
By: **Delegates Rosenberg, Hixson, Barve, Bronrott, Franchot, Klima,
Mandel, and Stern**

Introduced and read first time: February 11, 1999

Assigned to: Commerce and Government Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 22, 1999

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)

16 BY adding to repealing and reenacting, with amendments,
17 Article - State Finance and Procurement
18 Section ~~3-707~~ 3-407 and 3-409
19 Annotated Code of Maryland
20 (1995 Replacement Volume and 1998 Supplement)

1

Preamble

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

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

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

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

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

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

24 WHEREAS, In order to remain competitive with other states in the fields of
25 education, business, and government services, Maryland must address issues raised
26 by the Internet, including user privacy, economic development utilizing the Internet,
27 protocols for government and commercial transactions utilizing the Internet, and
28 protocols for Internet crime; and

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

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

35

Article - State Finance and Procurement36 ~~3-707.~~37 (A) ~~THERE IS A COMMISSION ON INFORMATION TECHNOLOGY.~~

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

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

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

6 (3) ~~THE STATE SUPERINTENDENT OF EDUCATION OR THE~~
7 ~~SUPERINTENDENT'S DESIGNEE;~~

8 (4) ~~THE SECRETARY OF HIGHER EDUCATION OR THE SECRETARY'S~~
9 ~~DESIGNEE;~~

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

12 (6) ~~THREE MEMBERS OF THE HOUSE OF DELEGATES, APPOINTED BY~~
13 ~~THE SPEAKER OF THE HOUSE;~~

14 (7) ~~THREE MEMBERS OF THE SENATE OF MARYLAND, APPOINTED BY~~
15 ~~THE PRESIDENT OF THE SENATE;~~

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

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

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

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

25 (12) ~~ONE REPRESENTATIVE FROM THE GENERAL PUBLIC WHO HAS~~
26 ~~SIGNIFICANT INTERNET AND INFORMATION TECHNOLOGY EXPERIENCE, APPOINTED~~
27 ~~BY THE GOVERNOR.~~

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

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

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

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

- 1 (1) ~~INCOMPETENCE OR MISCONDUCT; OR~~
- 2 (2) ~~FAILURE TO REGULARLY ATTEND COMMISSION MEETINGS.~~
- 3 (G) ~~FROM AMONG ITS MEMBERS, THE COMMISSION ANNUALLY SHALL ELECT~~
4 ~~A CHAIRMAN.~~
- 5 (H) ~~THE MANNER OF ELECTION OF OFFICERS SHALL BE AS THE COMMISSION~~
6 ~~DETERMINES.~~
- 7 (I) ~~THE CHAIRMAN MAY ESTABLISH SUBCOMMITTEES TO ASSIST IN THE~~
8 ~~WORK OF THE COMMISSION.~~
- 9 (J) ~~A QUORUM OF THE COMMISSION IS 11 MEMBERS.~~
- 10 (K) ~~THE COMMISSION SHALL DETERMINE THE TIMES AND PLACES OF ITS~~
11 ~~MEETINGS.~~
- 12 (L) ~~A MEMBER OF THE COMMISSION:~~
- 13 (1) ~~MAY NOT RECEIVE COMPENSATION FOR DUTIES PERFORMED AS A~~
14 ~~MEMBER OF THE COMMISSION; BUT~~
- 15 (2) ~~IS ENTITLED TO REIMBURSEMENT FOR EXPENSES UNDER THE~~
16 ~~STANDARD STATE TRAVEL REGULATIONS, AS PROVIDED IN THE STATE BUDGET.~~
- 17 (M) ~~THE COMMISSION MAY EMPLOY A STAFF IN ACCORDANCE WITH THE~~
18 ~~STATE BUDGET.~~
- 19 (N) ~~IN ADDITION TO ANY OTHER POWERS GRANTED AND DUTIES IMPOSED BY~~
20 ~~LAW, AND SUBJECT TO ANY RESTRICTIONS IMPOSED BY LAW, THE COMMISSION HAS~~
21 ~~THE FOLLOWING POWERS AND DUTIES:~~
- 22 (1) ~~STUDY EXISTING AND EMERGING INTERNET AND INFORMATION~~
23 ~~TECHNOLOGY;~~
- 24 (2) ~~DEVELOP STANDARDS AND MAKE RECOMMENDATIONS~~
25 ~~CONCERNING INTERNET-BASED COMMERCE, INCLUDING THE FOLLOWING AREAS:~~
- 26 (I) ~~ADVERTISING ON THE INTERNET;~~
- 27 (II) ~~BANKING TRANSACTIONS ON THE INTERNET;~~
- 28 (III) ~~BUSINESS TRANSACTIONS ON THE INTERNET;~~
- 29 (IV) ~~TAXATION OF INTERNET-BASED COMMERCE; AND~~
- 30 (V) ~~TAXATION OF INTERNET SERVICES;~~
- 31 (3) ~~DEVELOP STANDARDS AND MAKE RECOMMENDATIONS~~
32 ~~CONCERNING INTERNET USER PRIVACY, INCLUDING THE FOLLOWING AREAS:~~

1 (I) ~~AVAILABILITY OF PERSONAL INFORMATION ON THE INTERNET;~~
 2 (II) ~~USE OF UNSOLICITED BULK E-MAIL;~~
 3 (III) ~~USE OF ENCRYPTION TECHNOLOGY; AND~~
 4 (IV) ~~USE OF FILTERS TO SCREEN OUT OBSCENE OR~~
 5 ~~OBJECTIONABLE MATERIAL;~~

6 (4) ~~MAKE RECOMMENDATIONS CONCERNING INTERNET-BASED CRIME,~~
 7 ~~INCLUDING THE FOLLOWING AREAS:~~

8 (I) ~~ON-LINE FRAUD;~~
 9 (II) ~~ON-LINE PORNOGRAPHY; AND~~
 10 (III) ~~ON-LINE DEFAMATION;~~

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

13 (I) ~~USE OF ON-LINE DATABASE FOR PATIENT MEDICAL HISTORY;~~
 14 ~~AND~~
 15 (II) ~~PROCESSING PAYMENT AND INSURANCE TRANSACTIONS~~
 16 ~~ONLINE; AND~~

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

19 (O) ~~THE COMMISSION SHALL COORDINATE ITS EFFORTS WITH OTHER STATE~~
 20 ~~UNITS PERTAINING TO THE INTERNET OR OTHER INFORMATION TECHNOLOGY,~~
 21 ~~INCLUDING THE OFFICE OF INFORMATION TECHNOLOGY, THE OFFICE OF~~
 22 ~~TECHNOLOGY SUPPORT, AND THE TASK FORCE ON HIGH-SPEED NETWORK~~
 23 ~~DEVELOPMENT.~~

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

26 3-406.

27 There is a State Information Technology Board.

28 3-407.

29 (a) (1) The Board consists of [22] 35 members.

30 (2) Of the members of the Board:

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

- 1 1. the Department of Budget and Management;
- 2 2. the Department of General Services;
- 3 3. the Comptroller of the Treasury;
- 4 4. the Department of Human Resources;
- 5 5. the University System of Maryland;
- 6 6. the Maryland Higher Education Commission;
- 7 7. the Maryland Public Broadcasting Commission;
- 8 8. the Department of Public Safety and Correctional
9 Services;
- 10 9. the Department of Health and Mental Hygiene;
- 11 10. the Department of Transportation;
- 12 11. the Department of Business and Economic Development;
- 13 12. the Maryland State Department of Education;
- 14 13. the Maryland Office of Planning; and
- 15 14. the Department of State Police;

16 (II) ONE SHALL BE THE ASSISTANT SUPERINTENDENT FOR
17 LIBRARIES, OR THE ASSISTANT SUPERINTENDENT'S DESIGNEE, OF THE DIVISION OF
18 LIBRARY DEVELOPMENT AND SERVICES WITHIN THE MARYLAND STATE
19 DEPARTMENT OF EDUCATION, WHO SERVES AS AN EX OFFICIO MEMBER;

20 (III) THREE SHALL BE MEMBERS OF THE HOUSE OF DELEGATES,
21 APPOINTED BY THE SPEAKER OF THE HOUSE;

22 (IV) THREE SHALL BE MEMBERS OF THE SENATE OF MARYLAND,
23 APPOINTED BY THE PRESIDENT OF THE SENATE;

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

26 [(ii) seven shall be members of the public with significant
27 information technology experience; and

28 (iii)] (VI) one shall be a representative of the Maryland Association
29 of Community Colleges; AND

1 (VII) TWELVE SHALL BE MEMBERS OF THE PUBLIC, APPOINTED BY
2 THE GOVERNOR, WITH SIGNIFICANT INFORMATION TECHNOLOGY EXPERIENCE,
3 INCLUDING:

4 1. A REPRESENTATIVE FROM PRIVATE INDUSTRY WHO
5 REPRESENTS INTERNET SERVICE PROVIDERS;

6 2. FOUR INDIVIDUALS FROM PRIVATE INDUSTRY WHO
7 REPRESENT BUSINESSES, OTHER THAN INTERNET SERVICE PROVIDERS, THAT
8 ENGAGE IN INTERNET COMMERCE OR OTHER RETAIL OR FINANCIAL SERVICES
9 ACTIVITIES;

10 3. TWO INDIVIDUALS WHO ARE REPRESENTATIVES FROM
11 THE HEALTH CARE INDUSTRY;

12 4. A REPRESENTATIVE OF A PUBLIC LIBRARY; AND

13 5. FOUR INDIVIDUALS WHO ARE INTERNET USERS AND
14 CONSUMERS.

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

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

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

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

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

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

26 3-409.

27 (A) In addition to any other powers granted and duties imposed by law, and
28 subject to any restrictions imposed by law, the Board has the following powers and
29 duties:

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

32 (2) STUDYING EXISTING AND EMERGING INTERNET AND INFORMATION
33 TECHNOLOGY;

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

- 1 (I) ADVERTISING ON THE INTERNET;
- 2 (II) BANKING TRANSACTIONS ON THE INTERNET;
- 3 (III) BUSINESS TRANSACTIONS ON THE INTERNET;
- 4 (IV) TAXATION OF INTERNET-BASED COMMERCE; AND
- 5 (V) TAXATION OF INTERNET SERVICES;
- 6 (4) DEVELOPING STANDARDS AND MAKING RECOMMENDATIONS
7 CONCERNING INTERNET USER PRIVACY, INCLUDING:
- 8 (I) THE AVAILABILITY OF PERSONAL INFORMATION ON THE
9 INTERNET;
- 10 (II) THE USE OF UNSOLICITED BULK E-MAIL;
- 11 (III) THE USE OF ENCRYPTION TECHNOLOGY; AND
- 12 (IV) THE USE OF FILTERS TO SCREEN OUT OBSCENE OR
13 OBJECTIONABLE MATERIAL;
- 14 (5) MAKING RECOMMENDATIONS CONCERNING INTERNET-BASED
15 CRIME, INCLUDING:
- 16 (I) ON-LINE FRAUD;
- 17 (II) ON-LINE PORNOGRAPHY; AND
- 18 (III) ON-LINE DEFAMATION;
- 19 (6) MAKING RECOMMENDATIONS CONCERNING THE USE OF THE
20 INTERNET IN THE HEALTH CARE INDUSTRY, INCLUDING:
- 21 (I) THE USE OF AN ON-LINE DATABASE FOR PATIENT MEDICAL
22 HISTORY; AND
- 23 (II) PROCESSING PAYMENT AND INSURANCE TRANSACTIONS
24 ON-LINE; AND
- 25 [(2)] (7) providing advice and counsel to the Chief on such other matters
26 as the Chief may request.
- 27 (B) (1) THE BOARD SHALL CREATE AN ANNUAL REPORT DETAILING ITS
28 ACTIVITIES AND FINDINGS.
- 29 (2) THE BOARD SHALL PRESENT ITS ANNUAL REPORT TO THE
30 GOVERNOR AND, SUBJECT TO § 2-1246 OF THE STATE GOVERNMENT ARTICLE, TO THE
31 GENERAL ASSEMBLY.

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