

HOUSE BILL 591

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EMERGENCY BILL

0lr1048

By: **Delegates George, Aumann, Bartlett, Bates, Boteler, Bromwell, Costa, Eckardt, Elliott, Frank, Impallaria, James, Jennings, Kach, Kelly, King, Kipke, Krebs, Levy, McConkey, McDonough, Miller, Myers, Norman, Schuh, Serafini, Shank, Shewell, Sossi, Stifler, Stocksdale, Stull, and Wood**

Introduced and read first time: February 3, 2010

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Unemployment Insurance – Charging and Taxation**

3 FOR the purpose of altering the unemployment insurance charging and taxation
4 system; altering the standard rate of contribution that certain employing units
5 are required to pay; requiring the Department of Labor, Licensing, and
6 Regulation to make a certain notification to employing units; making this Act
7 an emergency measure; providing for the termination of this Act; and generally
8 relating to the unemployment insurance charging and taxation system.

9 BY repealing and reenacting, with amendments,
10 Article – Labor and Employment
11 Section 8–612
12 Annotated Code of Maryland
13 (2008 Replacement Volume and 2009 Supplement)

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

16 **Article – Labor and Employment**

17 8–612.

18 (a) (1) Subject to paragraph (2) of this subsection, on the basis of the
19 earned rating record of an employing unit that qualifies for an earned rate of
20 contribution under § 8–610 of this subtitle, the Secretary shall compute to the 4th
21 decimal place a benefit ratio for the employing unit in accordance with subsection (b)
22 or (c) of this section.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (2) The Secretary may not assign an earned rate of contribution that is
 2 less than 0.3% or more than ~~[13.5%]~~ **11.8%**.

3 (b) For an employing unit that qualifies under § 8–610(a)(2) of this subtitle,
 4 the Secretary shall compute a benefit ratio by:

5 (1) adding the regular, work sharing, and extended benefits that were
 6 chargeable to the earned rating record of the employing unit and paid during the 3
 7 rating years immediately preceding the computation date; and

8 (2) dividing the figure determined under item (1) of this subsection by
 9 the total of the reported taxable wages for the same period.

10 (c) For an employing unit that qualifies under § 8–610(a)(3) of this subtitle,
 11 the Secretary shall compute a benefit ratio for the employing unit by:

12 (1) adding the regular, work sharing, and extended benefits that were
 13 chargeable to the earned rating record of the employing unit and paid during the
 14 period beginning with the 1st day of the calendar quarter in which the employing unit
 15 first became subject to this title and ending on the June 30 immediately preceding the
 16 computation date; and

17 (2) dividing the figure obtained under item (1) of this subsection by the
 18 total of the reported taxable wages for the same period.

19 (d) (1) For any calendar year beginning on or after January 1, 2006, when
 20 the Unemployment Insurance Fund balance on September 30 of the immediately
 21 preceding calendar year exceeds 5% of the total taxable wages in covered employment
 22 for the 4 completed calendar quarters immediately preceding September 30, the Table
 23 of Rates in this paragraph of this subsection shall apply.

24 Table of Rates – Table A

25	Employing	Employing
26	Unit's Benefit	Unit's
27	Ratio	Rate
28	(1) .0000 —	0.30%
29	(2) .0001 — .0027	0.60%
30	(3) .0028 — .0054	0.90%
31	(4) .0055 — .0081	1.20%
32	(5) .0082 — .0108	1.50%
33	(6) .0109 — .0135	1.80%
34	(7) .0136 — .0162	2.10%
35	(8) .0163 — .0189	2.40%
36	(9) .0190 — .0216	2.70%

1	(10)	.0217 — .0243	3.00%
2	(11)	.0244 — .0270	3.30%
3	(12)	.0271 — .0297	3.60%
4	(13)	.0298 — .0324	3.90%
5	(14)	.0325 — .0351	4.20%
6	(15)	.0352 — .0378	4.50%
7	(16)	.0379 — .0405	4.80%
8	(17)	.0406 — .0432	5.10%
9	(18)	.0433 — .0459	5.40%
10	(19)	.0460 — .0486	5.70%
11	(20)	.0487 — .0513	6.00%
12	(21)	.0514 — .0540	6.30%
13	(22)	.0541 — .0567	6.60%
14	(23)	.0568 — .0594	6.90%
15	(24)	.0595 — .0621	7.20%
16	(25)	.0622 — and over	7.50%

17 (2) For any calendar year beginning on or after January 1, 2006, when
18 the Unemployment Insurance Fund balance on September 30 of the immediately
19 preceding calendar year exceeds 4.5%, but is not in excess of 5% of the total taxable
20 wages in covered employment for the 4 completed calendar quarters immediately
21 preceding September 30, the Table of Rates in this paragraph of this subsection shall
22 apply.

23 Table of Rates – Table B

24	Employing		Employing
25	Unit’s Benefit		Unit’s
26	Ratio		Rate
27	(1)	.0000 —	0.60%
28	(2)	.0001 — .0027	0.90%
29	(3)	.0028 — .0054	1.20%
30	(4)	.0055 — .0081	1.50%
31	(5)	.0082 — .0108	1.80%
32	(6)	.0109 — .0135	2.10%
33	(7)	.0136 — .0162	2.40%
34	(8)	.0163 — .0189	2.70%
35	(9)	.0190 — .0216	3.00%
36	(10)	.0217 — .0243	3.30%
37	(11)	.0244 — .0270	3.60%
38	(12)	.0271 — .0297	3.90%
39	(13)	.0298 — .0324	4.20%
40	(14)	.0325 — .0351	4.50%
41	(15)	.0352 — .0378	4.80%
42	(16)	.0379 — .0405	5.10%
43	(17)	.0406 — .0432	5.40%
44	(18)	.0433 — .0459	5.70%

1	(19)	.0460 — .0486	6.00%
2	(20)	.0487 — .0513	6.30%
3	(21)	.0514 — .0540	6.60%
4	(22)	.0541 — .0567	6.90%
5	(23)	.0568 — .0594	7.20%
6	(24)	.0595 — .0621	7.50%
7	(25)	.0622 — .0648	7.80%
8	(26)	.0649 — .0675	8.10%
9	(27)	.0676 — .0702	8.40%
10	(28)	.0703 — .0729	8.70%
11	(29)	.0730 — and over	9.00%

12 (3) For any calendar year beginning on or after January 1, 2006, when
 13 the Unemployment Insurance Fund balance on September 30 of the immediately
 14 preceding calendar year exceeds 4%, but is not in excess of 4.5% of the total taxable
 15 wages in covered employment for the 4 completed calendar quarters immediately
 16 preceding September 30, the Table of Rates in this paragraph of this subsection shall
 17 apply.

18 Table of Rates – Table C

19	Employing		Employing
20	Unit's Benefit		Unit's
21	Ratio		Rate
22	(1)	.0000 —	1.00%
23	(2)	.0001 — .0027	1.50%
24	(3)	.0028 — .0054	1.80%
25	(4)	.0055 — .0081	2.10%
26	(5)	.0082 — .0108	2.40%
27	(6)	.0109 — .0135	2.70%
28	(7)	.0136 — .0162	3.00%
29	(8)	.0163 — .0189	3.30%
30	(9)	.0190 — .0216	3.60%
31	(10)	.0217 — .0243	3.90%
32	(11)	.0244 — .0270	4.20%
33	(12)	.0271 — .0297	4.50%
34	(13)	.0298 — .0324	4.80%
35	(14)	.0325 — .0351	5.10%
36	(15)	.0352 — .0378	5.40%
37	(16)	.0379 — .0405	5.70%
38	(17)	.0406 — .0432	6.00%
39	(18)	.0433 — .0459	6.30%
40	(19)	.0460 — .0486	6.60%
41	(20)	.0487 — .0513	6.90%
42	(21)	.0514 — .0540	7.20%
43	(22)	.0541 — .0567	7.50%
44	(23)	.0568 — .0594	7.80%

1	(24)	.0595 — .0621	8.10%
2	(25)	.0622 — .0648	8.40%
3	(26)	.0649 — .0675	8.70%
4	(27)	.0676 — .0702	9.00%
5	(28)	.0703 — .0729	9.30%
6	(29)	.0730 — .0756	9.60%
7	(30)	.0757 — .0783	9.90%
8	(31)	.0784 — .0810	10.20%
9	(32)	.0811 — and over	10.50%

10 (4) For any calendar year beginning on or after January 1, 2006, when
 11 the Unemployment Insurance Fund balance on September 30 of the immediately
 12 preceding calendar year [exceeds 3.5%, but] is not in excess of 4% of the total taxable
 13 wages in covered employment for the 4 completed calendar quarters immediately
 14 preceding September 30, the Table of Rates in this paragraph of this subsection shall
 15 apply.

16 Table of Rates – Table D

17		Employing		Employing
18		Unit's Benefit		Unit's
19		Ratio		Rate
20	(1)	.0000 —		1.40%
21	(2)	.0001 — .0027		2.10%
22	(3)	.0028 — .0054		2.40%
23	(4)	.0055 — .0081		2.70%
24	(5)	.0082 — .0108		3.00%
25	(6)	.0109 — .0135		3.30%
26	(7)	.0136 — .0162		3.60%
27	(8)	.0163 — .0189		3.90%
28	(9)	.0190 — .0216		4.20%
29	(10)	.0217 — .0243		4.50%
30	(11)	.0244 — .0270		4.80%
31	(12)	.0271 — .0297		5.10%
32	(13)	.0298 — .0324		5.40%
33	(14)	.0325 — .0351		5.70%
34	(15)	.0352 — .0378		6.00%
35	(16)	.0379 — .0405		6.30%
36	(17)	.0406 — .0432		6.60%
37	(18)	.0433 — .0459		6.90%
38	(19)	.0460 — .0486		7.20%
39	(20)	.0487 — .0513		7.50%
40	(21)	.0514 — .0540		7.80%
41	(22)	.0541 — .0567		8.10%
42	(23)	.0568 — .0594		8.40%
43	(24)	.0595 — .0621		8.70%

1	(23)	.0568 — .0594	8.90%
2	(24)	.0595 — .0621	9.20%
3	(25)	.0622 — .0648	9.50%
4	(26)	.0649 — .0675	9.80%
5	(27)	.0676 — .0702	10.10%
6	(28)	.0703 — .0729	10.40%
7	(29)	.0730 — .0756	10.70%
8	(30)	.0757 — .0783	11.00%
9	(31)	.0784 — .0810	11.30%
10	(32)	.0811 — .0837	11.60%
11	(33)	.0838 — .0864	11.90%
12	(34)	.0865 — .0891	12.20%
13	(35)	.0892 — .0918	12.50%
14	(36)	.0919 — .0945	12.80%
15	(37)	.0946 — and over	12.90%

16 (6) For any calendar year beginning on or after January 1, 2006, when
 17 the Unemployment Insurance Fund balance on September 30 of the immediately
 18 preceding calendar year is not in excess of 3% of the total taxable wages in covered
 19 employment for the 4 completed calendar quarters immediately preceding September
 20 30, the Table of Rates in this paragraph of this subsection shall apply.

21 Table of Rates – Table F

22	Employing		Employing
23	Unit's Benefit		Unit's
24	Ratio		Rate
25	(1)	.0000 —	2.20%
26	(2)	.0001 — .0027	3.10%
27	(3)	.0028 — .0054	3.40%
28	(4)	.0055 — .0081	3.70%
29	(5)	.0082 — .0108	4.00%
30	(6)	.0109 — .0135	4.30%
31	(7)	.0136 — .0162	4.60%
32	(8)	.0163 — .0189	4.90%
33	(9)	.0190 — .0216	5.20%
34	(10)	.0217 — .0243	5.50%
35	(11)	.0244 — .0270	5.80%
36	(12)	.0271 — .0297	6.10%
37	(13)	.0298 — .0324	6.40%
38	(14)	.0325 — .0351	6.70%
39	(15)	.0352 — .0378	7.00%
40	(16)	.0379 — .0405	7.30%
41	(17)	.0406 — .0432	7.60%
42	(18)	.0433 — .0459	7.90%
43	(19)	.0460 — .0486	8.20%
44	(20)	.0487 — .0513	8.50%

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1	(21)	.0514 — .0540	8.80%
2	(22)	.0541 — .0567	9.10%
3	(23)	.0568 — .0594	9.40%
4	(24)	.0595 — .0621	9.70%
5	(25)	.0622 — .0648	10.00%
6	(26)	.0649 — .0675	10.30%
7	(27)	.0676 — .0702	10.60%
8	(28)	.0703 — .0729	10.90%
9	(29)	.0730 — .0756	11.20%
10	(30)	.0757 — .0783	11.50%
11	(31)	.0784 — .0810	11.80%
12	(32)	.0811 — .0837	12.10%
13	(33)	.0838 — .0864	12.40%
14	(34)	.0865 — .0891	12.70%
15	(35)	.0892 — .0918	13.00%
16	(36)	.0919 — .0945	13.30%
17	(37)	.0946 — and over	13.50%]

18 (e) For the purpose of making any computation under this section:

19 (1) money that has been credited to the account of the State in the
 20 Unemployment Trust Fund under § 903 of the Social Security Act and that has been
 21 appropriated for expenses of administration, whether or not withdrawn from the
 22 account, shall be excluded from the total amount available for benefits in the
 23 Unemployment Insurance Fund; and

24 (2) the total amount available for benefits in the Unemployment
 25 Insurance Fund includes:

26 (i) money receivable by the Unemployment Insurance Fund as
 27 federal reimbursement for shareable benefits under the Federal–State Extended
 28 Unemployment Compensation Act of 1970;

29 (ii) all advance payments made to the Unemployment Insurance
 30 Fund on behalf of eligible employing units who elect to make reimbursement
 31 payments; and

32 (iii) money receivable by the Unemployment Insurance Fund
 33 from an eligible employing unit who elects to make reimbursement payments.

34 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall apply to
 35 tax contributions due that are based on taxable wages for calendar years 2010 and
 36 2011.

37 SECTION 3. AND BE IT FURTHER ENACTED, That, within 10 days of the
 38 enactment of this Act, the Department of Labor, Licensing, and Regulation shall notify

1 employing units of the Table of Rates that applies for the calendar year beginning
2 January 1, 2010, as enacted under this Act.

3 SECTION 4. AND BE IT FURTHER ENACTED, That this Act shall remain in
4 effect until the balance of the Unemployment Insurance Fund reaches the amount
5 required under § 8-612(d)(3) of the Labor and Employment Article to apply. If the
6 balance of the Unemployment Insurance Fund reaches the amount required under §
7 8-612(d)(3) of the Labor and Employment Article to apply, this Act, with no further
8 action required by the General Assembly, shall be null and void and of no force and
9 effect. The Secretary of Labor, Licensing, and Regulation, within 7 days after the
10 Unemployment Insurance Fund reaches that amount, shall send a notice to the
11 Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

12 SECTION 5. AND BE IT FURTHER ENACTED, That this Act is an emergency
13 measure, is necessary for the immediate preservation of the public health or safety,
14 has been passed by a ye and nay vote supported by three-fifths of all the members
15 elected to each of the two Houses of the General Assembly, and shall take effect from
16 the date it is enacted. Except as provided in Section 4 of this Act, it shall remain
17 effective through December 31, 2011, and, at the end of December 31, 2011, with no
18 further action required by the General Assembly, this Act shall be abrogated and of no
19 further force and effect.