

HOUSE BILL 1585

C8, S1

6lr3600
CF SB 787

By: **Delegate Kerr**

Introduced and read first time: February 13, 2026

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Maryland Economic Development Corporation – Major Information Technology**
3 **Development Projects – Project Management**

4 FOR the purpose of authorizing the Maryland Economic Development Corporation to
5 participate on the project management team for a major information technology
6 development project by working with certain entities on certain tasks; requiring, on
7 or before a certain date, the Corporation and the Secretary of Information
8 Technology to identify a certain project for which the Corporation will serve as the
9 primary project manager; requiring the Corporation, on or before a certain date, to
10 evaluate the use of alternative financing for certain projects; and generally relating
11 to the management of major information technology development projects.

12 BY repealing and reenacting, with amendments,
13 Article – Economic Development
14 Section 10–116
15 Annotated Code of Maryland
16 (2024 Replacement Volume and 2025 Supplement)

17 BY repealing and reenacting, without amendments,
18 Article – State Finance and Procurement
19 Section 3.5–301(k)
20 Annotated Code of Maryland
21 (2021 Replacement Volume and 2025 Supplement)

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

24 **Article – Economic Development**

25 10–116.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) The Corporation may:

2 (1) acquire, improve, develop, manage, market, maintain, lease as lessor or
3 as lessee, and operate a project in the State;

4 (2) **PARTICIPATE ON THE PROJECT MANAGEMENT TEAM FOR A**
5 **MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT, AS DEFINED IN §**
6 **3.5-301 OF THE STATE FINANCE AND PROCUREMENT ARTICLE, BY WORKING WITH**
7 **THE DEPARTMENT OF INFORMATION TECHNOLOGY, STATE AGENCIES, OR VENDORS**
8 **ON:**

9 (I) **DEFINING THE SCOPE OF THE MAJOR INFORMATION**
10 **TECHNOLOGY DEVELOPMENT PROJECT;**

11 (II) **MANAGING THE BUDGET AND SCHEDULE FOR THE MAJOR**
12 **INFORMATION TECHNOLOGY DEVELOPMENT PROJECT;**

13 (III) **IDENTIFYING AND MITIGATING RISKS;**

14 (IV) **PROVIDING TRANSPARENCY ON THE STATUS OF THE MAJOR**
15 **INFORMATION TECHNOLOGY DEVELOPMENT PROJECT; AND**

16 (V) **SUCCESSFUL DELIVERY AND IMPLEMENTATION OF THE**
17 **MAJOR INFORMATION TECHNOLOGY DEVELOPMENT PROJECT;**

18 (3) acquire, directly or through a person or governmental unit, by
19 purchase, gift, or devise, property, franchises, and other interests in land, including land
20 lying under water and riparian rights, located in or outside the State as necessary or
21 convenient to improve or operate a project, on terms and at prices that the Corporation
22 considers reasonable;

23 [(3)] (4) if approved by resolution by at least a two-thirds majority of the
24 legislative body of each governmental unit in which the property is located, acquire real
25 property or rights or easements in real property for a project by condemnation for public
26 use in accordance with applicable law; and

27 [(4)] (5) make loans to a person to:

28 (i) finance all or a part of the acquisition or improvement of a
29 project; and

30 (ii) refund outstanding bonds, mortgages, advances, loans, or other
31 obligations of the person to finance all or part of the acquisition or improvement of a project.

1 (b) The power of condemnation of the Corporation under subsection [(a)(3)]
2 (A)(4) of this section may not exceed the power of condemnation of the governmental unit
3 in which the property is located.

4 Article – State Finance and Procurement

5 3.5–301.

6 (k) (1) “Major information technology development project” means any
7 information technology development project that meets one or more of the following
8 criteria:

9 (i) except as provided in paragraph (2) of this subsection, the
10 estimated total cost of development equals or exceeds \$5,000,000;

11 (ii) the project is undertaken to support a critical business function
12 associated with the public health, education, safety, or financial well-being of the residents
13 of Maryland; or

14 (iii) the Secretary determines that the project requires the special
15 attention and consideration given to a major information technology development project
16 due to:

- 17 1. the significance of the project’s potential benefits or risks;
- 18 2. the impact of the project on the public or local
19 governments;
- 20 3. the public visibility of the project; or
- 21 4. other reasons as determined by the Secretary.

22 (2) “Major information technology development project” does not include:

23 (i) technology that is reoccurring, standard operating technology as
24 determined by the Secretary and submitted to the Legislative Policy Committee for a
25 30-day review and comment period; or

26 (ii) a project with an estimated total cost of development that is:

27 1. less than \$5,000,000 and is funded with money set aside
28 for expedited projects in the Fund; or

29 2. more than \$5,000,000 and is funded with the money set
30 aside for expedited projects in the Fund if the Secretary determines that:

1 A. the unit of State government has sufficient
2 implementation resources, including human capital, subject matter expertise, and
3 technological infrastructure, or has the means to obtain these resources before project
4 initiation;

5 B. there is no sufficient alternative within the State's
6 information technology inventory; and

7 C. the project will result in a comprehensive solution
8 designed to meet a cohesive set of business and technological objectives.

9 SECTION 2. AND BE IT FURTHER ENACTED, That:

10 (a) On a pilot basis, the Maryland Economic Development Corporation and the
11 Secretary of Information Technology shall identify a major information technology
12 development project, as defined in § 3.5–301 of the State Finance and Procurement Article,
13 for which the Corporation will serve as the primary project manager on behalf of the unit
14 of State government as a demonstration project.

15 (b) On or before July 1, 2026, the Corporation shall report to the General
16 Assembly, in accordance with § 2–1257 of the State Government Article, on the
17 identification of the project, including appropriate details about the project.

18 (c) On or before October 1, 2026, and quarterly thereafter until project
19 completion, the Corporation shall report to the Secretary of Information Technology and,
20 in accordance with § 2–1257 of the State Government Article, the General Assembly on the
21 progress of the identified project, including:

22 (1) a summary of any problems or issues with the demonstration project
23 that the Corporation identifies;

24 (2) a review of the initial information technology project request and
25 whether the estimates made are reasonable, supported, and in alignment with the status
26 of the project;

27 (3) documentation of changes to project scope, schedule, or costs, and the
28 justification for and reasonableness of those changes;

29 (4) documentation of the qualifications of the employees and vendors; and

30 (5) identification of potential problems that may develop with the project.

31 SECTION 3. AND BE IT FURTHER ENACTED, That:

32 (a) The Maryland Economic Development Corporation shall evaluate the
33 feasibility of using alternative financing mechanisms for major information technology
34 development projects, as defined in § 3.5–301 of the State Finance and Procurement Article.

1 (b) The evaluation required under subsection (a) of this section shall include
2 funding mechanisms used in other states that could be used in Maryland.

3 (c) On or before December 1, 2026, the Corporation shall submit a report to the
4 Secretary of Information Technology and, in accordance with § 2-1257 of the State
5 Government Article, the General Assembly that summarizes the work of the Corporation
6 in conducting the evaluation and any recommendations for financing major information
7 technology development projects in the State.

8 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall take effect June
9 1, 2026.