

HOUSE BILL 1226

K3, F5, Q3

8lr3173
CF SB 517

By: **Delegates B. Barnes and Pena–Melnyk**

Introduced and read first time: February 8, 2018

Assigned to: Appropriations and Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Career Apprenticeship Investment Act**

3 FOR the purpose of requiring the Maryland 529 Board, beginning on a certain date, to
4 provide an option to account holders who participate in the Maryland Prepaid
5 College Trust, the Maryland College Investment Plan, or the Maryland
6 Broker–Dealer College Investment Plan to opt in to receiving information from
7 Maryland 529 regarding certain workforce development programs and
8 apprenticeship training programs; increasing the amount of a certain appropriation
9 that the Governor is required to provide in the annual budget to the Maryland
10 Higher Education Commission for Workforce Development Sequence Scholarships;
11 requiring the Department of Labor, Licensing, and Regulation to create a statewide
12 media campaign to promote participation by employers and students in career and
13 technical education and apprenticeships in workforce shortage occupations in the
14 State; requiring the Governor each fiscal year, subject to a certain limitation, to
15 include in the State budget at least a certain amount for the Department for the
16 statewide media campaign; establishing certain grant programs in the Department
17 for certain purposes; providing for the eligibility for certain grants based on certain
18 regulations adopted by the Secretary of Labor, Licensing, and Regulation; requiring
19 the Governor in certain fiscal years to include in the State budget at least certain
20 amounts to the Department for a certain grant program subject to certain
21 limitations; requiring the Secretary to adopt regulations that provide for the
22 administration, distribution, and oversight of certain grant programs; altering the
23 formula for determining the maximum amount of the tax credit allowed against the
24 State income tax for the first year of employment of an eligible apprentice; repealing
25 the limit on the amount of certain tax credits that may be approved by the
26 Department for employment of certain apprentices; requiring the Maryland 529
27 Board, on or before a certain date, to enhance certain marketing efforts for a certain
28 purpose; providing for the application of certain provisions of this Act; repealing a
29 certain termination date; providing for the effective dates of this Act; and generally
30 relating to career and technical education and apprenticeships in the State.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Education
3 Section 18–1905.2
4 Annotated Code of Maryland
5 (2014 Replacement Volume and 2017 Supplement)

6 BY repealing and reenacting, with amendments,
7 Article – Education
8 Section 18–3303
9 Annotated Code of Maryland
10 (2014 Replacement Volume and 2017 Supplement)

11 BY adding to
12 Article – Labor and Employment
13 Section 11–410
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2017 Supplement)

16 BY repealing and reenacting, with amendments,
17 Article – Tax – General
18 Section 10–742
19 Annotated Code of Maryland
20 (2016 Replacement Volume and 2017 Supplement)

21 BY repealing and reenacting, with amendments,
22 Chapter 149 of the Acts of the General Assembly of 2017
23 Section 9

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

26 **Article – Education**

27 **18–1905.2.**

28 **BEGINNING JULY 1, 2019, THE BOARD SHALL PROVIDE AN OPTION TO**
29 **ACCOUNT HOLDERS WHO PARTICIPATE IN THE TRUST, THE PLAN, OR THE**
30 **BROKER–DEALER PLAN TO OPT IN TO RECEIVING INFORMATION FROM THE**
31 **PROGRAM REGARDING APPROVED WORKFORCE DEVELOPMENT PROGRAMS AND**
32 **APPROVED APPRENTICESHIP TRAINING PROGRAMS IN THE STATE.**

33 18–3303.

34 (a) An individual may apply to the Office for a scholarship under this section if
35 the individual is an eligible student.

1 (b) An eligible student who receives a Workforce Development Sequence
2 Scholarship under this subtitle may use the award for tuition, mandatory fees, and other
3 associated costs of attendance.

4 (c) The annual amount of a scholarship awarded to an eligible student may not
5 exceed \$2,000.

6 (d) The Governor shall provide in the annual budget an appropriation of at least
7 ~~[\$1,000,000]~~ **\$3,000,000** to the Commission for the Workforce Development Sequence
8 Scholarship.

9 Article – Labor and Employment

10 11-410.

11 (A) (1) THE DEPARTMENT SHALL CREATE A STATEWIDE MEDIA
12 CAMPAIGN TO PROMOTE PARTICIPATION BY EMPLOYERS AND STUDENTS IN CAREER
13 AND TECHNICAL EDUCATION AND APPRENTICESHIPS IN WORKFORCE SHORTAGE
14 OCCUPATIONS IN THE STATE.

15 (2) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, FOR EACH
16 FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AT LEAST
17 **\$5,000,000** TO THE DEPARTMENT TO FUND THE STATEWIDE MEDIA CAMPAIGN
18 CREATED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

19 (B) (1) THE FOLLOWING GRANT PROGRAMS ARE IN THE DEPARTMENT.

20 (2) (I) THERE IS A MATCHING GRANT PROGRAM TO ESTABLISH
21 LOCAL MEDIA CAMPAIGNS TO PROMOTE PARTICIPATION BY EMPLOYERS AND
22 STUDENTS FOR CAREER AND TECHNICAL EDUCATION AND APPRENTICESHIPS IN
23 WORKFORCE SHORTAGE OCCUPATIONS IN LOCAL JURISDICTIONS.

24 (II) LOCAL WORKFORCE BOARDS ARE ELIGIBLE TO RECEIVE
25 MATCHING GRANTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BASED ON
26 REGULATIONS ADOPTED BY THE SECRETARY.

27 (III) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, FOR
28 EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AT
29 LEAST **\$3,000,000** TO THE DEPARTMENT TO FUND THE MATCHING GRANT PROGRAM
30 FOR LOCAL MEDIA CAMPAIGNS ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS
31 PARAGRAPH.

32 (3) (I) THERE IS A MATCHING GRANT PROGRAM THAT PROVIDES
33 GRANTS TO LOCAL GOVERNMENTS TO CREATE APPRENTICESHIPS FOR
34 HARD-TO-FILL LOCAL GOVERNMENT JOBS.

1 **(II) LOCAL GOVERNMENTS ARE ELIGIBLE TO RECEIVE**
2 **MATCHING GRANTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BASED ON**
3 **REGULATIONS ADOPTED BY THE SECRETARY.**

4 **(III) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, FOR**
5 **EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AT**
6 **LEAST \$1,000,000 TO THE DEPARTMENT TO FUND THE MATCHING GRANT PROGRAM**
7 **ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.**

8 **(4) (I) THERE IS A GRANT PROGRAM IN THE DEPARTMENT THAT**
9 **PROVIDES GRANTS TO APPRENTICESHIP SPONSORS TO CREATE DEGREE**
10 **APPRENTICESHIPS IN WORKFORCE SHORTAGE EMPLOYMENT CATEGORIES,**
11 **INCLUDING:**

- 12 **1. CONSTRUCTION MANAGEMENT;**
- 13 **2. CHILD CARE MANAGEMENT;**
- 14 **3. INFORMATION TECHNOLOGY; AND**
- 15 **4. NURSING.**

16 **(II) APPRENTICESHIP SPONSORS ARE ELIGIBLE TO RECEIVE**
17 **GRANTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BASED ON REGULATIONS**
18 **ADOPTED BY THE SECRETARY.**

19 **(III) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET:**

20 **1. FOR FISCAL YEAR 2020, THE GOVERNOR SHALL**
21 **INCLUDE IN THE STATE BUDGET AT LEAST \$2,000,000 TO THE DEPARTMENT TO**
22 **FUND THE GRANT PROGRAM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS**
23 **PARAGRAPH;**

24 **2. FOR FISCAL YEAR 2021, THE GOVERNOR SHALL**
25 **INCLUDE IN THE STATE BUDGET AT LEAST \$2,000,000 TO THE DEPARTMENT TO**
26 **FUND THE GRANT PROGRAM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS**
27 **PARAGRAPH; AND**

28 **3. FOR FISCAL YEAR 2022, THE GOVERNOR SHALL**
29 **INCLUDE IN THE STATE BUDGET AT LEAST \$2,000,000 TO THE DEPARTMENT TO**
30 **FUND THE GRANT PROGRAM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS**
31 **PARAGRAPH.**

1 **(5) THE SECRETARY SHALL ADOPT REGULATIONS THAT PROVIDE**
2 **FOR THE ADMINISTRATION, DISTRIBUTION, AND OVERSIGHT OF THE GRANT**
3 **PROGRAMS ESTABLISHED UNDER THIS SUBSECTION.**

4 SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
5 as follows:

6 **Article – Tax – General**

7 10–742.

8 (a) In this section, “eligible apprentice” means an individual who:

9 (1) is enrolled in an apprenticeship training program registered with the
10 Maryland Apprenticeship and Training Council in accordance with § 11–405 of the Labor
11 and Employment Article; and

12 (2) has been employed by the taxpayer for at least 7 full months of the
13 taxable year.

14 (b) Subject to the limitations of this section, a taxpayer may claim a credit against
15 the State income tax for the first year of employment of an eligible apprentice.

16 (c) (1) For any taxable year, the credit allowed under this section may not
17 exceed the lesser of:

18 (i) \$1,000 for each eligible apprentice; [or]

19 **(II) \$2,000 FOR EACH ELIGIBLE APPRENTICE WHO IS 16 OR 17**
20 **YEARS OLD; OR**

21 **[(ii)] (III) the State income tax imposed for the taxable year**
22 **calculated before the application of the credits allowed under this section and under §§**
23 **10–701 and 10–701.1 of this subtitle but after the application of any other credit allowed**
24 **under this subtitle.**

25 (2) If the credit otherwise allowable under subsection (b) of this section
26 exceeds the limit under paragraph (1) of this subsection, an individual may apply the excess
27 as a credit against the State income tax for succeeding taxable years until the full amount
28 of the excess is used.

29 **[(3) For any taxable year, the total amount of credits approved by the**
30 **Department of Labor, Licensing, and Regulation under this section may not exceed**
31 **\$500,000.]**

1 (d) A taxpayer claiming the credit allowed under this section shall attach to the
2 taxpayer's return, for each eligible apprentice for which the credit is claimed, proof of:

3 (1) the enrollment of the eligible apprentice in a registered apprenticeship
4 program; and

5 (2) the duration of the eligible apprentice's employment by the taxpayer.

6 (e) The Department of Labor, Licensing, and Regulation shall adopt regulations
7 to:

8 (1) implement the provisions of this section; and

9 (2) specify criteria and procedures for application for, approval of, and
10 monitoring continuing eligibility for the tax credit under this section.

11 Chapter 149 of the Acts of 2017

12 SECTION 9. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take
13 effect July 1, 2017, and shall be applicable to all taxable years beginning after December
14 31, 2016[, but before January 1, 2020. It shall remain effective for a period of 3 years and,
15 at the end of June 30, 2020, with no further action required by the General Assembly,
16 Section 2 of this Act shall be abrogated and of no further force and effect].

17 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2019, the
18 Maryland 529 Board shall enhance the Program's marketing efforts to highlight the ability
19 to use college savings plans account proceeds for approved workforce development
20 programs and approved apprenticeship training programs in the State.

21 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
22 applicable to all taxable years beginning after December 31, 2017.

23 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take
24 effect October 1, 2018.

25 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section
26 5 of this Act, this Act shall take effect July 1, 2018.