

Chapter 137

(Senate Bill 123)

AN ACT concerning

Major Information Technology Development Project Fund – Revenue Sources and Authorized Expenditures

FOR the purpose of adding to the Major Information Technology Development Project Fund certain money from the sale, lease, or exchange of certain communications facilities and money received from certain information technology agreements involving resource sharing; requiring that certain money paid into the Major Information Technology Development Project Fund be used for a certain purpose and expanding the authorized uses of the Fund to include that purpose; and generally relating to the Major Information Technology Development Project Fund.

BY renumbering

Article – State Finance and Procurement
Section 3A–309(l) and (m), respectively
to be Section 3A–309(m) and (n), respectively
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, without amendments,

Article – State Finance and Procurement
Section 3A–307(c), 3A–309(a) through (d), (f) through (h), (j), and (k), and
3A–404
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY repealing and reenacting, with amendments,

Article – State Finance and Procurement
Section 3A–309(e) and (i)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

BY adding to

Article – State Finance and Procurement
Section 3A–309(l)
Annotated Code of Maryland
(2009 Replacement Volume and 2013 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Section(s) 3A–309(l) and (m), respectively, of Article – State Finance and Procurement of the Annotated Code of Maryland be renumbered to be Section(s) 3A–309(m) and (n), respectively.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – State Finance and Procurement

3A–307.

(c) (1) A unit of State government shall advise the Secretary of any information technology proposal involving resource sharing, the exchange of goods or services, or a gift, contribution, or grant of real or personal property.

(2) The Secretary shall determine if the value of the resources, services, and property to be obtained by the State under the terms of any proposal submitted in accordance with the provisions of paragraph (1) of this subsection equals or exceeds \$100,000.

(3) If the value of any proposal submitted in accordance with this subsection equals or exceeds \$100,000 and the Secretary and unit agree to proceed with the proposal, information on the proposal shall be:

(i) advertised for a period of at least 30 days in the eMaryland Marketplace; and

(ii) submitted, simultaneously with the advertisement, to the Legislative Policy Committee for a 60–day review and comment period, during which time the Committee may recommend that the proposal be treated as a procurement contract under Division II of this article.

(4) Following the period for review and comment by the Legislative Policy Committee under paragraph (3) of this subsection, the proposal is subject to approval by the Board of Public Works.

(5) This subsection may not be construed as authorizing an exception from the requirements of Division II of this article for any contract that otherwise would be subject to the State procurement process.

3A–309.

(a) There is a Major Information Technology Development Project Fund.

(b) The purpose of the Fund is to support major information technology development projects.

(c) The Secretary:

(1) shall administer the Fund in accordance with this section; and

(2) subject to the provisions of § 2–201 of this article and § 3A–307 of this subtitle, may receive and accept contributions, grants, or gifts of money or property.

(d) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of this article.

(2) The State Treasurer shall hold the Fund separately and the Comptroller shall account for the Fund.

(3) The State Treasurer shall invest and reinvest the money of the Fund in the same manner as other State money may be invested.

(4) Any investment earnings of the Fund shall be paid into the Fund.

(e) Except as provided in subsection (f) of this section, the Fund consists of:

(1) money appropriated in the State budget to the Fund;

(2) **AS APPROVED BY THE SECRETARY**, money received from:

(I) the sale, lease, or exchange of communication sites, COMMUNICATION FACILITIES, or communication frequencies for information technology purposes [as approved by the Secretary]; OR

(II) FROM AN INFORMATION TECHNOLOGY AGREEMENT INVOLVING RESOURCE SHARING;

(3) that portion of moneys earned from pay phone commissions to the extent that the commission rates exceed those in effect in December 1993;

(4) money received and accepted as contributions, grants, or gifts as authorized under subsection (c) of this section;

(5) general funds appropriated for major information technology development projects of any unit of State government other than a public institution of higher education that:

- year;
- (i) are unencumbered and unexpended at the end of a fiscal year;
 - (ii) have been abandoned; or
 - (iii) have been withheld by the General Assembly or the Secretary;
- (6) any investment earnings; and
- (7) any other money from any source accepted for the benefit of the Fund.
- (f) The Fund does not include any money:
- (1) received by the Department of Transportation, Maryland Transportation Authority, or Maryland Public Broadcasting Commission;
 - (2) received by the Judicial or Legislative branches of State government; or
 - (3) generated from pay phone commissions that are credited to other accounts or funds in accordance with other provisions of law or are authorized for other purposes in the State budget or through an approved budget amendment.
- (g) The Governor shall submit with the State budget:
- (1) a summary showing the unencumbered balance in the Fund as of the close of the prior fiscal year and a listing of any encumbrances;
 - (2) an estimate of projected revenue from each of the sources specified in subsection (e) of this section for the fiscal year for which the State budget is submitted; and
 - (3) a descriptive listing of projects reflecting projected costs for the fiscal year for which the State budget is submitted and any estimated future year costs.
- (h) Expenditures from the Fund shall be made only:
- (1) in accordance with an appropriation approved by the General Assembly in the annual State budget; or
 - (2) through an approved State budget amendment under Title 7, Subtitle 2, Part II of this article, provided that a State budget amendment for any project not requested as part of the State budget submission or for any project for

which the scope or cost has increased by more than 5% or \$250,000 shall be submitted to the budget committees allowing a 30-day period for their review and comment.

(i) The Fund may be used:

(1) for major information technology development projects;

(2) as provided in [subsection] **SUBSECTIONS (j) AND (L)** of this section; or

(3) notwithstanding § 3A-301(b)(2) of this subtitle, for the costs of the first 12 months of operation and maintenance of a major information technology development project.

(j) Notwithstanding subsection (b) of this section and except for the cost incurred in administering the Fund, each fiscal year up to \$1,000,000 of this Fund may be used for:

(1) educationally related information technology projects;

(2) application service provider initiatives as provided for in Title 9, Subtitle 22 of the State Government Article; or

(3) information technology projects, including:

(i) pilots; and

(ii) prototypes.

(k) A unit of State government or local government may submit a request to the Secretary to support the cost of an information technology project with moneys under subsection (j) of this section.

(L) NOTWITHSTANDING SUBSECTION (B) OF THIS SECTION, ALL MONEY PAID INTO THE FUND UNDER SUBSECTION (E)(2) OF THIS SECTION SHALL BE USED TO SUPPORT THE STATE TELECOMMUNICATION AND COMPUTER NETWORK ESTABLISHED UNDER § 3A-404 OF THIS SUBTITLE, INCLUDING PROGRAM DEVELOPMENT FOR THESE ACTIVITIES.

3A-404.

(a) The General Assembly declares that:

(1) it is the policy of the State to foster telecommunication and computer networking among State and local governments, their agencies, and educational institutions in the State;

(2) there is a need to improve access, especially in rural areas, to efficient telecommunication and computer network connections;

(3) improvement of telecommunication and computer networking for State and local governments and educational institutions promotes economic development, educational resource use and development, and efficiency in State and local administration;

(4) rates for the intrastate inter-LATA telephone communications needed for effective integration of telecommunication and computer resources are prohibitive for many smaller governments, agencies, and institutions; and

(5) the use of improved State telecommunication and computer networking under this section is intended not to compete with commercial access to advanced network technology, but rather to foster fundamental efficiencies in government and education for the public good.

(b) (1) The Department shall establish a telecommunication and computer network in the State.

(2) The network shall consist of:

(i) one or more connection facilities for telecommunication and computer connection in each local access transport area (LATA) in the State; and

(ii) facilities, auxiliary equipment, and services required to support the network in a reliable and secure manner.

(c) The network shall be accessible through direct connection and through local intra-LATA telecommunications to State and local governments and public and private educational institutions in the State.

SECTION 3. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2014.

Approved by the Governor, April 14, 2014.