

HOUSE BILL 336

K2

EMERGENCY BILL

9lr2572
CF SB 391

By: Delegates Feldmark, Acevero, Attar, Atterbeary, Bagnall, Bartlett, Barve, Bhandari, Boyce, Branch, Bridges, Brooks, Busch, Cain, Cardin, Carey, Chang, Charkoudian, Charles, Clippinger, Conaway, Crosby, Crutchfield, Cullison, D.M. Davis, D.E. Davis, Dumais, Ebersole, Fennell, W. Fisher, Fraser-Hidalgo, Gilchrist, Glenn, Guyton, Harrison, Healey, Hettleman, Hill, Jackson, Johnson, Jones, Kaiser, Kelly, Kerr, Korman, Krimm, Lafferty, Lehman, J. Lewis, R. Lewis, Lierman, Lopez, Love, Luedtke, McIntosh, Moon, Mosby, PalakovichCarr, Patterson, Pena-Melnyk, Pendergrass, Qi, Queen, Reznik, Rogers, Rosenberg, Sample-Hughes, Shetty, Smith, Solomon, Stein, Stewart, Sydnor, Terrasa, Turner, Valderrama, Walker, C. Watson, R. Watson, Wells, Wilkins, Wilson, ~~and K. Young~~ K. Young, Lisanti, and P. Young

Introduced and read first time: January 28, 2019

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: February 13, 2019

CHAPTER _____

1 AN ACT concerning

2 ~~Unemployment Insurance~~ – Civilian Federal Employees – Unemployment
3 Insurance Benefits and Federal Government Shutdown Employee Assistance
4 Loan Fund
5 (Federal Shutdown Paycheck Protection Act)

6 FOR the purpose of specifying that, notwithstanding certain provisions of law, an
7 individual who is a civilian employee of the federal government is eligible to receive
8 unemployment benefits under certain circumstances; altering the purpose for which
9 the Catastrophic Event Account is established; authorizing the Governor, under
10 certain circumstances, to transfer funds by budget amendment from the
11 Catastrophic Event Account to the Federal Government Shutdown Employee
12 Assistance Loan Fund; authorizing funds appropriated to the Catastrophic Event
13 Account to be expended to assist a unit of State government in funding costs in
14 connection with a full or partial federal government shutdown due to a lapse in

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 appropriations; establishing the Federal Government Shutdown Employee
 2 Assistance Loan Fund as a special, nonlapsing fund; specifying the purpose of the
 3 Fund; requiring the Department of Labor, Licensing, and Regulation to administer
 4 the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to
 5 account for the Fund; specifying the contents of the Fund; specifying the purpose for
 6 which the Fund may be used; providing for the investment of money in and
 7 expenditures from the Fund; requiring interest earnings of the Fund to be credited
 8 to the Fund; requiring the Department of Labor, Licensing, and Regulation to
 9 establish certain procedures and certain eligibility criteria for loans from the Fund;
 10 exempting the Fund from a certain provision of law requiring the interest earnings
 11 on State money to accrue to the General Fund of the State; defining a certain term;
 12 requiring the Department of Labor, Licensing, and Regulation to request certain
 13 documentation from the U.S. Department of Labor within a certain time period after
 14 the taking effect of this Act and within a certain time period after a change in certain
 15 federal laws or federal guidance; making a certain provision provisions of this Act
 16 subject to a certain contingency contingencies; making this Act an emergency
 17 measure; and generally relating to unemployment benefits and assistance for
 18 civilian federal employees.

19 BY repealing and reenacting, with amendments,
 20 Article – Labor and Employment
 21 Section 8–903
 22 Annotated Code of Maryland
 23 (2016 Replacement Volume and 2018 Supplement)

24 BY repealing and reenacting, without amendments,
 25 Article – State Finance and Procurement
 26 Section 6–226(a)(2)(i)
 27 Annotated Code of Maryland
 28 (2015 Replacement Volume and 2018 Supplement)

29 BY repealing and reenacting, with amendments,
 30 Article – State Finance and Procurement
 31 Section 6–226(a)(2)(ii)112. and 113. and 7–324
 32 Annotated Code of Maryland
 33 (2015 Replacement Volume and 2018 Supplement)

34 BY adding to
 35 Article – State Finance and Procurement
 36 Section 6–226(a)(2)(ii)114. and 7–327
 37 Annotated Code of Maryland
 38 (2015 Replacement Volume and 2018 Supplement)

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

41 **Article – Labor and Employment**

1 8–903.

2 (a) (1) Except as otherwise provided in this section, to be eligible for benefits
3 an individual shall be:

4 (i) able to work;

5 (ii) available for work; and

6 (iii) actively seeking work.

7 (2) In determining whether an individual actively is seeking work, the
8 Secretary shall consider:

9 (i) whether the individual has made an effort that is reasonable and
10 that would be expected of an unemployed individual who honestly is looking for work; and

11 (ii) the extent of the effort in relation to the labor market conditions
12 in the area in which the individual is seeking work.

13 (3) A part–time worker may not be determined to be ineligible for the
14 receipt of benefits for a week in which the part–time worker is available for and seeking
15 only part–time work if the part–time worker:

16 (i) is actively seeking part–time work; and

17 (ii) is in a labor market in which a reasonable demand exists for
18 part–time work.

19 (4) For the purposes of paragraph (3) of this subsection, an individual is
20 seeking only part–time work if the individual is able to work:

21 (i) hours that are comparable to the individual’s work at the time of
22 the most recent separation from part–time employment; and

23 (ii) at least 20 hours per week.

24 (b) The Secretary may not use the disability of a qualified individual with a
25 disability as a factor in finding that an individual is not able to work, available for work, or
26 actively seeking work under subsection (a)(1) or (3) of this section.

27 (c) Notwithstanding any other provision of this section or § 8–904 or § 8–907(a)
28 of this subtitle, an individual who otherwise is eligible to receive benefits and who is in
29 training with the approval of the Secretary may not be denied benefits:

(1) for failure to meet the requirements of subsection (a)(1)(ii) and (iii) of this section to be available for work and actively seeking work; or

(2) for failure to apply for or refusal to accept suitable work under § 8–1005 of this title.

(D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, AN INDIVIDUAL WHO IS A CIVILIAN EMPLOYEE OF THE FEDERAL GOVERNMENT IS ELIGIBLE TO RECEIVE UNEMPLOYMENT BENEFITS IF THE EMPLOYEE:

(1) IS REQUIRED TO REPORT TO WORK AT A WORK SITE LOCATED IN THE STATE; AND

(2) IS NOT BEING PAID BECAUSE THE FEDERAL GOVERNMENT IS IN A FULL OR PARTIAL SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS.

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

Article – State Finance and Procurement

6–226.

(a) (2) (i) Notwithstanding any other provision of law, and unless inconsistent with a federal law, grant agreement, or other federal requirement or with the terms of a gift or settlement agreement, net interest on all State money allocated by the State Treasurer under this section to special funds or accounts, and otherwise entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue to the General Fund of the State.

(ii) The provisions of subparagraph (i) of this paragraph do not apply to the following funds:

112. the Pretrial Services Program Grant Fund; [and]

113. the Veteran Employment and Transition Success Fund;

AND

114. THE FEDERAL GOVERNMENT SHUTDOWN EMPLOYEE ASSISTANCE LOAN FUND.

7–324.

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

1 (b) Subject to the provisions of this section, the Account is established to enable
2 the State to respond without undue delay to a natural disaster or other catastrophic
3 situation, OR FEDERAL CIVILIAN EMPLOYEE FINANCIAL HARDSHIP FROM A FULL OR
4 PARTIAL FEDERAL GOVERNMENT SHUTDOWN DUE TO A LAPSE IN FEDERAL
5 APPROPRIATIONS that cannot be taken care of within the resources of existing
6 appropriations.

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

8 (d) **(1)** [After] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AFTER
9 a 15-day review and comment period by the Legislative Policy Committee, the Governor
10 may transfer funds by budget amendment from the Account to the expenditure accounts of
11 the appropriate unit of State government.

12 **(2)** IF THE FEDERAL GOVERNMENT IS IN A FULL OR PARTIAL
13 SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS, AFTER A 2-DAY REVIEW AND
14 COMMENT PERIOD BY THE LEGISLATIVE POLICY COMMITTEE, THE GOVERNOR MAY
15 TRANSFER FUNDS BY BUDGET AMENDMENT FROM THE ACCOUNT TO THE FEDERAL
16 GOVERNMENT SHUTDOWN EMPLOYEE ASSISTANCE LOAN FUND ESTABLISHED
17 UNDER § 7-327 OF THIS SUBTITLE.

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

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

21 (2) may be expended to assist a unit of State government in funding costs
22 in connection with a natural disaster, [or] A catastrophic situation, OR A FULL OR
23 PARTIAL FEDERAL GOVERNMENT SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS.

24 (f) (1) The Account is a continuing, nonlapsing fund which is not subject to §
25 7-302 of this subtitle.

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

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

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

31 (g) Money appropriated to the Account does not revert to the Revenue
32 Stabilization Account.

33 **7-327.**

1 (A) IN THIS SECTION, "FUND" MEANS THE FEDERAL GOVERNMENT
2 SHUTDOWN EMPLOYEE ASSISTANCE LOAN FUND.

3 (B) THERE IS A FEDERAL GOVERNMENT SHUTDOWN EMPLOYEE
4 ASSISTANCE LOAN FUND.

5 (C) THE PURPOSE OF THE FUND IS TO PROVIDE LOANS TO CIVILIAN
6 EMPLOYEES OF THE FEDERAL GOVERNMENT WHO ARE:

7 (1) REQUIRED TO REPORT TO WORK AT A WORK SITE LOCATED IN THE
8 STATE; AND

9 (2) NOT BEING PAID BECAUSE OF A FULL OR PARTIAL FEDERAL
10 GOVERNMENT SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS.

11 (D) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION SHALL
12 ADMINISTER THE FUND.

13 (E) (1) THE FUND IS A SPECIAL, NONLAPSING FUND THAT IS NOT
14 SUBJECT TO § 7-302 OF THIS SUBTITLE THAT SHALL BE AVAILABLE IN PERPETUITY
15 FOR THE PURPOSE OF PROVIDING LOANS IN ACCORDANCE WITH THE PROVISIONS
16 OF THIS SECTION.

17 (2) THE STATE TREASURER SHALL HOLD THE FUND SEPARATELY,
18 AND THE COMPTROLLER SHALL ACCOUNT FOR THE FUND.

19 (F) THE FUND CONSISTS OF:

20 (1) MONEY APPROPRIATED IN THE STATE BUDGET TO THE FUND;

21 (2) ANY INTEREST EARNINGS OF THE FUND;

22 (3) MONEY TRANSFERRED FROM THE CATASTROPHIC EVENT
23 ACCOUNT IN ACCORDANCE WITH § 7-324 OF THIS SUBTITLE;

24 (4) REPAYMENTS ON LOANS MADE FROM THE FUND; AND

25 (5) ANY OTHER MONEY FROM ANY OTHER SOURCE ACCEPTED FOR
26 THE BENEFIT OF THE FUND.

27 (G) THE FUND SHALL BE USED ONLY TO PROVIDE NO-INTEREST LOANS TO
28 CIVILIAN EMPLOYEES OF THE FEDERAL GOVERNMENT WHO ARE:

1 **(1) REQUIRED TO REPORT TO WORK AT A WORK SITE LOCATED IN THE**
2 **STATE; AND**

3 **(2) NOT BEING PAID BECAUSE OF A FULL OR PARTIAL FEDERAL**
4 **GOVERNMENT SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS.**

5 **(H) (1) THE STATE TREASURER SHALL INVEST THE MONEY OF THE FUND**
6 **IN THE SAME MANNER AS OTHER STATE MONEY MAY BE INVESTED.**

7 **(2) ANY INTEREST EARNINGS OF THE FUND SHALL BE CREDITED TO**
8 **THE FUND.**

9 **(I) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THE**
10 **DEPARTMENT OF LABOR, LICENSING, AND REGULATION SHALL ESTABLISH**
11 **PROCEDURES AND ELIGIBILITY CRITERIA FOR LOANS FROM THE FUND.**

12 **(2) THE ELIGIBILITY CRITERIA SHALL INCLUDE THAT:**

13 **(I) THE FEDERAL GOVERNMENT IS IN A FULL OR PARTIAL**
14 **SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS; AND**

15 **(II) AN INDIVIDUAL APPLYING FOR A LOAN FROM THE FUND IS:**

16 **1. A CIVILIAN EMPLOYEE OF THE FEDERAL**
17 **GOVERNMENT;**

18 **2. REQUIRED TO REPORT TO WORK AT A WORK SITE**
19 **LOCATED IN THE STATE; AND**

20 **3. NOT BEING PAID BECAUSE OF THE FULL OR PARTIAL**
21 **FEDERAL GOVERNMENT SHUTDOWN DUE TO THE LAPSE IN APPROPRIATIONS.**

22 **(3) THE PROCEDURES SHALL INCLUDE:**

23 **(I) APPLICATION PROCEDURES;**

24 **(II) PAYMENT PROCEDURES FROM THE FUND; AND**

25 **(III) REPAYMENT PROCEDURES, INCLUDING TIMELINES, FOR AN**
26 **INDIVIDUAL TO REPAY A LOAN FROM THE FUND.**

27 ~~SECTION 2. AND BE IT FURTHER ENACTED, That, within 24 hours after the~~
28 ~~taking effect of this Act, the Department of Labor, Licensing, and Regulation shall request~~
29 ~~a determination letter from the U.S. Department of Labor confirming continued conformity~~

1 ~~of the Maryland Unemployment Insurance Law, as amended by Section 1 of this Act, with~~
2 ~~federal unemployment compensation program requirements.~~

3 ~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take~~
4 ~~effect contingent on the receipt by the Department of Labor, Licensing, and Regulation of~~
5 ~~a favorable determination letter from the U.S. Department of Labor confirming that the~~
6 ~~Maryland Unemployment Insurance Law, as amended by Section 1 of this Act, conforms~~
7 ~~with federal unemployment compensation program requirements. Section 1 of this Act shall~~
8 ~~take effect on the date notice of the letter is received by the Department of Legislative~~
9 ~~Services in accordance with this section. If the Department of Labor, Licensing, and~~
10 ~~Regulation does not receive a favorable determination letter or the U.S. Department of~~
11 ~~Labor determines that implementation of the Maryland Unemployment Insurance Law, as~~
12 ~~amended by Section 1 of this Act, would result in a loss of federal funding, Section 1 of this~~
13 ~~Act, with no further action required by the General Assembly, shall be null and void. The~~
14 ~~Department of Labor, Licensing, and Regulation, within 24 hours after receiving the~~
15 ~~determination letter from the U.S. Department of Labor, shall forward a copy of the letter~~
16 ~~to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.~~

17 SECTION 3. AND BE IT FURTHER ENACTED, That:

18 (a) (1) Within 24 hours after the enactment of Section 1 of this Act, the
19 Department of Labor, Licensing, and Regulation shall request a determination letter from
20 the U.S. Department of Labor confirming whether the implementation of Section 1 of this
21 Act, with federal reimbursement for the administration and payment of claims, conforms
22 with federal unemployment compensation program requirements and will not result in a
23 loss of certification by the United States Secretary of Labor.

24 (2) Within 24 hours after receiving the determination letter requested
25 under paragraph (1) of this subsection from the U.S. Department of Labor, the Department
26 of Labor, Licensing, and Regulation shall forward a copy of the letter to the Department of
27 Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

28 (b) (1) If there is a change to § 303 of the federal Social Security Act, other
29 applicable federal law, or federal guidance to states on or before January 1, 2024, within
30 24 hours after the Department of Labor, Licensing, and Regulation receives notice of the
31 change, the Department shall request a determination letter from the U.S. Department of
32 Labor confirming whether the implementation of Section 1 of this Act, with federal
33 reimbursement for the administration and payment of claims, conforms with federal
34 unemployment compensation program requirements and will not result in a loss of
35 certification by the United States Secretary of Labor.

36 (2) Within 24 hours after receiving the determination letter requested
37 under paragraph (1) of this subsection from the U.S. Department of Labor, the Department
38 of Labor, Licensing, and Regulation shall forward a copy of the letter to the Department of
39 Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

40 SECTION 4. AND BE IT FURTHER ENACTED, That:

1 (a) (1) Section 1 of this Act shall take effect contingent on the receipt by the
2 Department of Labor, Licensing, and Regulation of a favorable determination letter
3 requested under Section 3 of this Act from the U.S. Department of Labor.

4 (2) Section 1 of this Act shall take effect on the date notice of the letter
5 described under paragraph (1) of this subsection is received by the Department of
6 Legislative Services in accordance with Section 3 of this Act.

7 (3) If the Department of Labor, Licensing, and Regulation does not receive
8 a favorable determination letter described under paragraph (1) of this subsection, Section
9 1 of this Act, with no further action required by the General Assembly, shall be null and
10 void.

11 (b) (1) Section 2 of this Act shall take effect contingent on receipt by the
12 Department of Labor, Licensing, and Regulation of an unfavorable determination letter
13 requested under Section 3(a) of this Act from the U.S. Department of Labor.

14 (2) Section 2 of this Act shall take effect on the date notice of the letter
15 described under paragraph (1) of this subsection is received by the Department of
16 Legislative Services in accordance with Section 3 of this Act.

17 (3) If Section 1 of this Act takes effect following the receipt by the
18 Department of Labor, Licensing, and Regulation of a favorable determination letter
19 requested under Section 3(a) of this Act, Section 2 of this Act, with no further action
20 required by the General Assembly, shall be null and void.

21 SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That, subject to Section 3 of this
22 Act, this Act is an emergency measure, is necessary for the immediate preservation of the
23 public health or safety, has been passed by a yea and nay vote supported by three-fifths of
24 all the members elected to each of the two Houses of the General Assembly, and shall take
25 effect from the date it is enacted.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.