

BILL ANALYSIS

C.S.H.B. 2199
By: Parker
State Affairs
Committee Report (Substituted)

BACKGROUND AND PURPOSE

The use of physical credentials for validation can be slow, inconvenient, and costly. Such credentials are critical in validating identity, but they are often susceptible to counterfeiting or fraud. The use of credentials for identity validation presents an opportunity to digitize and secure credentials using innovative methods, including blockchain technology and cryptography. C.S.H.B. 2199 seeks to establish a work group to develop recommendations and policies with regard to digital identity technology so as to ensure that Texas remains a leader in technological innovation, enterprise, and data security.

CRIMINAL JUSTICE IMPACT

It is the committee's opinion that this bill does not expressly create a criminal offense, increase the punishment for an existing criminal offense or category of offenses, or change the eligibility of a person for community supervision, parole, or mandatory supervision.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

C.S.H.B. 2199 establishes the 15-member digital identity work group to develop recommendations for the use of digital identity in Texas and to identify optimal policies and state investments related to digital identity technology. The bill sets out the composition of the work group and requires the appropriate appointing authorities to appoint members not later than September 15, 2021. The bill provides for the administration and operation of the work group and requires the initial meeting to be held not later than January 1, 2022.

C.S.H.B. 2199 requires the work group, in performing its duties, to do the following:

- assess existing digital identity practices in Texas;
- identify areas of concern in current digital identity applications or the lack of applications;
- identify efficiencies and cost savings for governmental agencies and economic growth and development opportunities for Texas presented by digitizing identity;
- review technology standards for digital identity;
- identify attribute validation services at federal governmental agencies; and
- review the federal Improving Digital Identity Act of 2020.

The bill requires the work group to make legislative recommendations as appropriate to accomplish specified objectives, based on the information gathered, and requires the work group to submit a report containing its findings to each applicable legislative standing committee not later than September 30, 2022. The work group may adopt procedures and policies as necessary to administer these provisions and implement its responsibilities.

C.S.H.B. 2199 defines "digital identity" and includes certain information for legislative purposes. The work group is abolished and the bill's provisions expire October 1, 2022.

EFFECTIVE DATE

September 1, 2021.

COMPARISON OF ORIGINAL AND SUBSTITUTE

C.S.H.B. 2199 differs from the original only by including a Texas Legislative Council draft number in the footer.