

Department of Legislative Services
Maryland General Assembly
2026 Session

FISCAL AND POLICY NOTE
First Reader

House Bill 266 (Chair, Government, Labor, and Elections
Committee)(By Request - Departmental - Information
Technology)

Government, Labor, and Elections

**Department of Information Technology – Information Technology Investment
Fund – Uses**

This departmental bill authorizes revenues that accrue to the Information Technology Investment Fund (ITIF) from resource sharing agreements (RSAs) to be used, at the Secretary of Information Technology’s discretion, to support State-owned communication sites, communications facilities, and telecommunications equipment used in connection with RSAs, including program management for these activities. **The bill takes effect July 1, 2026.**

Fiscal Summary

State Effect: Expanding the authorized use of RSA revenues from ITIF does not affect overall State revenues or expenditures; however, the distribution of funds may be different.

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

Small Business Effect: The Department of Information Technology (DoIT) has determined that this bill has minimal or no impact on small business (attached). The Department of Legislative Services concurs with this assessment.

Analysis

Current Law:

Resource Sharing Agreements

The State’s telecommunications RSA process was initially established by Chapter 87 of 1996 to allow State agencies to enter into contractual agreements with private companies

for the nonexclusive, long-term use of State rights-of-way (land), communications infrastructure (telecommunications towers), and real estate (buildings). Generally, RSAs permit private companies to install, operate, and maintain communications systems on State resources; in exchange, the private companies provide the State with monetary compensation, equipment, or in-kind services.

A unit of State government must generally confer with DoIT on any information technology (IT) proposal involving resource sharing, the exchange of goods or services, or a gift, contribution, or grant of real or personal property. After being notified by an agency, DoIT must then determine if the value of resources, services, and/or property to be obtained by the State under the terms of the proposal equals or exceeds \$100,000.

If so, and DoIT and the agency agree to proceed with the proposal, the proposal must be (1) advertised for at least 30 days on eMaryland Marketplace and (2) submitted to the Legislative Policy Committee for a 60-day review and comment period during which the committee may recommend the proposal be treated as a procurement contract. Following the committee's comment period, the proposal is subject to approval by the Board of Public Works.

Information Technology Investment Fund

To centralize State oversight and funding for major Executive Branch IT projects, Chapters 467 and 468 of 2002 established a review and approval process for major IT development projects and the related Major IT Development Fund. Chapter 497 of 2024 made various changes to the fund, including renaming it as ITIF. Under Chapter 497, the purpose of ITIF is to support both major IT development projects and expedited projects. ITIF is managed by DoIT and may be used only for major IT development projects, maintenance costs for major IT development projects for a specified time period, expedited projects, administrative costs, and costs for specified pilot programs and prototypes.

Among other sources of funding, money received from RSAs generally accrues to ITIF. However, money from this source must be used only to support (1) the State-owned and -operated telecommunication and computer network, including program development for the network, and (2) the Statewide Public Safety Interoperability Radio System (*i.e.* Maryland First).

Background: DoIT advises that the bill is needed to allow revenues derived from RSAs to be used to and support the communications facilities and IT that are central to maintaining those same RSAs. As noted above, money from RSAs generally accrue to ITIF, but, under current law, ITIF cannot be used to maintain or develop the infrastructure used in RSAs. DoIT further advises that the bill provides flexibility for the reinvestment of ITIF funding to more generally support some of the infrastructure critical to statewide IT services.

Generally, RSA revenues account for a very small portion of total ITIF funding. *For informational purposes only*, RSA revenues to ITIF totaled \$738,247 in fiscal 2024 (the most recent year for which revenue data are available), but spending from ITIF totaled \$64.3 million in fiscal 2025.

Additional Information

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

Designated Cross File: SB 85 (Chair, Budget and Taxation Committee)(By Request - Departmental - Information Technology) - Budget and Taxation.

Information Source(s): Department of Information Technology; Maryland Institute for Emergency Medical Services Systems; Department of Housing and Community Development; Department of State Police; Maryland Department of Transportation; Department of Legislative Services

Fiscal Note History: First Reader - January 19, 2026
sj/mcr

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ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

TITLE OF BILL: Department of Information Technology - Information Technology Investment Fund - Uses

BILL NUMBER: HB 266

PREPARED BY: Sara Elalamy - DoIT - Legislative Director

PART A. ECONOMIC IMPACT RATING

This agency estimates that the proposed bill:

X WILL HAVE MINIMAL OR NO ECONOMIC IMPACT ON MARYLAND SMALL BUSINESS

OR

WILL HAVE MEANINGFUL ECONOMIC IMPACT ON MARYLAND SMALL BUSINESSES

PART B. ECONOMIC IMPACT ANALYSIS

The Department does not anticipate any additional costs as a result of this proposed legislative change. However, the Department does expect an increase in revenues to the State Resource Sharing Agreements Program once the change is enacted. Under the discretion of the Secretary, the Program may reinvest these revenues to enhance and modernize its supporting infrastructure.