

SENATE BILL 628

P1

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CF HB 819

By: **Senators Gile, Brooks, Klausmeier, and Rosapepe**

Introduced and read first time: January 26, 2024

Assigned to: Budget and Taxation

Committee Report: Favorable

Senate action: Adopted

Read second time: March 2, 2024

CHAPTER _____

1 AN ACT concerning

2 **State Finance – Catastrophic Event Account and Federal Government**
3 **Shutdown Employee Assistance Loan Fund – Noncivilian Federal Employees**

4 FOR the purpose of altering the purposes of the Catastrophic Event Account and the
5 Federal Government Shutdown Employee Assistance Loan Fund to provide financial
6 assistance to noncivilian federal employees; and generally relating to the
7 Catastrophic Event Account and the Federal Government Shutdown Employee
8 Assistance Loan Fund.

9 BY repealing and reenacting, with amendments,
10 Article – State Finance and Procurement
11 Section 7–324 and 7–327
12 Annotated Code of Maryland
13 (2021 Replacement Volume and 2023 Supplement)

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

16 **Article – State Finance and Procurement**

17 7–324.

18 (a) In this section, “Account” means the Catastrophic Event Account.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 (b) Subject to the provisions of this section, the Account is established to enable
2 the State or a local government to respond without undue delay to a natural disaster or
3 other catastrophic situation, or federal [civilian] employee financial hardship from a full or
4 partial federal government shutdown due to a lapse in federal appropriations that cannot
5 be taken care of within the resources of existing appropriations.

6 (c) The Governor may provide an appropriation in the budget bill to the Account.

7 (d) (1) Subject to paragraph (2) of this subsection, after a 15-day review and
8 comment period by the Legislative Policy Committee, the Governor may transfer funds by
9 budget amendment from the Account to the expenditure accounts of the appropriate unit
10 of State government or unit of local government.

11 (2) If the federal government is in a full or partial shutdown due to a lapse
12 in appropriations, after a 2-day review and comment period by the Legislative Policy
13 Committee, the Governor may transfer funds by budget amendment from the Account to
14 the Federal Government Shutdown Employee Assistance Loan Fund established under §
15 7-327 of this subtitle.

16 (e) Funds appropriated to the Catastrophic Event Account:

17 (1) may not be used to offset operating deficiencies in regular programs of
18 State government; but

19 (2) may be expended to assist a unit of State government or unit of local
20 government in funding costs in connection with a natural disaster, a catastrophic situation,
21 or a full or partial federal government shutdown due to a lapse in appropriations.

22 (f) (1) The Account is a continuing, nonlapsing fund which is not subject to §
23 7-302 of this subtitle.

24 (2) The Treasurer shall separately hold, and the Comptroller shall account
25 for, the Account.

26 (3) The Account shall be invested and reinvested in the same manner as
27 other State funds.

28 (4) Any investment earnings shall be subject to § 7-311(d) of this subtitle.

29 (g) Money appropriated to the Account does not revert to the Revenue
30 Stabilization Account.

31 7-327.

32 (a) In this section, "Fund" means the Federal Government Shutdown Employee
33 Assistance Loan Fund.

1 (b) There is a Federal Government Shutdown Employee Assistance Loan Fund.

2 (c) The purpose of the Fund is to provide loans to [civilian] employees of the
3 federal government who are:

4 (1) required to report to work at a work site located in the State; and

5 (2) not being paid because of a full or partial federal government shutdown
6 due to a lapse in appropriations.

7 (d) The Maryland Department of Labor shall administer the Fund.

8 (e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of
9 this subtitle that shall be available in perpetuity for the purpose of providing loans in
10 accordance with the provisions of this section.

11 (2) The State Treasurer shall hold the Fund separately, and the
12 Comptroller shall account for the Fund.

13 (f) The Fund consists of:

14 (1) money appropriated in the State budget to the Fund;

15 (2) any interest earnings of the Fund;

16 (3) money transferred from the Catastrophic Event Account in accordance
17 with § 7–324 of this subtitle;

18 (4) repayments on loans made from the Fund; and

19 (5) any other money from any other source accepted for the benefit of the
20 Fund.

21 (g) The Fund shall be used only to provide no–interest loans to [civilian]
22 employees of the federal government who are:

23 (1) required to report to work at a work site located in the State; and

24 (2) not being paid because of a full or partial federal government shutdown
25 due to a lapse in appropriations.

26 (h) (1) The State Treasurer shall invest the money of the Fund in the same
27 manner as other State money may be invested.

28 (2) Any interest earnings of the Fund shall be credited to the Fund.

1 (i) (1) Subject to paragraph (2) of this subsection, the Maryland Department
2 of Labor shall establish procedures and eligibility criteria for loans from the Fund.

3 (2) The eligibility criteria shall include that:

4 (i) the federal government is in a full or partial shutdown due to a
5 lapse in appropriations; and

6 (ii) an individual applying for a loan from the Fund is:

7 1. [a civilian] AN employee of the federal government;

8 2. required to report to work at a work site located in the
9 State; and

10 3. not being paid because of the full or partial federal
11 government shutdown due to the lapse in appropriations.

12 (3) The procedures shall include:

13 (i) application procedures;

14 (ii) payment procedures from the Fund; and

15 (iii) repayment procedures, including timelines, for an individual to
16 repay a loan from the Fund.

17 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
18 October 1, 2024.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.