

# SENATE BILL 335

K3, Q3

71r2280  
CF 71r2304

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By: **Senator Rosapepe**

Introduced and read first time: January 25, 2017

Assigned to: Finance and Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Career Apprenticeship Opportunity Act of 2017**

3 FOR the purpose of requiring the State Board of Education to develop, on or before a certain  
4 date, certain goals for percentages of certain students for completing certain career  
5 and technical education programs and earning certain credentials; stating certain  
6 goals of the State; requiring, on or before a certain date, the State Board to develop  
7 a method to consider, under certain circumstances, a student's attainment of a  
8 certain credential or completion of a certain apprenticeship program as equivalent  
9 to a certain Advanced Placement examination score for a certain purpose; requiring  
10 the State Board to report to the Governor and the General Assembly on or before a  
11 certain date regarding the progress toward attaining certain goals; requiring the  
12 Division of Workforce Development and Adult Learning to partner with certain State  
13 departments to identify, by a certain date, opportunities to create certain registered  
14 apprenticeship programs for a certain purpose; requiring the Division to identify  
15 opportunities to create certain registered apprenticeship programs to address the  
16 workforce needs of the State; allowing a credit against the State income tax for the  
17 employment of a certain eligible apprentice under certain circumstances; providing  
18 that the credit may not exceed a certain amount; providing that any unused credit  
19 may be carried forward to another taxable year; requiring the Department of Labor,  
20 Licensing, and Regulation, on application of a taxpayer, to issue a tax credit  
21 certificate under certain circumstances; requiring the application to contain certain  
22 information; requiring the Department to approve applications on a first-come,  
23 first-served basis and notify applicants of approval or denial of an application within  
24 a certain number of days of receipt of the application; providing that the total amount  
25 of tax credit certificates issued by the Department may not exceed a certain amount  
26 for each taxable year; requiring the Department to report certain information to the  
27 Comptroller on or before a certain date each year; requiring the Department to adopt  
28 certain regulations; providing for the application of certain provisions of this Act;  
29 providing for the termination of certain provisions of this Act; defining certain terms;  
30 and generally relating to career and technical education programs and certain  
31 apprenticeships in the State.

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



- 1 BY adding to  
2 Article – Education  
3 Section 21–204  
4 Annotated Code of Maryland  
5 (2014 Replacement Volume and 2016 Supplement)
- 6 BY repealing and reenacting, without amendments,  
7 Article – Labor and Employment  
8 Section 11–102(a)  
9 Annotated Code of Maryland  
10 (2016 Replacement Volume)
- 11 BY repealing and reenacting, with amendments,  
12 Article – Labor and Employment  
13 Section 11–103  
14 Annotated Code of Maryland  
15 (2016 Replacement Volume)
- 16 BY adding to  
17 Article – Tax – General  
18 Section 10–741  
19 Annotated Code of Maryland  
20 (2010 Replacement Volume and 2016 Supplement)

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

23 **Article – Education**

24 **21–204.**

25 **(A) ON OR BEFORE DECEMBER 1, 2017, THE STATE BOARD, IN**  
26 **CONSULTATION WITH THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION**  
27 **AND THE GOVERNOR’S WORKFORCE DEVELOPMENT BOARD, SHALL ESTABLISH,**  
28 **FOR EACH YEAR FOR 2017 THROUGH 2025, INCLUSIVE, STATEWIDE GOALS TO**  
29 **REACH THE GOAL IDENTIFIED IN SUBSECTION (C) OF THIS SECTION BY JANUARY 1,**  
30 **2026, FOR THE PERCENTAGES OF HIGH SCHOOL GRADUATES TO:**

31 **(1) COMPLETE EACH CAREER AND TECHNICAL EDUCATION**  
32 **PROGRAM; AND**

33 **(2) EARN INDUSTRY–RECOGNIZED OCCUPATIONAL OR SKILL**  
34 **CREDENTIALS.**

1           **(B) ON OR BEFORE DECEMBER 1, 2017, THE DEPARTMENT OF LABOR,**  
2 **LICENSING, AND REGULATION AND THE GOVERNOR’S WORKFORCE DEVELOPMENT**  
3 **BOARD SHALL DEVELOP ANNUAL INCOME EARNINGS GOALS FOR HIGH SCHOOL**  
4 **GRADUATES WHO HAVE NOT EARNED AT LEAST A 2-YEAR COLLEGE DEGREE BY AGE**  
5 **25.**

6           **(C) IT IS THE GOAL OF THE STATE THAT, ON OR BEFORE JANUARY 1, 2026,**  
7 **AT LEAST 45% OF THE STUDENTS DESCRIBED UNDER SUBSECTION (A) OF THIS**  
8 **SECTION SHALL SUCCESSFULLY COMPLETE A CAREER AND TECHNICAL EDUCATION**  
9 **PROGRAM OR EARN INDUSTRY-RECOGNIZED OCCUPATIONAL OR SKILL**  
10 **CREDENTIALS BEFORE LEAVING HIGH SCHOOL.**

11           **(D) ON OR BEFORE DECEMBER 1, 2017, THE STATE BOARD SHALL DEVELOP**  
12 **A METHOD TO CONSIDER A STUDENT’S ATTAINMENT OF A STATE-APPROVED**  
13 **INDUSTRY CREDENTIAL OR COMPLETION OF AN APPRENTICESHIP PROGRAM AS**  
14 **EQUIVALENT TO EARNING A SCORE OF 3 OR BETTER ON AN ADVANCED PLACEMENT**  
15 **EXAMINATION FOR PURPOSES OF THE SCHOOL PERFORMANCE INDEX**  
16 **ESTABLISHED BY THE DEPARTMENT, IF THE STUDENT:**

17                   **(1) (I) WAS ENROLLED IN THE STATE-APPROVED CTE PROGRAM**  
18 **OF STUDY AT THE CONCENTRATOR LEVEL OR HIGHER; AND**

19                           **(II) SUCCESSFULLY EARNED THE CREDENTIAL ALIGNED WITH**  
20 **THE STATE-APPROVED CTE PROGRAM OF STUDY; OR**

21                   **(2) SUCCESSFULLY COMPLETED AN APPRENTICESHIP PROGRAM**  
22 **APPROVED BY THE MARYLAND APPRENTICESHIP TRAINING COUNCIL IN**  
23 **ACCORDANCE WITH § 11-405 OF THE LABOR AND EMPLOYMENT ARTICLE.**

24           **(E) ON OR BEFORE DECEMBER 1, 2017, AND DECEMBER 1 OF EACH YEAR**  
25 **THEREAFTER, THE STATE BOARD SHALL REPORT TO THE GOVERNOR AND, IN**  
26 **ACCORDANCE WITH § 2-1246 OF THE STATE GOVERNMENT ARTICLE, THE GENERAL**  
27 **ASSEMBLY ON THE PROGRESS TOWARD ATTAINING THE GOALS ESTABLISHED BY**  
28 **THE STATE BOARD IN ACCORDANCE WITH SUBSECTION (A) OF THIS SECTION AND**  
29 **THE GOALS ESTABLISHED UNDER SUBSECTION (B) OF THIS SECTION.**

30                           **Article – Labor and Employment**

31 11-102.

32           **(a) There is a Division of Workforce Development and Adult Learning within the**  
33 **Department of Labor, Licensing, and Regulation.**

34 11-103.

- 1 (a) The Division shall:
- 2 (1) promote apprenticeship and training programs;
- 3 (2) administer job training, placement, and service programs;
- 4 (3) implement the provisions of the federal Workforce Innovation and  
5 Opportunity Act;
- 6 (4) administer adult education and literacy services programs;
- 7 (5) conduct educational and job skills training programs in adult  
8 correctional facilities;
- 9 (6) oversee any other units established pursuant to State or federal  
10 employment, training, or manpower statutes;
- 11 (7) administer those programs assigned to the Division by law or  
12 designated by the Secretary; and
- 13 (8) administer any community service employment programs delegated to  
14 the State under Title V of the federal Older Americans Act of 1965.

15 (b) The Division shall meet and confer on a regular basis with representatives of  
16 the State's community colleges, appointed by the Maryland Association of Community  
17 Colleges, and the adult education community, appointed by the Maryland Association for  
18 Adult Continuing and Community Education, to assure that adult education and literacy  
19 services and job training activities and resources are effectively coordinated.

20 **(C) THE DIVISION SHALL PARTNER WITH STATE DEPARTMENTS TO**  
21 **IDENTIFY, BEFORE JANUARY 1, 2018, OPPORTUNITIES TO CREATE REGISTERED**  
22 **APPRENTICESHIP PROGRAMS TO HELP ADDRESS THE WORKFORCE NEEDS OF THOSE**  
23 **DEPARTMENTS.**

24 **(D) THE DIVISION SHALL IDENTIFY OPPORTUNITIES TO CREATE**  
25 **REGISTERED APPRENTICESHIP PROGRAMS, INCLUDING GOALS FOR THE NUMBER**  
26 **OF APPRENTICESHIPS REGISTERED EACH YEAR, TO HELP ADDRESS THE**  
27 **WORKFORCE NEEDS OF THE STATE.**

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

30 **Article – Tax – General**

31 **10-741.**

1           (A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS  
2 INDICATED.

3                   (2) “DEPARTMENT” MEANS THE DEPARTMENT OF LABOR,  
4 LICENSING, AND REGULATION.

5                   (3) “ELIGIBLE APPRENTICE” MEANS AN INDIVIDUAL WHO:

6                           (I) IS ENROLLED IN AN APPRENTICESHIP PROGRAM  
7 REGISTERED WITH THE MARYLAND APPRENTICESHIP AND TRAINING COUNCIL IN  
8 ACCORDANCE WITH § 11-405 OF THE LABOR AND EMPLOYMENT ARTICLE; AND

9                           (II) HAS BEEN EMPLOYED BY THE TAXPAYER FOR AT LEAST 7  
10 FULL MONTHS OF THE TAXABLE YEAR.

11           (B) (1) SUBJECT TO THE LIMITATIONS OF THIS SECTION, A TAXPAYER  
12 MAY CLAIM A CREDIT AGAINST THE STATE INCOME TAX IN THE AMOUNT STATED ON  
13 THE TAX CREDIT CERTIFICATE ISSUED UNDER SUBSECTION (C) OF THIS SECTION  
14 FOR THE FIRST YEAR OF EMPLOYMENT OF AN ELIGIBLE APPRENTICE.

15                   (2) FOR ANY TAXABLE YEAR, THE CREDIT ALLOWED UNDER THIS  
16 SECTION MAY NOT EXCEED THE LESSER OF:

17                           (I) \$1,000 FOR EACH ELIGIBLE APPRENTICE; OR

18                           (II) THE STATE INCOME TAX IMPOSED FOR THE TAXABLE YEAR  
19 CALCULATED BEFORE THE APPLICATION OF THE CREDITS ALLOWED UNDER THIS  
20 SECTION AND UNDER §§ 10-701 AND 10-701.1 OF THIS SUBTITLE BUT AFTER THE  
21 APPLICATION OF ANY OTHER CREDIT ALLOWED UNDER THIS SUBTITLE.

22                   (3) IF THE CREDIT OTHERWISE ALLOWABLE UNDER THIS SECTION  
23 EXCEEDS THE LIMIT UNDER PARAGRAPH (2) OF THIS SUBSECTION, AN INDIVIDUAL  
24 MAY APPLY THE EXCESS AS A CREDIT AGAINST THE STATE INCOME TAX FOR  
25 SUCCEEDING TAXABLE YEARS UNTIL THE FULL AMOUNT OF THE EXCESS IS USED.

26           (C) (1) ON APPLICATION BY A TAXPAYER, THE DEPARTMENT SHALL  
27 ISSUE A CREDIT CERTIFICATE IN THE AMOUNT OF \$1,000 FOR EACH ELIGIBLE  
28 APPRENTICE EMPLOYED BY THE TAXPAYER DURING THE TAXABLE YEAR.

29                   (2) THE APPLICATION SHALL CONTAIN:

30                           (I) THE NAME OF THE TAXPAYER;

1                   **(II) INFORMATION IDENTIFYING EACH ELIGIBLE APPRENTICE**  
2 **EMPLOYED BY THE TAXPAYER;**

3                   **(III) PROOF OF THE ENROLLMENT OF EACH ELIGIBLE**  
4 **APPRENTICE IN A REGISTERED APPRENTICESHIP PROGRAM;**

5                   **(IV) PROOF OF THE DURATION OF EACH ELIGIBLE**  
6 **APPRENTICE'S EMPLOYMENT BY THE TAXPAYER; AND**

7                   **(V) ANY OTHER INFORMATION THAT THE DEPARTMENT**  
8 **REQUIRES.**

9           **(3) THE DEPARTMENT SHALL:**

10                   **(I) APPROVE ALL APPLICATIONS THAT QUALIFY FOR A TAX**  
11 **CREDIT CERTIFICATE UNDER THIS SUBSECTION ON A FIRST-COME, FIRST-SERVED**  
12 **BASIS; AND**

13                   **(II) NOTIFY A TAXPAYER WITHIN 45 DAYS OF RECEIPT OF THE**  
14 **TAXPAYER'S APPLICATION OF THE DEPARTMENT'S APPROVAL OR DENIAL.**

15                   **(4) FOR EACH TAXABLE YEAR, THE TOTAL AMOUNT OF CREDIT**  
16 **CERTIFICATES THAT MAY BE ISSUED BY THE DEPARTMENT UNDER THIS SECTION**  
17 **MAY NOT EXCEED \$500,000.**

18                   **(D) ON OR BEFORE JANUARY 31 OF EACH TAXABLE YEAR, THE**  
19 **DEPARTMENT SHALL REPORT TO THE COMPTROLLER ON THE TAX CREDIT**  
20 **CERTIFICATES ISSUED UNDER THIS SECTION DURING THE PRIOR TAXABLE YEAR.**

21           **(E) THE DEPARTMENT SHALL ADOPT REGULATIONS TO:**

22                   **(1) IMPLEMENT THE PROVISIONS OF THIS SECTION; AND**

23                   **(2) SPECIFY CRITERIA AND PROCEDURES FOR APPLICATION FOR,**  
24 **APPROVAL OF, AND MONITORING CONTINUING ELIGIBILITY FOR THE TAX CREDIT**  
25 **UNDER THIS SECTION.**

26           SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take  
27 effect July 1, 2017, and shall be applicable to all taxable years beginning after December  
28 31, 2016, but before January 1, 2020. It shall remain effective for a period of 3 years and,  
29 at the end of June 30, 2020, with no further action required by the General Assembly,  
30 Section 2 of this Act shall be abrogated and of no further force and effect.

1           SECTION 4. AND BE IT FURTHER ENACTED, That, except as provided in Section  
2 3 of this Act, this Act shall take effect June 1, 2017.