

**SUBJECT:** Replacing an exemption governing the use of certain biometric identifiers

**COMMITTEE:** Pensions, Investments and Financial Services — favorable, without amendment

**VOTE:** 9 ayes — Anchia, Parker, Capriglione, Muñoz, Perez, Rogers, Slawson, Stephenson, Vo  
0 nays

**WITNESSES:** For — Celeste Embrey, Texas Bankers Association; (*Registered, but did not testify*: Jack Roberts, Bank of America; Melodie Durst, Credit Union Coalition of Texas; Stephen Scurlock, Independent Bankers Association of Texas; Brian Yarbrough, JPMorgan Chase Holdings LLC; Larry Gonzales, Texas Credit Union Association; John Fleming, Texas Mortgage Bankers Association; Brandy Marquez, Wells Fargo; Calvin Tillman)  
Against — None

**BACKGROUND:** Business and Commerce Code sec. 503.001(e) exempts voiceprint data retained by a financial institution or an affiliate of a financial institution, as those terms are defined by federal law, from statutory provisions governing the capture or use of biometric identifiers.  
  
Concerns have been raised that both state and federal regulations may limit the ability of financial institutions to adopt innovative security measures that would better protect consumers. It has been suggested that exempting financial institutions from regulations for voiceprint data would advance the deployment of consumer protections using such data.

**DIGEST:** HB 1977 would amend Business and Commerce Code sec. 503.001 to exempt a financial institution or an affiliate of a financial institution from provisions governing the capture of use of biometric identifiers, subject to federal requirements, rather than exempting only voiceprint data retained by those institutions.

The bill would take effect September 1, 2021.