

- SUBJECT:** Establishing the digital identity work group
- COMMITTEE:** State Affairs — committee substitute recommended
- VOTE:** 12 ayes — Paddie, Hernandez, Deshotel, Harless, Howard, Hunter, P. King, Metcalf, Raymond, Shaheen, Slawson, Smithee
- 0 nays
- 1 absent — Lucio
- WITNESSES:** For — Michael Lewellen, Texas Blockchain Council: (*Registered, but did not testify*); Hope Osborn, Texas 2036; John Fleming, Texas Mortgage Bankers Association; Thomas Parkinson)
- Against — (*Registered, but did not testify*): Colt Szczygiel)
- BACKGROUND:** Interested parties have suggested that physical credentials issued by governmental agencies for identify are susceptible to counterfeiting or fraud and that the use of digital identity presents an opportunity to digitize and secure credentials using innovative methods, including blockchain technology and cryptography. This could lower costs and improve privacy, security, and convenience for governmental agencies, industry, and consumers. Some have called for a work group to be formed to develop recommendations and policies on digital identity technology.
- DIGEST:** CSHB 2199 would establish a 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 work group would have to:
- 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.

Based on the information gathered, the work group would have to make legislative recommendations not later than September 30, 2022, as appropriate to:

- promote efficiencies in governmental agencies;
- protect the privacy of Texas residents;
- promote portability and interoperability of digital identity credentials; and
- general economic opportunities by prescribing the use of digital identity.

The bill would take effect September 1, 2021.