

SB0275/383324/1

BY: Economic Matters Committee

AMENDMENTS TO SENATE BILL 275
(Third Reading File Bill)

AMENDMENT NO. 1

On page 1, strike beginning with “Department” in line 10 down through “paid;” in line 11 and substitute “Secretary to establish the total rate of contribution and the percentages of the total rate of contribution to be paid by certain employees and employers;”.

AMENDMENT NO. 2

On page 9, in line 13, after “**SECRETARY**” insert “**, IN CONSULTATION WITH OTHER STATE AGENCIES AND RELEVANT STAKEHOLDERS,**”.

On page 13, in line 8, strike “AND”; in line 9, strike “COST” and substitute “**COSTS**”; and in the same line, after “**PROGRAM**” insert “**ATTRIBUTABLE TO EACH OF THE FOLLOWING:**

(I) EMPLOYERS;

(II) EMPLOYEES OF EMPLOYERS;

(III) SELF-EMPLOYED INDIVIDUALS; AND

(IV) THE STATE;

(8) THE STATE AGENCIES AND RELEVANT STAKEHOLDERS THAT WERE CONSULTED AS REQUIRED UNDER THIS TITLE; AND

(9) THE CAPABILITY AND CAPACITY OF THE DEPARTMENT TO ADMINISTER THE PROGRAM AS COMPARED TO THE FINDINGS AND RECOMMENDATIONS OF THE CAPABILITY AND CAPACITY STUDY COMPLETED UNDER § 5 OF CHAPTER (S.B. 275) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2022’.

On page 15, in line 9, after the second “EMPLOYER” insert “**WITH 15 OR MORE EMPLOYEES**”; strike in their entirety lines 11 through 25, inclusive, and substitute:

“(B) ON OR BEFORE DECEMBER 1 EVERY 2 YEARS, BEGINNING IN 2022, THE SECRETARY, IN CONSULTATION WITH STATE AGENCIES AND RELEVANT STAKEHOLDERS, SHALL CONDUCT A COST ANALYSIS OF THE PROGRAM THAT IS FOCUSED ON THE COST OF MAINTAINING SOLVENCY AND PAYING BENEFITS TO COVERED INDIVIDUALS.

(C) (1) ONCE EVERY 2 YEARS, BEGINNING IN 2023, THE SECRETARY, IN CONSULTATION WITH STATE AGENCIES AND RELEVANT STAKEHOLDERS, SHALL STUDY AND MAKE RECOMMENDATIONS REGARDING THE FOLLOWING:

(I) THE APPROPRIATE TOTAL RATE OF CONTRIBUTION;

(II) THE APPROPRIATE COST-SHARING FORMULA BETWEEN EMPLOYERS AND EMPLOYEES FOR MAKING CONTRIBUTIONS TO FUND THE PROGRAM, INCLUDING VARIOUS FORMULAS THAT RANGE BETWEEN A COST SHARE OF:

1. A. 75% PAID BY EMPLOYERS; AND

B. 25% PAID BY EMPLOYEES; AND

2. A. 25% PAID BY EMPLOYERS; AND

B. 75% PAID BY EMPLOYEES;

(III) THE COST EFFICIENCY AND BENEFITS OF THE DEPARTMENT ISSUING A REQUEST FOR PROPOSALS SEEKING THE SERVICES OF AN OUTSIDE CONTRACTOR FOR THE FOLLOWING:

1. PREMIUM COLLECTION;

2. CLAIMS ADMINISTRATION;

3. DATA MANAGEMENT;

4. FRAUD CONTROL;

5. MARKETING AND ADVERTISING; OR

6. IMPLEMENTING ANY OTHER ELEMENTS OF THE PROGRAM.

(2) ON OR BEFORE APRIL 1 EACH YEAR A STUDY IS CONDUCTED UNDER PARAGRAPH (1) OF THIS SUBSECTION, THE SECRETARY SHALL REPORT THE FINDINGS AND RECOMMENDATIONS TO THE SENATE FINANCE COMMITTEE, THE HOUSE ECONOMIC MATTERS COMMITTEE, AND THE JOINT COMMITTEE ON ADMINISTRATIVE, EXECUTIVE, AND LEGISLATIVE REVIEW IN ACCORDANCE WITH § 2-1257 OF THE STATE GOVERNMENT ARTICLE.

(Over)

(D) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, ON OR BEFORE JUNE 1 EVERY 2 YEARS, BEGINNING IN 2023, THE SECRETARY SHALL SET THE TOTAL RATE OF CONTRIBUTION AND THE PERCENTAGE OF THE TOTAL RATE OF CONTRIBUTION TO BE PAID BY EMPLOYEES OF EMPLOYERS AND EMPLOYERS WITH 15 OR MORE EMPLOYEES THAT WILL BE IN EFFECT FOR THE 24-MONTH PERIOD BEGINNING ON THE IMMEDIATELY FOLLOWING JANUARY 1.

(2) THE RATE AND PERCENTAGES SET UNDER PARAGRAPH (1) OF THIS SUBSECTION SHALL BE BASED ON THE STUDY REQUIRED UNDER SUBSECTION (B) OF THIS SECTION.

(3) THE TOTAL RATE OF CONTRIBUTION SHALL BE APPLIED TO ALL WAGES UP TO AND INCLUDING THE SOCIAL SECURITY WAGE BASE.

(4) THE PERCENTAGES SET UNDER PARAGRAPH (1) OF THIS SUBSECTION MAY NOT VARY BETWEEN EMPLOYEES OR EMPLOYERS.”;

in line 26, strike “(3) (I)” and substitute “(E) (1)”; strike beginning with “EACH” in line 26 down through “1.” in line 28; in line 28, strike “SUBSUBPARAGRAPH 2” and substitute “SUBPARAGRAPH (II)”; in line 29, strike “SUBPARAGRAPH” and substitute “PARAGRAPH”; and in the same line, after the second “THE” insert “EMPLOYEE’S REQUIRED”.

On page 16, in line 1, strike “REQUIRED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH”; in line 3, strike “2.” and substitute “(2)”; in line 5, strike “80%” and substitute “75%”; in the same line, strike “TOTAL”; in line 6, strike “UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH”; in line 8, strike “(4)” and substitute “(F)”; in line 10, strike “(I)” and substitute “(1)”; in line 12, strike “(II)” and substitute “(2)”; in line 13, strike “ESTABLISHED” and substitute “SET”; and in the same line, strike

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“PARAGRAPH (1)(I) OF THIS SUBSECTION” and substitute “SUBSECTION (D) OF THIS SECTION”.

On page 18, in line 27, after “(C)” insert “A COVERED INDIVIDUAL SHALL EXHAUST ALL EMPLOYER-PROVIDED LEAVE THAT IS NOT REQUIRED TO BE PROVIDED UNDER LAW BEFORE RECEIVING BENEFITS UNDER THIS TITLE.”

(D)”.

On page 19, strike in their entirety lines 2 through 12, inclusive.

On page 22, in line 35, strike “8.3-705.” and substitute “8.3-704.”.

On page 23, in line 24, strike “8.3-706.” and substitute “8.3-705.”.

On page 24, in lines 5 and 32, strike “8.3-707.” and “8.3-708.”, respectively, and substitute “8.3-706.” and “8.3-707.”, respectively.

AMENDMENT NO. 3

On page 31, strike beginning with the colon in line 18 down through “(ii)” in line 24; in line 8, after “That” insert “, notwithstanding § 8.3-601(d) of the Labor and Employment Article, as enacted by Section 1 of this Act, the total rate of contribution and percentage of the total rate of contribution to be paid by employees of employers and employers with 15 or more employees that is set under § 8.3-601(d) of the Labor and Employment Article, as enacted by Section 1 of this Act, on or before June 1, 2023, shall be in effect from October 1, 2023, through December 31, 2023, both inclusive.”

SECTION 4. AND BE IT FURTHER ENACTED, That”;

(Over)

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in line 16, strike “4.” and substitute “5.”; in line 25, strike “5” and substitute “7”; in line 30, strike “5.” and substitute “6.”; and in the same line, after “That” insert “the Department of Legislative Services shall:”

(1) contract with a consultant to study and make recommendations regarding the capability and capacity of the Maryland Department of Labor to implement and administer the Family and Medical Leave Insurance Program under Title 8.3 of the Labor and Employment Article, as enacted by Section 1 of this Act, including recommendations regarding any additional resources needed by the Department to meet future demands of the Program, such as operating budget appropriations, staff, contracting authority, and pay increases; and

(2) on or before October 1, 2022, report the consultant’s findings and recommendations to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly.

SECTION 7. AND BE IT FURTHER ENACTED, That”.

On page 32, in lines 3, 9, 13, 16, and 18, strike “6.”, “7.”, “8.”, “9.”, and “10.”, respectively, and substitute “8.”, “9.”, “10.”, “11.”, and “12.”, respectively; in lines 9 and 11, in each instance, strike “6” and substitute “8”; in line 16, strike “5” and substitute “7”; in the same line, strike “6” and substitute “8”; in line 17, strike “8” and substitute “10”; and in line 19, strike “9.” and substitute “11”.