By:  Parker, et al. (Senate Sponsor - Paxton) H.B. No. 2199

(In the Senate - Received from the House May 5, 2021; May 10, 2021, read first time and referred to Committee on Business & Commerce; May 20, 2021, reported favorably by the following vote: Yeas 9, Nays 0; May 20, 2021, sent to printer.)

COMMITTEE VOTE

                    Yea Nay Absent  PNV

Hancock              X

Nichols              X

Campbell             X

Creighton            X

Johnson              X

Menéndez             X

Paxton               X

Schwertner           X

Whitmire             X

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 to:

(1)  verify age for age restriction purposes;

(2)  notarize signatures on documents;

(3)  verify tax exemptions;

(4)  prove registration or insurance coverage;

(5)  prove a license or permit has been issued and is current; and

(6)  prove inspections have been performed and passed.

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

(1)  digitize and secure credentials using technology, including blockchain and cryptography; and

(2)  lower costs and improve privacy, security, and convenience for governmental agencies, industry, and consumers.

SECTION 3.  ESTABLISHMENT AND COMPOSITION OF WORK GROUP. (a) The digital identity work group is composed of the following 15 members:

(1)  one member of the house of representatives, appointed by the speaker of the house of representatives;

(2)  one member of the senate, appointed by the lieutenant governor;

(3)  one member representing institutions of higher education in this state, appointed by the governor;

(4)  one member representing a municipality in this state who has overseen the implementation of digital identity initiatives, appointed by the presiding officer of the work group;

(5)  one member representing the Department of Public Safety of the State of Texas, appointed by the public safety director;

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

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

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

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

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

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

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

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

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

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

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

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

(4)  review technology standards for digital identity;

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

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

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

(1)  promote efficiencies in governmental agencies;

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

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

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

(c)  Not later than September 30, 2022, the work group shall submit the report containing its findings under Subsection (b) of this section to each standing committee of the senate and house of representatives with primary jurisdiction over economic development or technology.

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

(e)  The Department of Information Resources shall provide to the work group the administrative support necessary for the work group to implement this section and its responsibilities under this Act.

SECTION 5.  EXPIRATION OF ACT AND ABOLISHMENT OF WORK GROUP. This Act expires and the work group is abolished October 1, 2022.

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

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

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

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