Department of Legislative Services
Maryland General Assembly
2000 Session

FISCAL NOTE
Revised

House Bill 19   (Delegate Taylor, *et al.*)

Economic Matters

Maryland Uniform Computer Information Transactions Act

This bill provides a legal environment applicable to computer information transactions, including the use and licensing of software programs. "Computer information" is defined as "information in electronic form which is obtained from or through the use of a computer or which is in a form capable of being processed by a computer." Computer information includes a copy of the information and any documentation or packaging associated with the copy. A "computer information transaction" is defined as "an agreement or the performance of it to create, modify, transfer, or license computer information or informational rights in computer information." The bill establishes a ten-member Joint Technology Oversight Committee, composed of members of the General Assembly, to oversee the bill's implementation.

The bill applies to actions that accrue on or after October 1, 2000, and does not affect currently existing obligations or contract rights. The provisions establishing the committee take effect July 1, 2000 and sunset June 30, 2005.

Fiscal Summary

State Effect: The Department of Legislative Services could staff the committee with existing budgeted resources. The bill's other provisions would not directly affect State finances.

Local Effect: None.

Small Business Effect: Potential meaningful.

Bill Summary: This bill applies to agreements to create, use, or distribute computer information and products, including computer software, computer data and databases, and Internet and online information. If an agreement includes something other than computer information, e.g., goods or services, the bill applies only to the part of the agreement covering computer information.

The bill provides rules governing formation, construction, modification, and interpretation of a computer information agreement. The bill also specifies express warranties and implied warranties contained in an agreement, rules for determining whether a breach has occurred, and remedies for breach.

The bill establishes a ten-member Joint Technology Oversight Committee, composed of members of the General Assembly. The committee is required to review the bill's implementation and to recommend to the Governor and the General Assembly any appropriate changes in State law based on the committee's findings.

The provisions of the bill establishing the committee sunset June 30, 2005.

Current Law: Computer information transactions are governed by the common law of contracts and, to the extent copyright law applies, federal copyright law.

Background: The Uniform Computer Information Transactions Act (UCITA), on which this bill is based, was approved by the National Conference of Commissioners on Uniform State Laws in July 1999. UCITA is based in part on the Uniform Commercial Code and the common law, but has some provisions unique to computer information transactions. UCITA is being introduced in various state legislatures in 2000, including Maryland and Virginia.

Small Business Effect: This bill would set the limits and default rules applicable to sales and license agreements for computer information products. To the extent that the bill changes the law of contracts applicable to these agreements, the cost of negotiating agreements and resolving disputes for small businesses that are licensors, licensees, buyers, or sellers of computer information could be affected.

Additional Information

Prior Introductions: None.
Cross File: SB 142 (Senator Miller, *et al.*) - Finance.

Department of Legislative Services

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