

HOUSE BILL NO. 471  
INTRODUCED BY D. WANZENRIED

A BILL FOR AN ACT ENTITLED: "AN ACT EXPANDING THE DUTIES OF THE DEPARTMENT OF ADMINISTRATION AND THE CHIEF INFORMATION OFFICER REGARDING OVERSIGHT OF INFORMATION TECHNOLOGY PURCHASES; SETTING RESTRICTIONS ON STATE FINANCING OF INFORMATION TECHNOLOGY PURCHASES; ALLOWING BONDS TO BE USED ON A LIMITED BASIS FOR INFORMATION TECHNOLOGY PURCHASES; AMENDING SECTION 2-17-512, MCA; AND PROVIDING AN EFFECTIVE DATE."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

**Section 1.** Section 2-17-512, MCA, is amended to read:

**"2-17-512. Powers and duties of department.** (1) The department is responsible for carrying out the planning and program responsibilities for information technology for state government. The department:

(a) shall encourage and foster the development of new and innovative information technology within state government;

(b) shall promote, coordinate, and approve the development and sharing of shared information technology application software, management systems, and information that provide similar functions for multiple state agencies;

(c) shall cooperate with the department of commerce to promote economic development initiatives based on information technology;

(d) shall establish and enforce a state strategic information technology plan as provided for in 2-17-521;

(e) shall establish and enforce statewide information technology policies and standards;

(f) shall review and approve state agency information technology plans provided for in 2-17-523;

(g) shall coordinate with the office of budget and program planning to evaluate budget requests that include information technology resources. The department shall make recommendations to the office of budget and program planning for the approval or disapproval of information technology budget requests, including an estimate of the useful life of the asset proposed for purchase and whether the amount should be expensed or capitalized, based on state accounting policy established by the department. An unfavorable recommendation must be based on a determination that the request is not provided for in the approved agency information

technology plan provided for in 2-17-523.

(h) shall staff the information technology board provided for in 2-15-1021;

(i) shall fund the administrative costs of the information technology board provided for in 2-15-1021;

(j) shall review the use of information technology resources for all state agencies;

(k) shall review and approve state agency specifications and procurement methods for the acquisition of information technology resources;

(l) shall review, approve, and sign all state agency contracts and shall review and approve other formal agreements for information technology resources provided by the private sector and other government entities;

(m) shall operate and maintain a central computer center for the use of state government, political subdivisions, and other participating entities under terms and conditions established by the department;

(n) shall operate and maintain a statewide telecommunications network for the use of state government, political subdivisions, and other participating entities under terms and conditions established by the department;

(o) shall ensure that the statewide telecommunications network is properly maintained. The department may establish a centralized maintenance program for the statewide telecommunications network.

(p) shall coordinate public safety communications on behalf of all state agencies as provided for in 2-17-541 through 2-17-543;

(q) shall manage the state 9-1-1 program as provided for in Title 10, chapter 4, part 3;

(r) shall provide electronic access to information and services of the state as provided for in 2-17-532;

(s) shall provide assistance to the legislature, the judiciary, the governor, and state agencies relative to state and interstate information technology matters;

(t) shall establish rates and other charges for services provided by the department;

(u) must accept federal funds granted by congress or by executive order and gifts, grants, and donations for any purpose of this section;

(v) shall dispose of personal property owned by it in a manner provided by law when, in the judgment of the department, the disposal best promotes the purposes for which the department is established;

(w) shall implement this part and all other laws for the use of information technology in state government;

(x) shall report to the appropriate interim committee on a regular basis and to the legislature as provided in 5-11-210 on the information technology activities of the department; and

(y) shall represent the state with public and private entities on matters of information technology.

(2) If it is in the state's best interest, the department may contract with qualified private organizations, foundations, or individuals to carry out the purposes of this section.

(3) The director of the department shall appoint the chief information officer to assist in carrying out the department's information technology duties."

**NEW SECTION. Section 2. Limitations on general obligation bonds and bond anticipation notes.**

(1) Bonds and bond anticipation notes may not be issued for information technology acquisitions, including hardware or software, for a period longer than the estimated useful life of the asset.

(2) The chief information officer, as defined in 2-17-506, shall estimate the useful life of the asset for the proposed information technology purchase and provide this information for inclusion prior to the department determining the appropriate financing method, as described in 2-17-512(1)(g).

(3) Whenever the department determines that the purchase of information technology hardware or software must be expensed in accordance with state accounting policy, general obligation bonds may not be issued for the purchase.

**NEW SECTION. Section 3. Codification instruction.** [Section 2] is intended to be codified as an integral part of Title 17, chapter 5, part 8, and the provisions of Title 17, chapter 5, part 8, apply to [section 2].

**NEW SECTION. Section 4. Effective date.** [This act] is effective July 1, 2003.

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