

Capitol Interest

TXCPA Wins Big at the Capitol

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AUSTIN - With less than two weeks left in the 88th legislative session, the major issues of the session – property tax relief, state budget, school choice, and power grid reform – are still being debated and negotiated. There has been some significant progress on the state budget and property tax reform, but school choice and power grid reform are stuck in the end-of-session dynamics.

Successful Advocacy

First, we'll discuss the good news for TXCPA and the CPA pipeline. [SB 159](#) – allowing students to begin to take the CPA exam at 120 hours – was signed by the Governor on May 13.

Texas now is among 48 other jurisdictions that will allow students to begin testing earlier in their education path before the 150 hours needed for licensure. This has been an initiative that TXCPA has been working on since the end of the 2021 legislative session and part of [TXCPA's Pipeline Strategy](#).

Allowing students to begin testing earlier is an important acknowledgment that accounting students are finding other career pathways beyond the CPA pathway. TXCPA has been and will continue to work closely with the Texas State Board of Public Accountancy (TSBPA) to make sure that state board rules are in place and provide a clear path and understanding for students who want to begin taking the CPA exam before completing 150 hours of education.

There's more good news for a key TXCPA legislative priority and the CPA pipeline. [HB 2504](#) – expansion of the fifth-year accounting scholarship administered by the TSBPA – was successfully amended into HB 2217 this week and passed both the Senate and the House. HB 2217 is a clean-up bill of the Public Accountancy Act which now includes the expansion of the scholarship program. The new scholarship program will allow accounting students who have completed 15 hours of upper-level accounting to be eligible for the accounting scholarship to help them with education costs.

The expansion of the scholarship program will help accounting students stay on the CPA path rather than moving on to other career and education paths. HB 2217 has been sent to the Governor and we are hopeful that he will sign the bill in the coming weeks. The bill signing deadline for the 88th session is June 18, 2023.

TXCPA is extremely grateful to Senator Charles Perry and Rep. Angie Chen Button for their efforts and dedication to the CPA profession, the need to address the CPA pipeline, and their deep understanding of issues important to TXCPA.

Give and Take

Two of the big issues of the session – the state budget and property tax reform – are beginning to make progress and moving towards final passage by both chambers. The state budget negotiations have addressed many of the state's funding needs, but neither version of the budget spends the entirety of the state budget surplus. There is additional spending for schools, state employee pay raises, additional health care spending, parks funding, and other infrastructure spending.

At this point of the negotiations, the two largest issues that remain unresolved are the amount and type of property tax relief and whether funding for Education Savings Accounts (school choice) will remain in the budget. Property tax reduction and reform, while still unresolved, has made progress in recent days. The House is moving towards the Senate plan of a significantly increased homestead exemption (the Senate plan increases the exemption to \$70,000 while the House is proposing an increase to \$100,000), but negotiations continue on the issue of caps on how much appraisals can grow annually. It is very likely that a deal is in the works and that the issue will get to the Governor without the need for a special session on the issue. Notably, however, the Governor has recently talked about the need for a special session in the fall on the issue of school choice.

Seeking Agreement

Shoring up the power grid has taken up quite a bit of the Legislature's time this session. The Senate and Lt. Governor Patrick have made power grid reform a priority, but the same sense of urgency is absent in the House. The debate is centered around how many more on-demand natural gas fueled generators should be built in the state, how much reserve capacity the state should maintain, and the amount of renewable energy that should be allowed or permitted in the Texas grid.

Other major issues that remain unresolved at the time of this column include teacher bonuses, banning DEI offices in higher education, restricting tenure in higher education and school choice. Major bills that have made their way to the Governor include a bill to severely restrict local jurisdictions from regulating in the areas of labor law, health, safety, and other areas, and banning gender affirming/transition health care for children. Major issues that have failed in the session at this point include casino gaming, sports betting, and raising the age to purchase a semi-automatic rifle from 18 to 21.

In the coming weeks we will be providing a more in-depth review of all the major, and some minor, bills that have passed and did not make it through the process.

