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The Honorable Jeff Leach
Texas House of Representatives, District 67
P.O. Box 2910
Austin, TX 78768-2910

The Honorable Angela Paxton
Texas Senate, District 8
P.O. Box 12068
Austin, TX 78711

Re: Proposal to Reform Texas Occupations Code § 901.453 – Allow Fair Use of "Accounting" with Clear Disclosure

Dear Representative Leach and Senator Paxton:

I'm writing to you as a small-business owner here in Allen, Texas who provides tax, accounting, and business services. I'm reaching out to ask you to consider modernizing Texas Occupations Code § 901.453. Right now, this law prevents people like me—who aren't CPAs—from using everyday words like "accounting" or "accountant" to describe what we do, even when we're completely transparent about not being CPA-licensed and not offering audit services.

I believe we can update this law in a way that actually improves consumer transparency, respects free speech, supports small businesses, and keeps Texas competitive—all without weakening any of the real protections the public needs. Let me explain why this matters and what I'm proposing.

The Problem: Banning Words Instead of Preventing Deception

Here's the thing: "accounting" is just a common English word that describes an activity and a profession. It's not a state license. But Texas law currently treats it as if using the word automatically implies you're a CPA. Under Section 901.453, anyone without a CPA license can't call themselves an "accountant" or even suggest they have expertise in "accounting." The Texas State Board of Public Accountancy takes this really far—they say that if a non-

CPA offers "accounting services" or uses the title "accountant," that person is illegally practicing public accountancy.

This blanket ban on vocabulary goes way beyond protecting the "CPA" title. It stops honest, truthful communication. Think about this: a skilled bookkeeper with a degree in accounting legally can't describe her own work as "accounting," even though that's exactly what any client would call it. There's a huge difference between using a descriptive word and actually lying about being a licensed CPA. We can prohibit the lying without outlawing ordinary language.

A Better Way: Disclosure, Not Prohibition

Of course we need to protect consumers from being confused or misled. But here's the good news: we can do that more effectively with clear disclosures instead of word bans. Other states have already figured this out.

Take Arkansas, for example. Their law specifically allows people and firms without CPA licenses to use "accountant" or "auditor" as long as they clearly indicate "that the person or firm does not hold [a CPA] license" on any sign, advertisement, or letterhead. Instead of assuming people will be fooled by a single word, Arkansas requires a straightforward disclaimer to prevent confusion. This "truth-in-labeling" approach actually serves consumers better: they see the word "accounting" (so they know what service is being offered) and they see a "not a CPA" notice (so they understand the provider's credentials).

Courts have backed this up too. The California Supreme Court's *Moore v. California State Board of Accountancy* decision is really instructive here. In that case, unlicensed accountants challenged a rule that banned them from using "accountant" or "accounting" even with a clarifying statement. The court agreed that while those terms alone might confuse some people, a total ban went too far. They held that the state can only constitutionally ban uses of those terms that actually mislead the public, not truthful usage with a disclaimer that "serve[s] to dispel any possibility of confusion." In other words, an honest disclaimer like "Not a CPA – no state license required for these services" prevents deception just as well, without silencing honest businesses.

Texas can do the same thing. We can protect consumers by requiring non-CPAs to prominently state that they're not CPA-licensed and don't offer attest services, instead of just banning common words altogether.

Constitutional and Competitive Concerns

The current ban also raises serious First Amendment issues. It restricts accurate commercial information—speech that's protected by the U.S. Constitution. A Maryland

court dealing with a similar law pointed out how contradictory it was to allow uncertified people to do all kinds of accounting work for the public (except audits) while forbidding them from truthfully describing those services as "accounting." These kinds of overly broad vocabulary bans miss the mark. They hurt legitimate businesses and keep consumers from getting useful information, without any real benefit in return.

Multiple state courts have recognized that less restrictive approaches, like disclaimers, can protect consumers without trampling free speech rights. The Texas legislature has always been mindful of constitutional freedoms and fair competition—and those principles point toward a disclosure-based reform here.

Real-World Impact on Texas Businesses

From a practical standpoint, Texas's word ban is hurting our small businesses and doesn't match our state's values. Thousands of Texas entrepreneurs provide bookkeeping, internal accounting, payroll, and tax prep—all completely legal services that don't involve auditing. But marketing these services becomes ridiculous. We have to say "financial recording" or other awkward phrases because we can't use the plain word "accounting" that clients actually search for. This increases our marketing costs and makes things less clear. It also puts Texas businesses at a disadvantage compared to states with more sensible rules.

A Texas bookkeeper might advertise "business financial services" and get overlooked, while an out-of-state competitor openly advertises "accounting services" to the same potential clients. This doesn't just hurt individual businesses—it goes against Texas's tradition of free enterprise, straight talk, and limited government interference. We Texans pride ourselves on calling things what they are. Our laws should reflect that honesty.

Competing in a Digital, Global Economy

In today's world, geographic boundaries matter less and less. A potential client in Dallas can just as easily find a provider in Denver or Delhi. Online platforms, search engines, and industry directories overwhelmingly use "Accounting" as their category. If Texas law prevents our local providers from even showing up under that category, we're handicapping our own people in the global marketplace.

Modernizing § 901.453 isn't just a local fix—it's about keeping Texas competitive. We want our freelancers and small firms to be easily found on QuickBooks ProAdvisor, Upwork, LinkedIn, and other platforms where businesses search for "accountants" for non-attest work. Removing this outdated word ban and replacing it with a disclaimer requirement will let Texas professionals compete on equal footing, using the same terminology as everyone else in the English-speaking world. Texas should lead as a pro-business, forward-thinking state that doesn't let old rules hold back our people.

My Proposal: Amend § 901.453 to Allow "Accountant" with Clear Disclosure

The reform is straightforward. I'm asking you to consider sponsoring legislation to amend Texas Occupations Code § 901.453 to permit non-CPA individuals and firms to use the words "accountant" or "accounting," as long as:

- 1. No False CPA Claims:** The person or business doesn't use any title likely to be confused with "CPA" or "Certified Public Accountant" (those would stay strictly off-limits). The change would only allow generic terms like "accounting services" or "accountant," and only in a truthful way.
- 2. Mandatory "Not a CPA" Disclaimer:** In any public communication where "accountant" or similar is used, the person/firm must include a clear disclaimer such as: "Not a CPA firm. No audit or attest services offered." This should be in bold, easy-to-see text near the title, so consumers understand the provider's status.
- 3. No Attest Services:** The person/firm must still be prohibited from offering or performing attest or assurance services (like audits, reviews, or anything reserved for licensed CPAs). All the real scope-of-practice restrictions stay in place—the person is only gaining the ability to describe their legal services more honestly.

This framework mirrors what states like Arkansas have done, and follows the guidance from court decisions like *Moore*. It would simply replace the current word ban with a truthful disclosure requirement. A non-CPA could say "I offer accounting services (not a CPA)." It's a simple change—but one that meaningfully improves transparency and fairness.

Enforcement Stays Strong

Importantly, this change wouldn't weaken any consumer protections around CPA licensure. The Texas State Board of Public Accountancy would keep full authority to go after actual misrepresentations or any unlicensed practice of attest functions. In fact, by requiring non-CPAs to use a disclaimer, the law would probably reduce the chances of the public being misled. Right now, some unlicensed providers might avoid the word "accounting" but leave clients unclear about their qualifications. Under a disclosure system, the public sees the honest label "Not a CPA" whenever they engage a bookkeeping or advisory service.

Meanwhile, anyone who falsely claims to be a CPA, or tries to perform audits, would still face the same penalties as today—those core safeguards are untouchable and would remain firmly in place. The proposed change only addresses the overreach in the current wording of § 901.453, not the vital protections for public trust in financial reporting.

Conclusion

Texas can proudly update this law to reflect modern realities and constitutional values. By allowing fair use of the terms "accountant" and "accounting" with appropriate disclaimers, we'll:

- Empower consumers to make informed choices (through transparency about licensure)
- Empower honest small businesses to describe their services in plain English
- Strengthen our state's competitive position nationally and globally

All of this can be done without relaxing any licensure requirements for CPAs or any restrictions on attest services—those remain sacred. It's a common-sense, win-win approach.

I respectfully ask for your leadership in sponsoring and championing an amendment to § 901.453 in the upcoming legislative session. I've included draft statutory language as an attachment for your staff's review. Thank you for your service to Texas and for considering this pro-consumer, pro-business reform. I'd be happy to provide any additional information or testimony as needed.

Sincerely,

Ryan Otto
Owner, Accent Financial Services

ATTACHMENT: Bill Concept & Sample Amendment Language

Concept: Amend Texas Occupations Code § 901.453 ("Use of Other Titles or Abbreviations") to create a safe harbor allowing use of the terms "accountant" or "accounting" by individuals not licensed under Chapter 901, only if they: (1) don't use any titles likely to be confused with "CPA"/"Certified Public Accountant"; (2) include a clear, prominent disclaimer that they're not a CPA or CPA firm and that no audit/attest services are provided; and (3) don't perform or offer any services requiring a CPA license (i.e., no attest or assurance services). This change aligns Texas law with constitutional free-speech principles and practices in other states, while preserving all protections against fraud or unqualified auditing.

Draft Amendment Language

SECTION 1. Section 901.453, Occupations Code, is amended by adding Subsection (c) as follows:

(c) Notwithstanding Subsections (a) and (b), a person who is not licensed under this chapter may use the term "accountant" or "accounting" (including in a business name or description of services) if the person:

- (1) does not use any title, designation, or abbreviation likely to be confused with "certified public accountant" or "CPA";
- (2) clearly discloses in any such title or description that the person is not licensed under this chapter and offers no attest services, by including a statement such as "Not a CPA (no audit or attest services)" in a manner readily conspicuous to the public; and
- (3) does not perform, offer, or attempt to perform any attest service as defined in Section 901.002 or any other service for which a license is required under this chapter.

SECTION 2. This Act takes effect January 1, 2026.

By enacting a provision like this, the Legislature would ensure that honest accounting-service providers can use accurate terminology with proper disclosure, while the public remains reasonably protected from confusion or harmful conduct.

Supporting References

1. Tex. Occ. Code § 901.453(b) (unlicensed person may not hold out as "accountant" or assert accounting expertise); see also Texas State Board of Public Accountancy, Enforcement FAQ (unlicensed individual offering services to the public as an "accountant" or offering "accounting services" is engaged in unauthorized practice).
2. Ark. Code Ann. § 17-12-106(i)(1) (unlicensed person or firm shall not hold out as "accountant" or "auditor" without indicating they're not licensed). The Arkansas Board's rules provide specific disclaimer language.
3. *Moore v. Cal. State Bd. of Accountancy*, 2 Cal.4th 999, 1016 (Cal. 1992) (recognizing that use of "accountant/accounting" with an appropriate "not a CPA" disclaimer cannot be constitutionally prohibited).
4. *Comprehensive Accounting Serv. Co. v. Md. State Bd. of Pub. Accountancy*, 284 Md. 474, 397 A.2d 1019, 1028 (Md. 1979) (challenging Maryland's statutory ban which authorized uncertified persons to do accounting work but barred them from describing it as "accounting," thereby restricting truthful commercial speech).