

# SENATE BILL 123

P2

4lr0094

(PRE-FILED)

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By: **Chair, Budget and Taxation Committee (By Request – Departmental – Information Technology)**

Requested: November 15, 2013

Introduced and read first time: January 8, 2014

Assigned to: Budget and Taxation

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Committee Report: Favorable

Senate action: Adopted

Read second time: February 11, 2014

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

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

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

12 BY renumbering

13 Article – State Finance and Procurement  
14 Section 3A–309(l) and (m), respectively  
15 to be Section 3A–309(m) and (n), respectively  
16 Annotated Code of Maryland  
17 (2009 Replacement Volume and 2013 Supplement)

18 BY repealing and reenacting, without amendments,

19 Article – State Finance and Procurement  
20 Section 3A–307(c), 3A–309(a) through (d), (f) through (h), (j), and (k), and  
21 3A–404

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Annotated Code of Maryland  
2 (2009 Replacement Volume and 2013 Supplement)

3 BY repealing and reenacting, with amendments,  
4 Article – State Finance and Procurement  
5 Section 3A–309(e) and (i)  
6 Annotated Code of Maryland  
7 (2009 Replacement Volume and 2013 Supplement)

8 BY adding to  
9 Article – State Finance and Procurement  
10 Section 3A–309(l)  
11 Annotated Code of Maryland  
12 (2009 Replacement Volume and 2013 Supplement)

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

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

19 **Article – State Finance and Procurement**

20 3A–307.

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

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

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

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

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

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

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

7 3A-309.

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

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

11 (c) The Secretary:

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

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

16 (d) (1) The Fund is a special, nonlapsing fund that is not subject to §  
17 7-302 of this article.

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

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

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

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

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

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

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

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

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

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

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

10                               (i)     are unencumbered and unexpended at the end of a fiscal  
11 year;

12                               (ii)    have been abandoned; or

13                               (iii)  have been withheld by the General Assembly or the  
14 Secretary;

15                   (6)     any investment earnings; and

16                   (7)     any other money from any source accepted for the benefit of the  
17 Fund.

18           (f)     The Fund does not include any money:

19                               (1)     received by the Department of Transportation, Maryland  
20 Transportation Authority, or Maryland Public Broadcasting Commission;

21                               (2)     received by the Judicial or Legislative branches of State  
22 government; or

23                               (3)     generated from pay phone commissions that are credited to other  
24 accounts or funds in accordance with other provisions of law or are authorized for  
25 other purposes in the State budget or through an approved budget amendment.

26           (g)     The Governor shall submit with the State budget:

27                               (1)     a summary showing the unencumbered balance in the Fund as of  
28 the close of the prior fiscal year and a listing of any encumbrances;

29                               (2)     an estimate of projected revenue from each of the sources specified  
30 in subsection (e) of this section for the fiscal year for which the State budget is  
31 submitted; and

1           (3) a descriptive listing of projects reflecting projected costs for the  
2 fiscal year for which the State budget is submitted and any estimated future year  
3 costs.

4           (h) Expenditures from the Fund shall be made only:

5                 (1) in accordance with an appropriation approved by the General  
6 Assembly in the annual State budget; or

7                 (2) through an approved State budget amendment under Title 7,  
8 Subtitle 2, Part II of this article, provided that a State budget amendment for any  
9 project not requested as part of the State budget submission or for any project for  
10 which the scope or cost has increased by more than 5% or \$250,000 shall be submitted  
11 to the budget committees allowing a 30-day period for their review and comment.

12           (i) The Fund may be used:

13                 (1) for major information technology development projects;

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

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

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

22                 (1) educationally related information technology projects;

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

25                 (3) information technology projects, including:

26                         (i) pilots; and

27                         (ii) prototypes.

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

31           **(L) NOTWITHSTANDING SUBSECTION (B) OF THIS SECTION, ALL MONEY**  
32 **PAID INTO THE FUND UNDER SUBSECTION (E)(2) OF THIS SECTION SHALL BE**

1 USED TO SUPPORT THE STATE TELECOMMUNICATION AND COMPUTER  
2 NETWORK ESTABLISHED UNDER § 3A-404 OF THIS SUBTITLE, INCLUDING  
3 PROGRAM DEVELOPMENT FOR THESE ACTIVITIES.

4 3A-404.

5 (a) The General Assembly declares that:

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

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

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

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

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

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

24 (2) The network shall consist of:

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

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

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

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