

By: Parker

H.B. No. 2199

Substitute the following for H.B. No. 2199:

By: Paddie

C.S.H.B. No. 2199

A BILL TO BE ENTITLED

AN ACT

relating to the establishment of the digital identity work group.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. DEFINITIONS. In this Act:

(1) "Digital identity" includes:

(A) credentials issued by federal, state, and local governmental agencies to a person for identification, licensure, registration, and other purposes;

(B) credentials conferred to a person to verify the person's skills and qualifications;

(C) digital credentials issued for user authentication and access management; and

(D) digitally-verifiable claims.

(2) "Work group" means the digital identity work group established under this Act.

SECTION 2. INFORMATION FOR LEGISLATIVE PURPOSES. (a) Many credentials issued by governmental agencies, including passports, driver's licenses, business licenses, vehicle registrations, and certificates, are physical or portable document format documents. The use of physical credentials for validation can be slow, inconvenient, costly, and prone to intentional or unintentional human error. Physical credentials are susceptible to counterfeiting or fraud.

(b) Credentials are used for validating identity, including

1 to:

- 2 (1) verify age for age restriction purposes;
- 3 (2) notarize signatures on documents;
- 4 (3) verify tax exemptions;
- 5 (4) prove registration or insurance coverage;
- 6 (5) prove a license or permit has been issued and is
- 7 current; and
- 8 (6) prove inspections have been performed and passed.

9 (c) The use of credentials for validation presents an
10 opportunity to:

- 11 (1) digitize and secure credentials using technology,
- 12 including blockchain and cryptography; and
- 13 (2) lower costs and improve privacy, security, and
- 14 convenience for governmental agencies, industry, and consumers.

15 SECTION 3. ESTABLISHMENT AND COMPOSITION OF WORK GROUP.

16 (a) The digital identity work group is composed of the following 15
17 members:

- 18 (1) one member of the house of representatives,
- 19 appointed by the speaker of the house of representatives;
- 20 (2) one member of the senate, appointed by the
- 21 lieutenant governor;
- 22 (3) one member representing institutions of higher
- 23 education in this state, appointed by the governor;
- 24 (4) one member representing a municipality in this
- 25 state who has overseen the implementation of digital identity
- 26 initiatives, appointed by the presiding officer of the work group;
- 27 (5) one member representing the Department of Public

1 Safety of the State of Texas, appointed by the public safety
2 director;

3 (6) one member representing the Department of
4 Information Resources, appointed by the executive director of the
5 department;

6 (7) one member representing the office of the
7 secretary of state, appointed by the secretary of state; and

8 (8) eight public members, four of whom are appointed
9 by the speaker of the house of representatives and four of whom are
10 appointed by the lieutenant governor, each of whom must:

11 (A) have knowledge and experience in digital
12 identity technology, including blockchain technology and
13 cryptography; or

14 (B) represent an industry that would benefit from
15 the use of digital identity technology.

16 (b) The governor shall designate a member of the work group
17 appointed under Subsection (a)(3) or (8) of this section to serve as
18 presiding officer of the work group. The members of the work group
19 appointed under Subsections (a)(1) and (2) of this section shall
20 both serve as assistant presiding officers of the work group.

21 (c) A member of the work group may not receive compensation
22 for serving on the work group or for performing official duties as a
23 member of the work group. A member of the work group may receive
24 reimbursement for legitimate expenses incurred by the member in the
25 performance of official duties as a member of the work group.

26 (d) The work group shall meet at the call of the presiding
27 officer.

1 SECTION 4. REPORT, POLICIES, AND PROCEDURES. (a) The work
2 group shall develop recommendations for the use of digital identity
3 in this state and identify optimal policies and state investments
4 related to digital identity technology. In performing its duties
5 under this section, the work group shall:

6 (1) assess existing digital identity practices in this
7 state;

8 (2) identify areas of concern in current digital
9 identity applications or the lack of applications;

10 (3) identify efficiencies and cost savings for
11 governmental agencies and economic growth and development
12 opportunities for this state presented by digitizing identity;

13 (4) review technology standards for digital identity;

14 (5) identify attribute validation services at federal
15 governmental agencies; and

16 (6) review the federal Improving Digital Identity Act
17 of 2020 (H.R. 8215).

18 (b) Based on the information gathered under Subsection (a)
19 of this section, the work group shall make legislative
20 recommendations as appropriate to:

21 (1) promote efficiencies in governmental agencies;

22 (2) protect the privacy of residents of this state;

23 (3) promote portability and interoperability of
24 digital identity credentials; and

25 (4) generate economic opportunities by prescribing
26 the use of digital identity.

27 (c) Not later than September 30, 2022, the work group shall

1 submit the report containing its findings under Subsection (b) of
2 this section to each standing committee of the senate and house of
3 representatives with primary jurisdiction over economic
4 development or technology.

5 (d) The work group may adopt procedures and policies as
6 necessary to administer this section and implement the
7 responsibilities of the work group.

8 SECTION 5. EXPIRATION OF ACT AND ABOLISHMENT OF WORK GROUP.

9 This Act expires and the work group is abolished October 1, 2022.

10 SECTION 6. TRANSITION LANGUAGE. (a) As soon as practicable
11 after the effective date of this Act, but not later than September
12 15, 2021, the appropriate appointing authorities shall appoint the
13 members of the work group as required by Section 3 of this Act.

14 (b) Not later than January 1, 2022, the work group shall
15 hold its initial meeting.

16 SECTION 7. EFFECTIVE DATE. This Act takes effect September
17 1, 2021.