recognized institution of higher education based on the requirements of §511.52 of this chapter (relating to Recognized Institutions of Higher Education), may enter into a course of study at a board recognized Texas community college to complete the educational requirements of §§511.57, and 511.58 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE, and Related Business Subjects).

(b) The board recognizes and accepts Texas community colleges that meet board standards for a comprehensive academic program based on the educational requirements of §§511.57, and 511.58 of this chapter.

(c) Effective August 1, 2015, the standards include at a minimum all, but are not limited to, the following:

(1) The Texas community college must be accredited by SACS.

(2) Academic accounting and business courses recognized as meeting §§511.57, and 511.58 of this chapter are deemed by the board as equivalent to upper level coursework at an institution of higher education and must contain a rigorous curriculum that is similar to courses offered in a baccalaureate degree program at a university. Accounting, business, and ethics courses must be developed by a group of full time accounting faculty members and approved by the board prior to offering to students. Modifications to an approved course must be reconsidered by the board prior to offering to students.

(3) Academic courses meeting §§511.57, and 511.58 of this chapter must be taken after completing a baccalaureate degree.

(4) The Texas community college must offer at least:

(A) 30 semester hours of academic accounting courses meeting §511.57 of this chapter; and

(B) 24 semester hours of academic business courses meeting §511.58 of this chapter.

(5) The Texas community college designates an accounting faculty member(s) who is responsible for:

(A) managing the comprehensive academic program at all campuses;

(B) selecting and training qualified faculty members to teach the program courses and regularly evaluating their effectiveness in the classroom;

(C) establishing and maintaining a rigorous program curriculum;

(D) establishing and maintaining a process for advising and guiding students through the program; and

(E) providing annual updates to the board on the status of the academic program.

(6) Faculty members at a community college recognized and accepted by the board must have the following credentials to teach academic courses meeting §§511.57, and 511.58 of this chapter:

(A) Doctorate or master's degree in the teaching discipline; or

(B) Master's degree with a concentration in the teaching discipline (a minimum of 18 graduate semester hours in the teaching discipline).

(7) At least three-fourths of the faculty members who are responsible to teach academic courses meeting §511.57 of this chapter must hold a current CPA license.

(8) Faculty members will comply with the established educational definitions in §511.51 of this chapter (relating to Educational Definitions).

(9) The Texas community college will provide ongoing professional development for its faculty as teachers, scholars, and CPA practitioners.

(10) The Texas community college will make available to students a resource library containing current online authoritative literature to support the academic courses meeting §§511.57, and 511.58 of this chapter, and will incorporate the online authoritative literature in accounting courses.

(d) A community college recognized and accepted by the board under this provision must be reconsidered by the board on the fifth-year anniversary of the approval. Information brought to the attention of the board by a student or faculty member of the Texas community college that indicates non-compliance with the standards may cause the board to accelerate reconsideration.

**Adopted Amendment**

§511.56. Educational Qualifications under the Act to take the UCPAE.

(a) An applicant for the UCPAE under the current Act shall meet the following educational requirements in order to qualify to take the examination:

(1) hold a baccalaureate or graduate degree conferred by an institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education) recognized by the board; and

(2) complete at least 120 semester hours or quarter-hour equivalents of courses consisting of:

(A) effective through July 31, 2026, at least 21 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE);

(B) effective August 1, 2026, at least 24 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter; and

(C) at least 24 semester hours or quarter-hour equivalents of upper level related business courses, as defined by §511.58 of this chapter (relating to Related Business Subjects).

(b) An individual holding a baccalaureate degree conferred by a board-recognized institution of higher education, as defined by §511.52 of this chapter, and who has not completed the requirements of this section shall meet the requirements by taking coursework in one of the following ways:

(1) complete upper level or graduate courses at a board-recognized institution of higher education as defined in §511.52 of this chapter that meets the requirements of subsections (a)(2)(A) and (a)(2)(B) of this section; or

(2) enroll in a board-recognized community college as defined in §511.54 of this chapter (relating to Recognized Texas Community Colleges) and complete board approved accounting or business courses that meet the requirements of subsections (a)(2)(A) and (a)(2)(B) of this section. Only specified accounting and business courses that are approved by the board will be accepted as not all courses offered at a community college are accepted.

(c) The following courses, courses of study, certificates, and programs may not be used to meet the 120-semester hour requirement:

(1) remedial or developmental courses offered at an institution of higher education; and

(2) credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

(A) American College Education (ACE);

(B) Prior Learning Assessment (PLA);

(C) Defense Activity for Non-Traditional Education Support (DANTES);

(D) Defense Subject Standardized Test (DSST); and

(E) StraighterLine.

(d) The hours from a course that has been repeated will be counted only once toward the requirements of subsection (a)(2) of this section.

(e) An applicant for the UCPAE who met the educational requirements of §§511.57 and 511.58 of this chapter that were in effect at the time of examination shall continue to be examined under those requirements unless the applicant elects to meet the current education requirements of the rules, in effect on August 1, 2026.

**Adopted Amendment**

§511.57. Courses in an Accounting Concentration to Take the UCPAE.

(a) Effective through July 31, 2026, an applicant shall meet the board's accounting course requirements in one of the following ways:

(1) Hold a baccalaureate or higher degree from a board-recognized institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education) and present official transcript(s) from board-recognized institution(s) that show degree credit for at least 21 semester credit hours of upper division accounting courses as defined in subsections (d) and (e) of this section; or

(2) Hold a baccalaureate or higher degree from a board-recognized institution of higher education as defined by §511.52 of this chapter, and after obtaining the degree, complete the requisite 21 semester credit hours of upper division accounting courses, as defined in subsections (d) and (e) of this section, from four-year degree granting institutions, or accredited community colleges, provided that all such institutions are recognized by the board as defined by §511.52 or §511.54 of this chapter (relating to Recognized Texas Community Colleges).

(b) Credit for hours taken at board-recognized institutions of higher education using the quarter system shall be counted as 2/3 of a semester credit hour for each hour of credit received under the quarter system.

(c) The board will accept at least 21 semester credit hours of accounting courses from the courses listed in subsections (d) and (e) of this section. The hours from a course that has been repeated will be counted only once toward the required 21 semester hours. The courses must meet the board's standards by containing sufficient accounting knowledge and application to be useful to candidates taking the UCPAE. A board-recognized institution of higher education must have accepted the courses for purposes of obtaining a baccalaureate or higher degree or its equivalent, and they must be shown on an official transcript.

(d) The subject-matter content should be derived from the UCPAE Blueprint. A minimum of 12 semester hours with at least three semester hours in each of the following accounting course content areas is required:

(1) financial accounting and reporting for business organizations or intermediate accounting;

(2) financial statement auditing;

(3) taxation; and

(4) accounting information systems or accounting data analytics.

(e) A minimum of 9 hours in any of the following accounting course content areas is required:

(1) up to 6 semester credit hours of additional financial accounting and reporting for business organizations or intermediate accounting;

(2) advanced accounting;

(3) accounting theory;

(4) managerial or cost accounting (excluding introductory level courses);

(5) auditing and attestation services;

(6) internal accounting control and risk assessment;

(7) financial statement analysis;

(8) accounting research and analysis;

(9) up to 9 semester credit hours of taxation (including tax research and analysis);

(10) financial accounting and reporting for governmental and/or other nonprofit entities; (11) up to 9 semester credit hours of accounting information systems, including management information systems ("MIS"), provided the MIS courses are listed or cross-listed as accounting courses, and the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting;

(12) up to 9 semester credit hours of accounting data analytics, provided the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting; business data analytics may be considered provided the courses are listed or cross-listed as accounting courses, and the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting; (while data analytics tools may be taught in the courses, application of the tools should be the primary objective of the courses);

(13) fraud examination;

(14) international accounting and financial reporting;

(15) mergers and acquisitions;

(16) financial planning;

(17) at its discretion, the board may accept up to three semester hours of credit of accounting course work with substantial merit in the context of a career in public accounting, provided the course work is predominantly accounting or auditing in nature but not included in paragraphs (1) - (16) of this subsection. For any course submitted under this provision, the Accounting Faculty Head or Chair must affirm to the board in writing the course's merit and content; and

(18) at its discretion, the board may accept up to three semester credit hours of independent study in accounting selected or designed by the student under faculty supervision. The curriculum for the course shall not repeat the curriculum of another accounting course that the student has completed.

(f) The following types of introductory courses do not meet the accounting course definition in subsections (d) and (e) of this section:

(1) elementary accounting;

(2) principles of accounting;

(3) financial and managerial accounting;

(4) introductory accounting courses; and

(5) accounting software courses.

(g) Any CPA review course offered by an institution of higher education or a proprietary organization shall not be used to meet the accounting course definition.

(h) CPE courses shall not be used to meet the accounting course definition.

(i) An ethics course required in §511.58(c) of this chapter (relating to Related Business Subjects) shall not be used to meet the accounting course definition in subsections (d) and (e) of this section.

(j) Accounting courses completed through an extension school of a board recognized educational institution may be accepted by the board provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(k) The board may review the content of accounting courses and determine if they meet the requirements of this section.

(l) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) Straighterline.

(m) Effective August 1, 2026, to take the UCPAE, a minimum of 12 semester hours of upper level accounting courses, with at least three semester hours from each of subparagraphs (1) through (4) of this subsection, must be completed at a board-recognized institution of higher education and shown on an official transcript from the institution:

(1) financial accounting and reporting for business organizations or intermediate accounting;

(2) financial statement auditing;

(3) taxation; and

(4) accounting information systems or accounting data analytics.

(n) In addition to subsection (m) of this section, a minimum of 12 hours in any of the following upper level accounting course content areas must be completed at a board-recognized institution of higher education and shown on an official transcript from the institution, provided the course was not used to meet subsection (m) of this section:

(1) financial accounting and reporting for business organizations or intermediate accounting;

(2) advanced accounting;

(3) accounting theory;

(4) managerial or cost accounting (excluding introductory level courses);

(5) auditing and attestation services;

(6) internal accounting control and risk assessment;

(7) financial statement analysis;

(8) accounting research and analysis;

(9) taxation (including tax research and analysis);

(10) financial accounting and reporting for governmental and/or other nonprofit entities;

(11) accounting information systems, including management information systems ("MIS"), provided the MIS courses are listed or cross-listed as accounting courses, and the institution of higher education accepts these courses as satisfying the accounting course requirements for graduation with a degree in accounting;

(12) accounting data analytics;

(13) fraud examination;

(14) international accounting and financial reporting;

(15) mergers and acquisitions;

(16) financial planning; and

(17) up to three semester credit hours of independent study in accounting selected or designed by the student under faculty supervision. The curriculum for the course shall not repeat the curriculum of another accounting course that the student has completed.

(o) The board may review the content of accounting courses to determine if they meet the requirements of subsections (m) and (n) of this section, and to determine if courses contain sufficient accounting knowledge and application to be useful to candidates taking the UCPAE.

(p) A course that was repeated will be counted only once to meet the requirements of subsections (m) and (n) of this section.

(q) Credit for hours taken at board-recognized institutions of higher education using the quarter system shall be counted as 2/3 of a semester credit hour for each hour of credit received under the quarter system.

(r) The board may accept up to three semester hours of credit of accounting course if:

(1) the course work has substantial merit in the context of a career in public accounting;

(2) the course work is predominantly accounting or auditing in nature but not included in subsections (m) and (n) of this section; and

(3) the merit and content of the course submitted under this subsection is affirmed by the Accounting Faculty Head or Chair at the educational institution where the course was completed.

(s) The following types of courses do not meet the accounting course definition in subsections (m), (n) and (r) of this section:

(1) elementary accounting;

(2) principles of accounting;

(3) financial and managerial accounting;

(4) introductory accounting courses;

(5) accounting software courses;

(6) any CPA review course offered by an institution of higher education or a proprietary organization;

(7) CPE courses; and

(8) an ethics course required in §511.58 of this chapter.

(t) Accounting courses completed through an extension school of a board-recognized educational institution may be accepted by the board provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(u) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) Straighterline.

**Adopted Amendment**

§511.58. Related Business Subjects.

(a) Related business courses are those business courses that a board recognized institution of higher education accepts for a business baccalaureate or higher degree by that educational institution.

(b) The board will accept a minimum of 21 credit hours of upper level courses (for the purposes of this subsection, economics and statistics at any college level will count as upper level courses) as related business subjects, taken at a recognized educational institution shown on official transcripts or accepted by a recognized educational institution for purposes of obtaining a baccalaureate degree or its equivalent, in the following areas.

(1) business law, including study of the Uniform Commercial Code;

(2) economics;

(3) management;

(4) marketing;

(5) business communications;

(6) statistics and quantitative methods;

(7) information systems or technology;

(8) finance and financial planning;

(9) data analytics, data interrogation techniques, cyber security and/or digital acumen in the accounting context;

(10) no more than 6 credit semester hours of upper level business or accounting internship taken at a Board recognized educational institution of higher education; and

(11) other areas related to accounting.

(c) The Board requires a three semester hour accounting or business ethics course that includes a framework of ethical reasoning, including the core values of integrity, objectivity, and independence, professional values, and attitudes for exercising professional skepticism and other behavior in the best interest of the public and profession and shall include the ethics rules of the AICPA and the SEC. The course may be taken to meet the education requirements of §511.56 of this chapter (related to Educational Qualifications under the Act to take the UCPAE); or the certification requirements of §511.59 of this chapter (related to Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours); or §511.164 of this chapter (related to Qualifications for Issuance of a Certificate with not Fewer than 150 Semester Hours).

(d) The board may review the content of business courses and determine if they meet the requirements of this section.

(e) Credit for hours taken at recognized institutions of higher education using the quarter system shall be counted as 2/3 of a semester hour for each hour of credit received under the quarter system.

(f) A course that was repeated will be counted only once to meet the requirements of this section.

(g) Related business courses completed through and offered by an extension school, correspondence school, or continuing education program of a board recognized educational institution may be accepted by the board, provided that the courses are accepted for a business baccalaureate or higher degree conferred by that educational institution.

(h) Credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirements of this chapter:

(1) American College Education (ACE);

(2) Prior Learning Assessment (PLA);

(3) Defense Activity for Non-Traditional Education Support (DANTES);

(4) Defense Subject Standardized Test (DSST); and

(5) StraighterLine.

**Adopted Amendment**

§511.59. Qualifications for Issuance of a Certificate with not Fewer than 120 Semester Hours.

(a) Effective August 1, 2026, an applicant who meets the education requirements of §§511.56, 511.57 and 511.58 of this chapter (relating to Educational Qualifications under the Act to take the UCPAE, Courses in an Accounting Concentration to take the UCPAE, and Related Business Subjects), may elect to qualify for CPA certification by completing the requirements in subsections (b) and (c) of this section.

(b) An applicant for CPA certification under this section shall complete upper level accounting courses as defined by §511.57 of this chapter equal to or in excess of 27 semester hours or quarter-hour equivalents of upper level accounting courses.

(c) The work experience shall be at least two years of full time, non-routine accounting experience as defined by §§511.122 and 511.123 of this chapter (relating to Acceptable Work Experience and Reporting Work Experience) and supervised by a CPA as defined by §511.124 of this chapter (relating to Acceptable Supervision).

**Adopted Repeal**

§511.60. Qualified Accounting Courses Prior to January 1, 2024 to take the UCPAE.

**Adopted Amendment**

§513.11. Qualifications for Non-CPA Owners of Firm License Holders.

(a) A firm which includes non-CPA owners may not qualify for a firm license unless every non-CPA individual who is a Texas resident owner of the firm:

(1) is actively providing personal services in the nature of management of some portion of the firm's business interests or performing services for clients of the firm or an affiliated entity;

(2) lacks a history of dishonest or felonious acts or any criminal activity that might be relevant to the applicant's qualifications; and

(3) is not a suspended or revoked licensee or certificate holder excluding those licensees that have been administratively suspended or revoked. (Administratively suspended or revoked are those actions against a licensee for Continuing Professional Education reporting deficiencies or failure to renew a license.)

(b) Each of the non-CPA individual owners who are residents of the State of Texas must also:

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

(2) comply with the rules of professional conduct;

(3) maintain any professional designation held by the individual in good standing with the appropriate organization or regulatory body that is identified or used in an advertisement, letterhead, business card, or other firm-related communication; and

(4) provide to the board fingerprinting required in §515.1(d) of this title (relating to License) unless previously submitted to the board.

(c) A "Non-CPA Owner" includes any individual or qualified corporation who has any financial interest in the firm or any voting rights in the firm.

**Adopted Amendment**

§511.164. Qualification for Issuance of a Certificate with not Fewer than 150 Semester Hours.

(a) To qualify for the issuance of a CPA certificate, an applicant must hold at a minimum a baccalaureate degree, conferred by a board-recognized institution of higher education as defined by §511.52 of this chapter (relating to Recognized Institutions of Higher Education), and have completed the board-recognized coursework identified in paragraphs (1), or (2), and (3) – (5) this section:

(1) effective through July 31, 2026, at least 27 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter (relating to Courses in an Accounting Concentration to take the UCPAE) to include a minimum of two semester credit hours in research and analysis;

(2) effective August 1, 2026, at least 30 semester hours or quarter-hour equivalents of upper level accounting courses as defined by §511.57 of this chapter;

(3) no fewer than 24 semester hours or quarter-hour equivalents of upper level related business courses, as defined by §511.58 of this chapter (relating to Related Business Subjects);

(4) although not required to meet subsection (a)(5) of this section, the board may accept not more than six hours or quarter hour equivalents of CPA review coursework completed at a board-recognized institution of higher education; and

(5) academic coursework at an institution of higher education as defined by §511.52 of this chapter, when combined with paragraphs (1) – (4) of this subsection meets or exceeds 150 semester hours. An applicant who has met paragraphs (1) – (3) of this subsection may use a maximum of 9 total semester credit hours of undergraduate or graduate independent study and/or internships as defined in §511.51(b)(4) or §511.51(b)(5) of this chapter (relating to Educational Definitions) to meet this paragraph. The courses shall consist of:

(A) a maximum of three semester credit hours of independent study courses; and

(B) a maximum of six semester credit hours of accounting/business course internships including the coursework used to meet §511.58 of this chapter (relating to Related Business Subjects).

(b) The following courses, courses of study, certificates, and programs may not be used to meet the 150 semester hour requirement:

(1) remedial or developmental courses offered at an educational institution; and

(2) credits awarded for coursework taken through the following organizations and shown on a transcript from an institution of higher education may not be used to meet the requirement of this chapter:

(A) American College Education (ACE);

(B) Prior Learning Assessment (PLA);

(C) Defense Activity for Non-Traditional Education Support (DANTES);

(D) Defense Subject Standardized Test (DSST); and

(E) StraighterLine.

(c) The hours from a course that has been repeated will be counted only once toward the required semester hours.

(d) The work experience shall be at least one year of full time non-routine accounting experience as defined by §§511.122 and 511.123 of this chapter (relating to Acceptable Work Experience and Reporting Work Experience) and supervised by a CPA as defined by §511.124 of this chapter (relating to Acceptable Supervision).