

Department of Legislative Services
Maryland General Assembly
2023 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 1141

(Delegate Munoz, *et al.*)

Health and Government Operations

Education, Energy, and the Environment

State Information Technology - Prohibited Applications and Websites

This bill prohibits an employee or agent of a unit of State government or an entity contracting with a unit of State government from downloading or using any application, including TikTok or WeChat, or accessing any website developed by ByteDance Ltd. or Tencent Holdings Ltd. on any information technology (IT) owned or leased by the unit or while connected to any wired or wireless Internet network owned, operated, or maintained by the State. However, the prohibitions do not apply when used for (1) law enforcement activities; (2) protecting national security; or (3) research on security practices. By December 31, 2023, the Department of Budget and Management (DBM), in collaboration with the Department of Information Technology (DoIT), must publish guidelines to assist units of State government with the prohibitions, as specified.

Fiscal Summary

State Effect: The bill has no material fiscal or operational effect on most State agencies; however, public State institutions of higher education may experience significant operational issues and related costs, which could total millions if not tens of millions of dollars, as discussed below. Revenues are not affected.

Local Effect: The bill does not directly affect local government operations or finances.

Small Business Effect: None.

Analysis

Current Law: In December 2022, Governor Lawrence J. Hogan, Jr. issued an emergency directive banning the use of TikTok, which was developed by ByteDance Ltd., on State government devices and networks.

State Fiscal Effect:

State Agencies Generally

DBM and DoIT can publish the guidelines using existing budgeted resources.

In accordance with a recent gubernatorial directive, State agencies are already prohibiting TikTok from being installed and used on State-owned devices and networks. Similarly, with assistance from DBM and DoIT, it is anticipated that State agencies can block other prohibited applications (such as WeChat) from installation and use on State devices using existing budgeted resources.

Additionally, DBM advises that DoIT and other State agencies already block a number of categories of websites from State networks and devices (such as gambling websites) and, as such, the blocking of additional websites can likely be handled using existing budgeted resources.

Public State Institutions of Higher Education

While most State agencies can implement the bill's requirements by fully blocking the prohibited applications and network traffic, public State institutions of higher education in the State face a unique challenge since the prohibition affects only employees and contractors and does not affect students. While these institutions could still fully block the prohibited applications and network traffic, the prohibitions (particularly the prohibition related to network traffic) would significantly affect students who use any of the more than 200 prohibited applications owned by ByteDance and Tencent to communicate with family and for other purposes. Any institutions that elect to modify their various networks to block the prohibited network traffic for employees but allow it for other users (including students) likely incur costs totaling millions, if not tens of millions, of dollars because of the complexity involved with managing their firewalls.

Additional Information

Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Department of Budget and Management; Department of Commerce; Maryland Institute for Emergency Medical Services Systems; Maryland Department of Emergency Management; Judiciary (Administrative Office of the Courts); Maryland State Department of Education; Maryland Higher Education Commission;

Baltimore City Community College; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Maryland Center for School Safety; Maryland Department of Agriculture; Maryland Department of Disabilities; Maryland Department of the Environment; Department of General Services; Maryland Department of Health; Department of Housing and Community Development; Department of Human Services; Department of Juvenile Services; Maryland Department of Labor; Department of Natural Resources; Maryland Department of Planning; Department of Public Safety and Correctional Services; Department of State Police; Maryland Department of Transportation; Department of Veterans Affairs; State Department of Assessments and Taxation; State Ethics Commission; Maryland Insurance Administration; Maryland State Lottery and Gaming Control Agency; Military Department; Public Service Commission; Department of Legislative Services

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