

**Department of Legislative Services**  
Maryland General Assembly  
2021 Session

**FISCAL AND POLICY NOTE**  
**Third Reader**

Senate Bill 240

(Chair, Budget and Taxation Committee)(By Request -  
Departmental - Transportation)

Budget and Taxation

Appropriations

**Maryland Information Technology Development Project Fund – Sources of  
Revenue**

This departmental bill excludes revenues collected from resource sharing agreements (RSA) by the Maryland Department of Transportation (MDOT) from accruing to the Major Information Technology Development Project Fund (MITDPF) within the Department of Information Technology (DoIT); instead, the revenues accrue to the Transportation Trust Fund (TTF). **The bill takes effect June 1, 2021.**

**Fiscal Summary**

**State Effect:** No net effect on special fund revenues. However, MITDPF revenues decrease by approximately \$100,000 in FY 2021, with a corresponding increase in TTF revenues. Annually thereafter, MITDPF revenues decrease by approximately \$5.0 million and TTF revenues increase correspondingly. Expenditures are not directly affected.

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

**Small Business Effect:** MDOT 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:** The State's telecommunications RSA process was 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 services. DoIT advises that most RSAs do not include direct revenue for the State.

Funds collected from telecommunications RSAs and from the sale, lease, and exchange of communication sites, communication facilities, or communication frequencies must generally be deposited into MITDPF. However, funds collected from RSAs with specified Executive Branch agencies and agencies within the Judicial and Legislative branches of State government are retained by those agencies and not deposited into MITDPF. MDOT was one of the agencies that retained its own RSA revenues until the Budget Reconciliation and Financing Act (BRFA) of 2019 (Chapter 16) required MDOT's RSA revenues to accrue to MITDPF instead.

For a project to be eligible for funding through MITDPF, it must (1) be estimated to cost at least \$1.0 million; (2) support critical business functions associated with the public health, education, safety, or financial well-being of the citizens of Maryland; or (3) be determined to require special attention and consideration by the Secretary.

**Background:** MDOT advises that prior to the enactment of the BRFA of 2019, it had always retained its RSA revenues in TTF. Moreover, even though MDOT's RSA revenues have been accruing to MITDPF, none of its major information technology projects is funded through MITDPF. Additionally, MDOT advises that it could use the additional revenues to issue debt and expand its capital program by \$64.0 million from fiscal 2022 through 2026.

**State Revenues:** MDOT's RSA agreements result in approximately \$5.0 million in revenues annually, which accrue to MITDPF in accordance with the BRFA of 2019. Under the bill, this revenue is instead retained by MDOT and accrues to TTF, thereby decreasing revenues for MITDPF by \$5.0 million annually beginning in fiscal 2022 and increasing TTF revenues by \$5.0 million annually beginning in that same year.

In addition, MDOT estimates that about \$100,000 of its RSA revenues are collected in the month of June each year. Because the bill takes effect June 1, 2021, revenues for MITDPF decrease by approximately \$100,000 in fiscal 2021, and TTF revenues increase by approximately \$100,000 in that same year.

## Additional Information

**Prior Introductions:** None.

**Designated Cross File:** None.

**Information Source(s):** Maryland Department of Transportation; Department of Information Technology; Department of Budget and Management; Department of Legislative Services

**Fiscal Note History:** First Reader - January 25, 2021  
rh/mcr Third Reader - March 19, 2021

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## ANALYSIS OF ECONOMIC IMPACT ON SMALL BUSINESSES

**TITLE OF BILL:** Maryland Information Technology Development Project Fund – Sources of Revenue

**BILL NUMBER:** SB 240

**PREPARED BY:** Maryland Department of Transportation  
(Dept./Agency)

### **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**