

HOUSE BILL 684

Unofficial Copy
C8

1999 Regular Session
(9r0717)

ENROLLED BILL

-- Commerce and Government Matters/Finance --

Introduced by **Delegates Rosenberg, Hixson, Barve, Bronrott, Franchot,
Klima, Mandel, and Stern**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this
____ day of _____ at _____ o'clock, ____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Information Technology –~~Commission~~ Board - Membership and Duties**

3 FOR the purpose of ~~establishing the Commission on Information Technology;~~
4 ~~specifying the composition, appointment, terms, restrictions, and removal~~
5 ~~procedures of the Commission members; specifying the powers and duties of the~~
6 ~~Commission regarding Internet-related issues; requiring the Commission to~~
7 ~~submit an annual report to the Governor and the General Assembly; and~~
8 ~~generally relating to the nature and responsibilities of the Commission on~~
9 ~~Information Technology altering the membership and duties of the Information~~
10 ~~Technology Board; and generally relating to the Information Technology Board.~~

11 BY repealing and reenacting, without amendments,
12 Article - State Finance and Procurement
13 Section 3-406
14 Annotated Code of Maryland
15 (1995 Replacement Volume and 1998 Supplement)

1 BY ~~adding to~~ repealing and reenacting, with amendments,
2 Article - State Finance and Procurement
3 ~~Section 3-707~~ 3-407 and 3-409
4 Annotated Code of Maryland
5 (1995 Replacement Volume and 1998 Supplement)

6 Preamble

7 WHEREAS, In the past decade the Internet and related information technology
8 has rapidly overtaken traditional communications technologies and is now poised to
9 become a primary means of communication in education, business, health care, and
10 government; and

11 WHEREAS, The Internet raises a number of unique issues for the State of
12 Maryland, including how to facilitate both government and private electronic
13 commerce, how to protect the privacy of Internet users, and how to approach
14 Internet-related crimes; and

15 WHEREAS, The nature of the Internet is such that it is not amenable to
16 traditional state regulation and new approaches must be taken to deal with the issues
17 the Internet and related information technology raise, including promoting and
18 encouraging self-regulation; and

19 WHEREAS, In September 1998, the federal Internet Tax Freedom Act was
20 passed into law, which placed a temporary moratorium on certain types of Internet
21 taxes, in order to give both federal and state governments time to research and
22 develop comprehensive, consistent, and fair Internet taxation schemes; and

23 WHEREAS, In May 1998, Virginia established a Commission on Information
24 Technology to study Internet issues and develop new standards for regulating
25 Internet activities; and

26 WHEREAS, In December 1998, the Virginia Commission on Information
27 Technology released a report outlining the Virginia Internet Policy Act, a
28 comprehensive legislative scheme addressing Internet-related issues; and

29 WHEREAS, In order to remain competitive with other states in the fields of
30 education, business, and government services, Maryland must address issues raised
31 by the Internet, including user privacy, economic development utilizing the Internet,
32 protocols for government and commercial transactions utilizing the Internet, and
33 protocols for Internet crime; and

34 WHEREAS, Addressing these issues now will help prepare Maryland to meet
35 the business, educational, and governmental needs of the next century, which will be
36 dominated by the Internet and related information technology systems; now,
37 therefore,

38 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
39 MARYLAND, That the Laws of Maryland read as follows:

Article - State Finance and Procurement

2 ~~3-707.~~

3 (A) ~~THERE IS A COMMISSION ON INFORMATION TECHNOLOGY.~~

4 (B) ~~THE COMMISSION CONSISTS OF THE FOLLOWING 21 MEMBERS:~~

5 (1) ~~THE EXECUTIVE DIRECTOR OF THE OFFICE OF INFORMATION~~
6 ~~TECHNOLOGY, OR THE DIRECTOR'S DESIGNEE;~~

7 (2) ~~THE SECRETARY OF THE DEPARTMENT OF BUSINESS AND~~
8 ~~ECONOMIC DEVELOPMENT OR THE SECRETARY'S DESIGNEE;~~

9 (3) ~~THE STATE SUPERINTENDENT OF EDUCATION OR THE~~
10 ~~SUPERINTENDENT'S DESIGNEE;~~

11 (4) ~~THE SECRETARY OF HIGHER EDUCATION OR THE SECRETARY'S~~
12 ~~DESIGNEE;~~

13 (5) ~~THE SECRETARY OF HEALTH AND MENTAL HYGIENE OR THE~~
14 ~~SECRETARY'S DESIGNEE;~~

15 (6) ~~THREE MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY~~
16 ~~THE SPEAKER OF THE HOUSE;~~

17 (7) ~~THREE MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY~~
18 ~~THE PRESIDENT OF THE SENATE;~~

19 (8) ~~ONE MEMBER OF PRIVATE INDUSTRY WHO SHALL REPRESENT~~
20 ~~INTERNET SERVICE PROVIDERS, APPOINTED BY THE GOVERNOR;~~

21 (9) ~~TWO MEMBERS OF PRIVATE INDUSTRY WHO SHALL REPRESENT~~
22 ~~BUSINESSES, OTHER THAN INTERNET SERVICE PROVIDERS, THAT ENGAGE IN~~
23 ~~INTERNET COMMERCE, APPOINTED BY THE GOVERNOR;~~

24 (10) ~~THREE REPRESENTATIVES FOR INTERNET USERS AND INTERNET~~
25 ~~CONSUMERS, APPOINTED BY THE GOVERNOR;~~

26 (11) ~~THREE REPRESENTATIVES FROM THE HEALTH CARE INDUSTRY,~~
27 ~~APPOINTED BY THE GOVERNOR; AND~~

28 (12) ~~ONE REPRESENTATIVE FROM THE GENERAL PUBLIC WHO HAS~~
29 ~~SIGNIFICANT INTERNET AND INFORMATION TECHNOLOGY EXPERIENCE, APPOINTED~~
30 ~~BY THE GOVERNOR.~~

31 (C) ~~THE TERM OF AN APPOINTED MEMBER IS 3 YEARS.~~

32 (D) ~~AT THE END OF A TERM, A MEMBER CONTINUES TO SERVE UNTIL A~~
33 ~~SUCCESSOR IS APPOINTED AND QUALIFIES.~~

1 ~~(E) A MEMBER WHO IS APPOINTED AFTER A TERM HAS BEGUN SERVES ONLY~~
2 ~~FOR THE REST OF THE TERM AND UNTIL A SUCCESSOR IS APPOINTED AND~~
3 ~~QUALIFIES.~~

4 ~~(F) THE GOVERNOR MAY REMOVE A MEMBER FOR:~~

5 ~~(1) INCOMPETENCE OR MISCONDUCT; OR~~

6 ~~(2) FAILURE TO REGULARLY ATTEND COMMISSION MEETINGS.~~

7 ~~(G) FROM AMONG ITS MEMBERS, THE COMMISSION ANNUALLY SHALL ELECT~~
8 ~~A CHAIRMAN.~~

9 ~~(H) THE MANNER OF ELECTION OF OFFICERS SHALL BE AS THE COMMISSION~~
10 ~~DETERMINES.~~

11 ~~(I) THE CHAIRMAN MAY ESTABLISH SUBCOMMITTEES TO ASSIST IN THE~~
12 ~~WORK OF THE COMMISSION.~~

13 ~~(J) A QUORUM OF THE COMMISSION IS 11 MEMBERS.~~

14 ~~(K) THE COMMISSION SHALL DETERMINE THE TIMES AND PLACES OF ITS~~
15 ~~MEETINGS.~~

16 ~~(L) A MEMBER OF THE COMMISSION:~~

17 ~~(1) MAY NOT RECEIVE COMPENSATION FOR DUTIES PERFORMED AS A~~
18 ~~MEMBER OF THE COMMISSION; BUT~~

19 ~~(2) IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE~~
20 ~~STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~

21 ~~(M) THE COMMISSION MAY EMPLOY A STAFF IN ACCORDANCE WITH THE~~
22 ~~STATE BUDGET.~~

23 ~~(N) IN ADDITION TO ANY OTHER POWERS GRANTED AND DUTIES IMPOSED BY~~
24 ~~LAW, AND SUBJECT TO ANY RESTRICTIONS IMPOSED BY LAW, THE COMMISSION HAS~~
25 ~~THE FOLLOWING POWERS AND DUTIES:~~

26 ~~(1) STUDY EXISTING AND EMERGING INTERNET AND INFORMATION~~
27 ~~TECHNOLOGY;~~

28 ~~(2) DEVELOP STANDARDS AND MAKE RECOMMENDATIONS~~
29 ~~CONCERNING INTERNET BASED COMMERCE, INCLUDING THE FOLLOWING AREAS:~~

30 ~~(I) ADVERTISING ON THE INTERNET;~~

31 ~~(II) BANKING TRANSACTIONS ON THE INTERNET;~~

32 ~~(III) BUSINESS TRANSACTIONS ON THE INTERNET;~~

1 (IV) TAXATION OF INTERNET BASED COMMERCE; AND

2 (V) TAXATION OF INTERNET SERVICES;

3 (3) ~~DEVELOP STANDARDS AND MAKE RECOMMENDATIONS~~
4 ~~CONCERNING INTERNET USER PRIVACY, INCLUDING THE FOLLOWING AREAS:~~

5 (I) ~~AVAILABILITY OF PERSONAL INFORMATION ON THE INTERNET;~~

6 (II) ~~USE OF UNSOLICITED BULK E-MAIL;~~

7 (III) ~~USE OF ENCRYPTION TECHNOLOGY; AND~~

8 (IV) ~~USE OF FILTERS TO SCREEN OUT OBSCENE OR~~
9 ~~OBJECTIONABLE MATERIAL;~~

10 (4) ~~MAKE RECOMMENDATIONS CONCERNING INTERNET BASED CRIME,~~
11 ~~INCLUDING THE FOLLOWING AREAS:~~

12 (I) ~~ON LINE FRAUD;~~

13 (II) ~~ON LINE PORNOGRAPHY; AND~~

14 (III) ~~ON LINE DEFAMATION;~~

15 (5) ~~MAKE RECOMMENDATIONS CONCERNING USE OF THE INTERNET IN~~
16 ~~THE HEALTH CARE INDUSTRY, INCLUDING THE FOLLOWING AREAS:~~

17 (I) ~~USE OF ON LINE DATABASE FOR PATIENT MEDICAL HISTORY;~~
18 ~~AND~~

19 (II) ~~PROCESSING PAYMENT AND INSURANCE TRANSACTIONS~~
20 ~~ONLINE; AND~~

21 (6) ~~CONSIDER ANY OTHER PERTINENT ISSUES RELATING TO THE USE~~
22 ~~OF THE INTERNET OR RELATED INFORMATION TECHNOLOGY.~~

23 (O) ~~THE COMMISSION SHALL COORDINATE ITS EFFORTS WITH OTHER STATE~~
24 ~~UNITS PERTAINING TO THE INTERNET OR OTHER INFORMATION TECHNOLOGY,~~
25 ~~INCLUDING THE OFFICE OF INFORMATION TECHNOLOGY, THE OFFICE OF~~
26 ~~TECHNOLOGY SUPPORT, AND THE TASK FORCE ON HIGH SPEED NETWORK~~
27 ~~DEVELOPMENT.~~

28 (P) ~~THE COMMISSION SHALL CREATE AN ANNUAL REPORT DETAILING ITS~~
29 ~~ACTIVITIES AND FINDINGS. THE COMMISSION SHALL PRESENT THIS REPORT TO THE~~

30 3-406.

31 There is a State Information Technology Board.

1 3-407.

2 (a) (1) The Board consists of [22] ~~35~~ 25 members.

3 (2) Of the members of the Board:

4 (i) 14 shall be the Secretary or the Secretary's designee of the
5 following departments or agencies, who serve as ex officio members:

6 1. the Department of Budget and Management;

7 2. the Department of General Services;

8 3. the Comptroller of the Treasury;

9 4. the Department of Human Resources;

10 5. the University System of Maryland;

11 6. the Maryland Higher Education Commission;

12 7. the Maryland Public Broadcasting Commission;

13 8. the Department of Public Safety and Correctional
14 Services;

15 9. the Department of Health and Mental Hygiene;

16 10. the Department of Transportation;

17 11. the Department of Business and Economic Development;

18 12. the Maryland State Department of Education;

19 13. the Maryland Office of Planning; and

20 14. the Department of State Police;

21 ~~(II) ONE SHALL BE THE ASSISTANT SUPERINTENDENT FOR~~
22 ~~LIBRARIES, OR THE ASSISTANT SUPERINTENDENT'S DESIGNEE, OF THE DIVISION OF~~
23 ~~LIBRARY DEVELOPMENT AND SERVICES WITHIN THE MARYLAND STATE~~
24 ~~DEPARTMENT OF EDUCATION, WHO SERVES AS AN EX OFFICIO MEMBER;~~

25 ~~(III) THREE SHALL BE MEMBERS OF THE HOUSE OF DELEGATES,~~
26 ~~APPOINTED BY THE SPEAKER OF THE HOUSE;~~

27 ~~(IV) THREE SHALL BE MEMBERS OF THE SENATE OF MARYLAND,~~
28 ~~APPOINTED BY THE PRESIDENT OF THE SENATE;~~

29 ~~(V) ONE SHALL BE A REPRESENTATIVE OF THE JUDICIAL BRANCH,~~
30 ~~APPOINTED BY THE CHIEF JUDGE OF THE COURT OF APPEALS;~~

1 ~~(ii)~~ seven shall be members of the public with significant
2 information technology experience; ~~and~~

3 ~~(iii)~~ ~~(vi)~~ one shall be a representative of the Maryland Association
4 of Community Colleges; ~~AND~~

5 ~~(iv)~~ ONE SHALL BE A MEMBER OF THE SENATE OF MARYLAND,
6 APPOINTED BY THE PRESIDENT OF THE SENATE;

7 ~~(v)~~ ONE SHALL BE A MEMBER OF THE MARYLAND HOUSE OF
8 DELEGATES, APPOINTED BY THE SPEAKER OF THE HOUSE; AND

9 ~~(vi)~~ ONE SHALL BE A REPRESENTATIVE OF THE JUDICIAL BRANCH,
10 APPOINTED BY THE CHIEF JUDGE OF THE COURT OF APPEALS.

11 ~~(vii)~~ TWELVE SHALL BE MEMBERS OF THE PUBLIC, APPOINTED BY
12 THE GOVERNOR, WITH SIGNIFICANT INFORMATION TECHNOLOGY EXPERIENCE,
13 INCLUDING:

14 1: A REPRESENTATIVE FROM PRIVATE INDUSTRY WHO
15 REPRESENTS INTERNET SERVICE PROVIDERS;

16 2: FOUR INDIVIDUALS FROM PRIVATE INDUSTRY WHO
17 REPRESENT BUSINESSES, OTHER THAN INTERNET SERVICE PROVIDERS, THAT
18 ENGAGE IN INTERNET COMMERCE OR OTHER RETAIL OR FINANCIAL SERVICES
19 ACTIVITIES;

20 3: TWO INDIVIDUALS WHO ARE REPRESENTATIVES FROM
21 THE HEALTH CARE INDUSTRY;

22 4: A REPRESENTATIVE OF A PUBLIC LIBRARY; AND

23 5: FOUR INDIVIDUALS WHO ARE INTERNET USERS AND
24 CONSUMERS.

25 (b) The Governor shall appoint the public members with the advice and
26 consent of the Senate.

27 (c) The term of a public member is 3 years and until a successor is appointed
28 by the Governor.

29 (d) Public members may be reappointed, but may not serve more than two
30 consecutive terms.

31 (e) The terms of the public members are staggered, as required by the terms
32 provided for members of the Board on July 1, 1994.

33 (f) A public member who is appointed after a term has begun serves only for
34 the rest of the term and until a successor is appointed and qualifies.

35 (g) The Governor may remove any member for incompetence or misconduct.

1 3-409.

2 (A) In addition to any other powers granted and duties imposed by law, and
3 subject to any restrictions imposed by law, the Board has the following powers and
4 duties:

5 (1) providing advice and counsel to the Chief in the development of the
6 information technology master plan; [and]

7 (2) STUDYING EXISTING AND EMERGING INTERNET AND INFORMATION
8 TECHNOLOGY;

9 (3) DEVELOPING STANDARDS AND MAKING RECOMMENDATIONS
10 CONCERNING INTERNET-BASED COMMERCE, INCLUDING:

11 (I) ADVERTISING ON THE INTERNET;

12 (II) BANKING TRANSACTIONS ON THE INTERNET;

13 (III) BUSINESS TRANSACTIONS ON THE INTERNET;

14 (IV) TAXATION OF INTERNET-BASED COMMERCE; AND

15 (V) TAXATION OF INTERNET SERVICES;

16 (4) DEVELOPING STANDARDS AND MAKING RECOMMENDATIONS
17 CONCERNING INTERNET USER PRIVACY, INCLUDING:

18 (I) THE AVAILABILITY OF PERSONAL INFORMATION ON THE
19 INTERNET;

20 (II) THE USE OF UNSOLICITED BULK E-MAIL;

21 (III) THE USE OF ENCRYPTION TECHNOLOGY; AND

22 (IV) THE USE OF FILTERS TO SCREEN OUT OBSCENE OR
23 OBJECTIONABLE MATERIAL;

24 (5) MAKING RECOMMENDATIONS CONCERNING INTERNET-BASED
25 CRIME, INCLUDING:

26 (I) ON-LINE FRAUD;

27 (II) ON-LINE PORNOGRAPHY; AND

28 (III) ON-LINE DEFAMATION;

29 (6) MAKING RECOMMENDATIONS CONCERNING THE USE OF THE
30 INTERNET IN THE HEALTH CARE INDUSTRY, INCLUDING:

1 (I) THE USE OF AN ON-LINE DATABASE FOR PATIENT MEDICAL
2 HISTORY; AND

3 (II) PROCESSING PAYMENT AND INSURANCE TRANSACTIONS
4 ON-LINE; AND

5 [(2)] (7) providing advice and counsel to the Chief on such other matters
6 as the Chief may request.

7 (B) (1) THE BOARD SHALL CREATE AN ANNUAL REPORT DETAILING ITS
8 ACTIVITIES AND FINDINGS.

9 (2) THE BOARD SHALL PRESENT ITS ANNUAL REPORT TO THE
10 GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE
11 GENERAL ASSEMBLY.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 1999.