

House BILL NO. 427

INTRODUCED BY

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2 INTRODUCED BY Raney
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4 A BILL FOR AN ACT ENTITLED: "AN ACT PROVIDING THAT THE STATE OF MONTANA AGGRESSIVELY
5 HANDLE STATE AGENCY TRANSACTIONS ELECTRONICALLY; PROVIDING FOR COOPERATION WITH
6 SCHOOLS, LOCAL GOVERNMENTS, AND TRIBAL GOVERNMENTS; PROVIDING THAT THE DEPARTMENT
7 OF ADMINISTRATION COORDINATE AND FURNISH EXPERTISE IN ESTABLISHING AN ELECTRONIC
8 TRANSACTIONS SYSTEM FOR THE STATE OF MONTANA; AND AMENDING SECTIONS 2-17-302,
9 2-17-305, AND 2-17-502, MCA."

10

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

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13 **NEW SECTION.** **Section 1. Short title.** [Sections 1 through 6] may be referred to as "Montana
14 Online".

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16 **NEW SECTION. Section 2. State transactions implemented electronically.** Each state agency, as
17 defined in 2-18-101, shall, aggressively and to the greatest extent possible, handle electronically agency
18 transactions with the public, businesses, contractors, other governmental agencies, and any other person
19 or entity with which the agency conducts business.

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21 **NEW SECTION. Section 3. Participation by other public entities.** (1) Local governments, schools,
22 tribal governments, and all other public entities in the state are encouraged to serve their constituency with
23 electronic transactions. At a minimum, these entities should be able to act as clients for state agency
24 electronic transactions. The department of administration shall, to the maximum extent possible, coordinate
25 and provide expertise and technical help to local governments, schools, tribal governments, and other public
26 entities to the extent that they become clients for state electronic transactions and conform to transaction
27 standards established by the department.

28 (2) The department may charge a local government, school, tribal government, or other public
29 entity for assisting the entity in establishing a method for conducting electronic transactions.

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1 **NEW SECTION.** **Section 4. Electronic transactions.** State agency transactions that are
2 recommended to be performed electronically are activities that involve forms or applications provided by
3 state agencies, which can be electronically retrieved by involved persons, completed, and transmitted back
4 to the agency for appropriate action, and that may include further electronic transactions between the state
5 agency and the involved person. Other types of electronic transactions include:

6 (1) integrated benefits transfers;
7 (2) collection and dissemination of statistical, business, and other types of appropriate data that
8 may be necessary for agency operations or useful to business or other interests in the state;
9 (3) state agency administration, including adjudication, internal management, rulemaking, and
10 service delivery; and
11 (4) "one-stop" tax and business filings.

12
13 **NEW SECTION.** **Section 5. Electronic mediums.** A transaction may be done electronically using
14 the electronic bulletin board system established in 2-17-322 or through state, public, or commercial online
15 services that are appropriate for the type of transaction involved.

16
17 **NEW SECTION.** **Section 6. Responsibilities of department of administration.** The department of
18 administration shall coordinate state agency implementation of [sections 1 through 6], as provided in
19 2-17-501, and shall establish standards to facilitate public ease of use, public confidence, and flexibility
20 for state agency use. The standards must address:

21 (1) security and authentication of electronic transactions;
22 (2) transaction software, such as electronic forms and online text processing;
23 (3) individual privacy;
24 (4) public access; and
25 (5) use of commercial online services and third-party providers.

26
27 **Section 7.** Section 2-17-302, MCA, is amended to read:
28 **"2-17-302. Communication systems.** (1) The department of administration shall:
29 (a) provide communication services to all agencies of state government. The state communications
30 system must be capable of passing voice, video, data, written information, and other forms of

1 communication to and from distant points.

2 (b) exercise general supervision over all existing communications systems for all agencies of state
3 government;

4 (c) plan, review, and approve any additional installations of communications equipment and
5 systems for all agencies of state government, including mail equipment for state agencies within a 10-mile
6 radius of the capitol area. In approving the installation of additional communications equipment or systems,
7 the department shall first consult with and consider the recommendations and advice of the executive
8 heads of the various state agencies.

9 (d) approve standards and procedures for selection, acquisition, and operation of communications
10 equipment;

11 (e) ensure that all communications equipment is properly maintained. The department is authorized
12 to establish a centralized maintenance program for all state communications equipment and to contract for
13 ~~the equipment~~ maintenance of the equipment if it is in the state's best interest. The department shall
14 maintain cost records and bill agencies for services rendered.

15 (f) provide assistance to the legislature, governor, and state agencies relative to state and interstate
16 communication matters;

17 (g) provide a means ~~whereby~~ for political subdivisions of the state ~~may utilize to use~~ the state
18 communications system, upon terms and under conditions as that the department may establish;

19 (h) accept federal funds granted by congress or by executive order for any purposes of this section,
20 as well as gifts and donations from individuals and private organizations or foundations;

21 (i) foster the development of new and innovative communications systems and techniques within
22 the state, including but not limited to satellite communications and high-speed, high-density data transfer
23 and the provision of state services electronically. To carry out the purposes of this section, the department
24 may contract with qualified private organizations, foundations, or individuals if it is in the state's best
25 interest.

26 (j) pay for and allocate to state agencies, as part of services rendered, the cost of any performance
27 audit of the state communications system performed by or at the direction of the legislative auditor.

28 (2) The department may provide assistance to political subdivisions or nonprofit organizations, upon
29 terms that the department may establish, relative to state and interstate communications systems and
30 techniques.

7 **Section 8.** Section 2-17-305, MCA, is amended to read:

8 "2-17-305. Cooperation with other government agencies ~~not limited~~ encouraged. This part shall
9 not be construed so as to prohibit or limit a state agency from availing itself of State agencies and other
10 public entities are encouraged to aggressively use technology to provide access to services and information
11 and to maximize their connection to and cooperation with other state, local, and federal agencies for the
12 purpose of communications and information gathering and distributing services."

14 Section 9. Section 2-17-502, MCA, is amended to read:

15 **"2-17-502. State information technology advisory council.** (1) The department of administration
16 shall create a state information technology advisory council under 2-15-122.

17 (2) The members of the advisory council must be selected from a diverse group in order to
18 adequately represent the interests of state agencies and public entities, including the university system,
19 local governments, schools, and other public entities in the state.

27 **NEW SECTION.** **Section 10. Notification of tribal governments.** The secretary of state shall send
28 a copy of [this act] to the tribal chairperson of each of the seven Montana reservations and to the tribal
29 chairperson of the Little Shell tribe.

1 **NEW SECTION.** **Section 11. Codification instruction.** [Sections 1 through 6] are intended to be
2 codified as an integral part of Title 2, chapter 17, and the provisions of Title 2, chapter 17, apply to
3 [sections 1 through 6].

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STATE OF MONTANA - FISCAL NOTE

Fiscal Note for HB0427, as introduced

DESCRIPTION OF PROPOSED LEGISLATION:

An act providing that the State of Montana aggressively handle state agency transactions electronically; providing for cooperation with schools, local governments, and tribal governments; providing that the Department of Administration coordinate and furnish expertise in establishing an electronic transactions system for the State of Montana.

ASSUMPTIONS:

1. As state government administrative resources are either reduced or additional responsibilities added without commensurate increases in resources, state agencies are currently pursuing strategies for cost-effective electronic provision of services to the maximum extent possible, subject to the availability of resources for such initiatives.
2. The Executive Budget recommends several major initiatives for the electronic provision of services as well as investments by the Department of Administration in the state's information technology infrastructure.
3. The Information Technology Advisory Council (ITAC) has adopted formal policy statements regarding "aggressive" development of information technologies and involvement of local government and other public entities. ITAC currently has a strategic planning process in place to address standards necessary to facilitate the development of electronic provision of services.
4. HB427 codifies the general policies adopted by the administration through the ITAC strategic planning document. No specific information technology initiatives are mandated by the bill. Specific initiatives are subject to the legislative appropriations process on a case-by-case basis.

FISCAL IMPACT:

There is no specific fiscal impact which can be clearly attributed to HB427. Information technology initiatives will continue to be brought before the legislature in the appropriations process.

To the extent that local governments, schools, tribal governments, or other public entities become clients for state electronic transactions which creates additional workload for the Department of Administration, fees may be charged to cover such costs. The budget amendment process would be available in the event additional budget authority is necessary during the 1997 biennium.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:

The legislation can in the long term improve the operations of government, both local and state, and improve the ease of access the public has to government. Savings can result as a consequence of this legislation.

Dave Lewis 2-10-95
DAVE LEWIS, BUDGET DIRECTOR DATE
Office of Budget and Program Planning

Bob Raney
BOB RANEY, PRIMARY SPONSOR DATE

Fiscal Note for HB0427, as introduced

HB 427