

1-1 By: Parker, et al. (Senate Sponsor - Paxton) H.B. No. 2199
 1-2 (In the Senate - Received from the House May 5, 2021;
 1-3 May 10, 2021, read first time and referred to Committee on Business
 1-4 & Commerce; May 20, 2021, reported favorably by the following vote:
 1-5 Yeas 9, Nays 0; May 20, 2021, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7 Hancock	X			
1-8 Nichols	X			
1-9 Campbell	X			
1-10 Creighton	X			
1-11 Johnson	X			
1-12 Menéndez	X			
1-13 Paxton	X			
1-14 Schwertner	X			
1-15 Whitmire	X			

1-17 A BILL TO BE ENTITLED
 1-18 AN ACT

1-19 relating to the establishment of the digital identity work group.
 1-20 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:
 1-21 SECTION 1. DEFINITIONS. In this Act:
 1-22 (1) "Digital identity" includes:
 1-23 (A) credentials issued by federal, state, and
 1-24 local governmental agencies to a person for identification,
 1-25 licensure, registration, and other purposes;
 1-26 (B) credentials conferred to a person to verify
 1-27 the person's skills and qualifications;
 1-28 (C) digital credentials issued for user
 1-29 authentication and access management; and
 1-30 (D) digitally-verifiable claims.
 1-31 (2) "Work group" means the digital identity work group
 1-32 established under this Act.
 1-33 SECTION 2. INFORMATION FOR LEGISLATIVE PURPOSES. (a) Many
 1-34 credentials issued by governmental agencies, including passports,
 1-35 driver's licenses, business licenses, vehicle registrations, and
 1-36 certificates, are physical or portable document format documents.
 1-37 The use of physical credentials for validation can be slow,
 1-38 inconvenient, costly, and prone to intentional or unintentional
 1-39 human error. Physical credentials are susceptible to
 1-40 counterfeiting or fraud.
 1-41 (b) Credentials are used for validating identity, including
 1-42 to:
 1-43 (1) verify age for age restriction purposes;
 1-44 (2) notarize signatures on documents;
 1-45 (3) verify tax exemptions;
 1-46 (4) prove registration or insurance coverage;
 1-47 (5) prove a license or permit has been issued and is
 1-48 current; and
 1-49 (6) prove inspections have been performed and passed.
 1-50 (c) The use of credentials for validation presents an
 1-51 opportunity to:
 1-52 (1) digitize and secure credentials using technology,
 1-53 including blockchain and cryptography; and
 1-54 (2) lower costs and improve privacy, security, and
 1-55 convenience for governmental agencies, industry, and consumers.
 1-56 SECTION 3. ESTABLISHMENT AND COMPOSITION OF WORK GROUP.
 1-57 (a) The digital identity work group is composed of the following 15
 1-58 members:
 1-59 (1) one member of the house of representatives,
 1-60 appointed by the speaker of the house of representatives;
 1-61 (2) one member of the senate, appointed by the

2-1 lieutenant governor;

2-2 (3) one member representing institutions of higher

2-3 education in this state, appointed by the governor;

2-4 (4) one member representing a municipality in this

2-5 state who has overseen the implementation of digital identity

2-6 initiatives, appointed by the presiding officer of the work group;

2-7 (5) one member representing the Department of Public

2-8 Safety of the State of Texas, appointed by the public safety

2-9 director;

2-10 (6) one member representing the Department of

2-11 Information Resources, appointed by the executive director of the

2-12 department;

2-13 (7) one member representing the office of the

2-14 secretary of state, appointed by the secretary of state; and

2-15 (8) eight public members, four of whom are appointed

2-16 by the speaker of the house of representatives and four of whom are

2-17 appointed by the lieutenant governor, each of whom must:

2-18 (A) have knowledge and experience in digital

2-19 identity technology, including blockchain technology and

2-20 cryptography; or

2-21 (B) represent an industry that would benefit from

2-22 the use of digital identity technology.

2-23 (b) The governor shall designate a member of the work group

2-24 appointed under Subsection (a)(3) or (8) of this section to serve as

2-25 presiding officer of the work group. The members of the work group

2-26 appointed under Subsections (a)(1) and (2) of this section shall

2-27 both serve as assistant presiding officers of the work group.

2-28 (c) A member of the work group may not receive compensation

2-29 for serving on the work group or for performing official duties as a

2-30 member of the work group. A member of the work group may receive

2-31 reimbursement for legitimate expenses incurred by the member in the

2-32 performance of official duties as a member of the work group.

2-33 (d) The work group shall meet at the call of the presiding

2-34 officer.

2-35 SECTION 4. REPORT, POLICIES, AND PROCEDURES. (a) The work

2-36 group shall develop recommendations for the use of digital identity

2-37 in this state and identify optimal policies and state investments

2-38 related to digital identity technology. In performing its duties

2-39 under this section, the work group shall:

2-40 (1) assess existing digital identity practices in this

2-41 state;

2-42 (2) identify areas of concern in current digital

2-43 identity applications or the lack of applications;

2-44 (3) identify efficiencies and cost savings for

2-45 governmental agencies and economic growth and development

2-46 opportunities for this state presented by digitizing identity;

2-47 (4) review technology standards for digital identity;

2-48 (5) identify attribute validation services at federal

2-49 governmental agencies; and

2-50 (6) review the federal Improving Digital Identity Act

2-51 of 2020 (H.R. 8215).

2-52 (b) Based on the information gathered under Subsection (a)

2-53 of this section, the work group shall make legislative

2-54 recommendations as appropriate to:

2-55 (1) promote efficiencies in governmental agencies;

2-56 (2) protect the privacy of residents of this state;

2-57 (3) promote portability and interoperability of

2-58 digital identity credentials; and

2-59 (4) generate economic opportunities by prescribing

2-60 the use of digital identity.

2-61 (c) Not later than September 30, 2022, the work group shall

2-62 submit the report containing its findings under Subsection (b) of

2-63 this section to each standing committee of the senate and house of

2-64 representatives with primary jurisdiction over economic

2-65 development or technology.

2-66 (d) The work group may adopt procedures and policies as

2-67 necessary to administer this section and implement the

2-68 responsibilities of the work group.

2-69 (e) The Department of Information Resources shall provide

3-1 to the work group the administrative support necessary for the work
3-2 group to implement this section and its responsibilities under this
3-3 Act.

3-4 SECTION 5. EXPIRATION OF ACT AND ABOLISHMENT OF WORK GROUP.
3-5 This Act expires and the work group is abolished October 1, 2022.

3-6 SECTION 6. TRANSITION LANGUAGE. (a) As soon as practicable
3-7 after the effective date of this Act, but not later than September
3-8 15, 2021, the appropriate appointing authorities shall appoint the
3-9 members of the work group as required by Section 3 of this Act.

3-10 (b) Not later than January 1, 2022, the work group shall
3-11 hold its initial meeting.

3-12 SECTION 7. EFFECTIVE DATE. This Act takes effect September
3-13 1, 2021.

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