

## **BILL ANALYSIS**

S.B. 1152  
By: Shapleigh  
Government Reform  
Committee Report (Amended)

### **BACKGROUND AND PURPOSE**

In August 2000, Texas launched its official e-government site, TexasOnline, for state and local government business. Some want to promote a better, faster state government service to Texas citizens that could generate more revenues for the state and foster a more efficient process. C.S.S.B. 1152 redefines e-Pay; expands the base of candidate agencies; requires state agencies to provide a link to TexasOnline via their agency websites; resolves certain conflicts; allows agencies to validate an individual's identity; allows for certain cost recovery; reclassifies motor vehicle registration; and instructs the Secretary of State to study the feasibility of on-line notary services.

### **RULEMAKING AUTHORITY**

Requires the authority to propose rules which the governing board of the Department of Information Resources may adopt in SECTION 13 (Section 2054.271, Government Code).

### **ANALYSIS**

SECTION 1. Amends Section 2054.111(e), Government Code, to authorize a state agency or local government that uses the TexasOnline project to charge a fee if certain criteria exists.

SECTION 2. Amends Subchapter F, Chapter 2054, Government Code, by adding Section 2054.1115, as follows:

Sec. 2054.1115. ELECTRONIC PAYMENTS ON TEXASONLINE. (a) Authorizes a state agency or local government that uses TexasOnline to use electronic payment methods, including the acceptance of credit and debit cards, for points of sale, telephone, or mail transactions.

(b) Authorizes the state agency or local government to charge a reasonable fee, as provided by Section 2054.111, to recover costs incurred through electronic payment methods used under this section.

SECTION 3. Amends Section 2054.113, Government Code, by amending Subsection (b) and adding Subsection (c), as follows:

(b) Makes no substantive changes.

(c) Requires the state agency, before a state agency may contract with a third party for Internet application development that duplicates a TexasOnline function, to notify the authority of their intent to bid for such services at the same time that others have the opportunity to bid. Authorizes the program management office to exempt an agency from this section if it determines the agency has fully complied with Section 2054.111.

SECTION 4. Amends Section 2054.125, Government Code, by adding Subsection (d), to require each state agency that maintains a generally accessible Internet site and that uses TexasOnline to include a link to TexasOnline on the front page of the Internet site.

SECTION 5. Amends Section 2054.251(5), Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, to redefine “occupational license.”

SECTION 6. Amends Section 2054.251, Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, to read as follows:

Sec. 2054.251. DEFINITIONS. Redefines “authority,” “licensing entity,” and “occupational license.”

SECTION 7. Amends Section 2054.252, Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, as follows:

Sec. 2054.252. APPLICABILITY. (a) Requires certain licensing authorities, not including the State Securities Board, to participate in the system established under Section 2054.253, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001.

(b) Authorizes the authority, rather than the comptroller, to add additional agencies as system capabilities are developed.

(c) Authorizes a licensing entity, rather than authority, other than an entity, rather than an authority, listed by Subsection (a), to participate in the system established under Section 2054.253, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, subject to the approval of the authority, rather than DIR.

SECTION 8. Amends Section 2054.253, Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, by amending Subsection (a), to provide that the comptroller, who serves ex officio, or the designee of the comptroller, and 16, rather than 15, certain members appointed by the governor.

SECTION 9. Amends Section 2054.253, Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, as follows:

Sec. 2054.253. ELECTRONIC SYSTEM FOR OCCUPATIONAL LICENSING TRANSACTIONS. (a)-(c) Make conforming changes.

(d) Makes nonsubstantive changes.

(e) Deletes text requiring DIR to charge certain fees.

SECTION 10. Amends Sections 2054.254 (a), (b), and (c), Government Code, as added by Chapter 353, Acts of the 77th Legislature, Regular Session, 2001, as follows:

(a) Provides that the steering committee for electronic occupational licensing transactions consists of certain representatives appointed by its governing body.

(b)-(c) Make conforming changes.

SECTION 11. Amends Section 2054.255, Government Code, as follows:

Sec. 2054.255. PRESIDING OFFICER. Provides that the member of the authority representing the board, rather than DIR, is the presiding officer.

SECTION 12. Amends Section 2054.259, Government Code, as follows:

Sec. 2054.259. GENERAL POWERS AND DUTIES OF TEXASONLINE AUTHORITY. Requires the authority to perform certain acts.

SECTION 13. Amends Subchapter I, Chapter 2054, Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, by adding Sections 2054.268, 2054.269, 2054.270, and 2054.271, as follows:

Sec. 2054.268. CONTRACTS; CONFLICT OF INTEREST. Provides that a contract entered into between the authority and another state agency or a local government is not void for the sole reason that a member of the authority also serves on the governing body of the state agency or local government with whom the contract was entered.

Sec. 2054.269. INTELLECTUAL PROPERTY RIGHTS. Authorizes DIR to exercise all intellectual property rights regarding the project, including prevention of other persons from using names or designs similar to those used by the project to market products.

Sec. 2054.270. MOTOR VEHICLE REGISTRATIONS. Provides that for purposes of this chapter, the renewal of a motor vehicle registration is a state service.

Sec. 2054.271. AUTHENTICATION OF INDIVIDUAL IDENTITIES AND SIGNATURES; RULES. (a) Authorizes the authority or another state agency or local government that uses TexasOnline to use the Department of Public Safety's or another state agency's database, as appropriate, to authenticate an individual's identity on TexasOnline.

(b) Authorizes the authentication allowed by this section to be used by the state agency or local government as an alternative to requiring a notarized document, a document signed by a third party, or an original signature on a document.

(c) Requires the authority to propose rules, which the board may adopt, regarding the use of a standardized database for authentication under this section.

SECTION 14. Amends Sections 2054.252(d), (e), and (g), Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, as follows:

(d) Makes a conforming change.

(e) Authorizes the authority, if the authority determines that the transaction costs exceed the maximum increase in occupational license issuance or renewal fees allowed under Subsection (g), to charge a reasonable convenience fee to be recovered from a license holder who uses the project for on-line issuance or renewal of a license.

(g) Requires each licensing entity to increase the occupational license issuance or renewal fees imposed by the licensing entity by an amount 15 sufficient to cover the cost of the subscription fee imposed on the licensing entity under Subsection (e) by prohibits it from exceeding a certain amount.

SECTION 15. Repealer: Section 2054.2645 (Sunset Provision), Government Code.

SECTION 16. (a) Requires the governor, not later than November 1, 2003, to appoint the additional public members to serve on the TexasOnline Authority, as required by Section 2054.253(a), Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, and as amended by this Act. Requires one public member's term to expire on February 1, 2005, and the other public member's term to expire on February 1, 2007.

(b) Requires the governor, not later than November 1, 2003, to appoint a member of the

governing board of DIR to serve on the authority, as required by Section 2054.253(a), Government Code, as added by Chapter 342, Acts of the 77th Legislature, Regular Session, 2001, and as amended by this Act. Requires the member's term to expire on February 1, 2009.

SECTION 17. Requires DIR to, in cooperation with the secretary of state, study the feasibility of providing notary public services on the Internet. Requires DIR, if DIR and the secretary of state determine the feasibility to be sound, make recommendations not later than January 1, 2005, to the 79th Legislature regarding legislation to implement notary public services on the Internet.

SECTION 18. Effective date.

**EFFECTIVE DATE**

Upon passage or September 1, 2003.

**EXPLANATION OF AMENDMENTS**

Committee amendment #1 makes technical changes to the original bill by clarifying changes to the board composition of TexasOnline. This amendment designates that the representative of the Texas Department of Information Resources serves at the pleasure of the Governor as opposed to original bill language which states that the representative serves at the prerogative of the Governor. This amendment also corrects references to the presiding officer language to make the language consistent with Sunset Commission policy.

Committee amendment #2 modifies the original bill by allowing the TexasOnline authority to meet via teleconference to accommodate a meeting schedule that currently brings 15 citizens from across Texas to Austin on a monthly basis.