

# SENATE BILL 492

K3, F5, Q3

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CF 9lr2763

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By: **Senators Rosapepe, Peters, and Young**

Introduced and read first time: February 4, 2019

Assigned to: Budget and Taxation

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## A BILL ENTITLED

1 AN ACT concerning

2 **Investment in Job Skills Act of 2019**

3 FOR the purpose of establishing the Career and Technology Education Grant Program;  
4 providing for the purpose of the Program and requiring the Interagency Commission  
5 on School Construction to implement and administer the Program; specifying certain  
6 requirements for grants awarded under the Program; requiring the Interagency  
7 Commission to award certain grants to county boards of education and to develop  
8 application procedures and eligibility requirements under the Program; requiring  
9 the Interagency Commission to adopt certain procedures; authorizing the Governor,  
10 for certain fiscal years, to provide a certain appropriation for the Program; specifying  
11 that the funding provided under the Program is supplemental to funding from other  
12 sources; requiring the Maryland 529 Board, beginning on a certain date, to provide  
13 an option to account holders who participate in the Maryland Senator Edward J.  
14 Kasemeyer Prepaid College Trust, the Maryland Senator Edward J. Kasemeyer  
15 College Investment Plan, or the Maryland Broker–Dealer College Investment Plan  
16 to opt in to receiving information from Maryland 529 regarding certain workforce  
17 development programs and apprenticeship training programs; increasing the  
18 amount that the Governor is required to appropriate in the annual budget for the  
19 Maryland Higher Education Commission for Workforce Development Sequence  
20 Scholarships; requiring the Department of Labor, Licensing, and Regulation to  
21 create a statewide media campaign to promote participation by employers and  
22 students in career and technical education, apprenticeships, and workforce  
23 development in workforce shortage occupations in the State; requiring the Governor  
24 each fiscal year, subject to a certain limitation, to include in the State budget at least  
25 a certain amount for the Department for the statewide media campaign; establishing  
26 certain grant programs in the Department for certain purposes; providing for the  
27 eligibility for certain grants based on certain regulations adopted by the Secretary of  
28 Labor, Licensing, and Regulation; requiring the Governor in certain fiscal years to  
29 include in the State budget at least certain amounts to the Department for a certain  
30 grant program subject to certain limitations; requiring the Secretary to adopt  
31 regulations that provide for the administration, distribution, and oversight of certain

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 grant programs; altering the formula for determining the maximum amount of the  
2 tax credit allowed against the State income tax for the first year of employment of  
3 an eligible apprentice; repealing the limit on the amount of certain tax credits that  
4 may be approved by the Department for employment of certain apprentices;  
5 requiring the Maryland 529 Board, on or before a certain date, to enhance certain  
6 marketing efforts for a certain purpose; providing for the application of certain  
7 provisions of this Act; repealing a certain termination date; providing for the effective  
8 dates of this Act; and generally relating to career and technical education and  
9 apprenticeships in the State.

10 BY adding to

11 Article – Education  
12 Section 5–324 and 18–1905.2  
13 Annotated Code of Maryland  
14 (2018 Replacement Volume and 2018 Supplement)

15 BY repealing and reenacting, with amendments,

16 Article – Education  
17 Section 18–3303  
18 Annotated Code of Maryland  
19 (2018 Replacement Volume and 2018 Supplement)

20 BY adding to

21 Article – Labor and Employment  
22 Section 11–410  
23 Annotated Code of Maryland  
24 (2016 Replacement Volume and 2018 Supplement)

25 BY repealing and reenacting, with amendments,

26 Article – Tax – General  
27 Section 10–742  
28 Annotated Code of Maryland  
29 (2016 Replacement Volume and 2018 Supplement)

30 BY repealing and reenacting, with amendments,

31 Chapter 149 of the Acts of the General Assembly of 2017  
32 Section 9

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

35 **Article – Education**

36 **5–324.**

37 **(A) (1) IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS**  
38 **INDICATED.**

1           **(2) “PROGRAM” MEANS THE CAREER AND TECHNOLOGY EDUCATION**  
2 **GRANT PROGRAM ESTABLISHED UNDER THIS SECTION.**

3           **(3) “SCHOOL FACILITY” MEANS A CLASSROOM OR ANY OTHER ROOM**  
4 **IN A STRUCTURE, BUILDING, OR ANY OTHER FACILITY USED FOR THE EDUCATION OF**  
5 **STUDENTS.**

6           **(B) (1) THERE IS A CAREER AND TECHNOLOGY EDUCATION GRANT**  
7 **PROGRAM.**

8           **(2) THE PURPOSE OF THE PROGRAM IS TO PROVIDE GRANTS FOR THE**  
9 **CAPITAL EQUIPPING OF SCHOOL FACILITIES USED TO PROVIDE A CAREER AND**  
10 **TECHNOLOGY EDUCATION PROGRAM ESTABLISHED IN ACCORDANCE WITH TITLE**  
11 **21, SUBTITLE 2 OF THIS ARTICLE.**

12           **(C) (1) THE PROGRAM SHALL BE IMPLEMENTED AND ADMINISTERED BY**  
13 **THE INTERAGENCY COMMISSION ON SCHOOL CONSTRUCTION IN ACCORDANCE**  
14 **WITH THIS SECTION.**

15           **(2) GRANTS AWARDED BY THE INTERAGENCY COMMISSION UNDER**  
16 **THE PROGRAM SHALL BE MATCHED BY LOCAL FUNDS EQUAL TO THE REQUIRED**  
17 **LOCAL COST-SHARE ESTABLISHED IN ACCORDANCE WITH § 5-303(D)(3) OF THIS**  
18 **SUBTITLE.**

19           **(D) THE INTERAGENCY COMMISSION SHALL:**

20           **(1) PROVIDE GRANTS FROM STATE FUNDS APPROPRIATED FOR THE**  
21 **PROGRAM TO COUNTY BOARDS FOR THE CAPITAL EQUIPPING OF SCHOOL**  
22 **FACILITIES USED TO PROVIDE A CAREER AND TECHNOLOGY EDUCATION PROGRAM**  
23 **ESTABLISHED IN ACCORDANCE WITH TITLE 21, SUBTITLE 2 OF THIS ARTICLE;**

24           **(2) DEVELOP PROCEDURES FOR A COUNTY BOARD TO APPLY FOR A**  
25 **GRANT UNDER THE PROGRAM; AND**

26           **(3) DEVELOP ELIGIBILITY REQUIREMENTS FOR A COUNTY BOARD TO**  
27 **RECEIVE A GRANT UNDER THE PROGRAM, INCLUDING A REQUIREMENT FOR A**  
28 **COUNTY BOARD TO PROVIDE FUNDS TO MATCH A GRANT AWARD.**

29           **(E) FOR FISCAL YEARS 2021 THROUGH 2027, THE GOVERNOR MAY**  
30 **APPROPRIATE IN THE ANNUAL BUDGET UP TO \$2,000,000 TO THE PROGRAM.**

31           **(F) THE STATE FUNDING PROVIDED UNDER THE PROGRAM IS**  
32 **SUPPLEMENTAL TO AND IS NOT INTENDED TO TAKE THE PLACE OF FUNDING THAT**

1 WOULD OTHERWISE BE APPROPRIATED FOR A COUNTY BOARD FROM ANY OTHER  
2 SOURCE.

3 (G) THE INTERAGENCY COMMISSION SHALL ADOPT PROCEDURES  
4 NECESSARY TO IMPLEMENT THIS SECTION.

5 18-1905.2.

6 BEGINNING JULY 1, 2020, THE BOARD SHALL PROVIDE AN OPTION TO  
7 ACCOUNT HOLDERS WHO PARTICIPATE IN THE TRUST, THE PLAN, OR THE  
8 BROKER-DEALER PLAN TO OPT IN TO RECEIVING INFORMATION FROM THE  
9 PROGRAM REGARDING APPROVED WORKFORCE DEVELOPMENT PROGRAMS AND  
10 REGISTERED APPRENTICESHIP TRAINING PROGRAMS IN THE STATE.

11 18-3303.

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

14 (b) An eligible student who receives a Workforce Development Sequence  
15 Scholarship under this subtitle may use the award for tuition, mandatory fees, other  
16 associated costs of attendance, or costs to participate in a registered apprenticeship  
17 program.

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

20 (d) The Governor shall provide in the annual budget an appropriation of at least  
21 **[\$1,000,000] \$3,000,000** to the Commission for the Workforce Development Sequence  
22 Scholarship.

## 23 Article - Labor and Employment

24 11-410.

25 (A) (1) THE DEPARTMENT SHALL CREATE A STATEWIDE MEDIA  
26 CAMPAIGN TO PROMOTE PARTICIPATION BY EMPLOYERS AND STUDENTS IN CAREER  
27 AND TECHNICAL EDUCATION, APPRENTICESHIPS, AND WORKFORCE DEVELOPMENT  
28 IN WORKFORCE SHORTAGE OCCUPATIONS IN THE STATE.

29 (2) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, FOR EACH  
30 FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AT LEAST  
31 **\$5,000,000** TO THE DEPARTMENT TO FUND THE STATEWIDE MEDIA CAMPAIGN  
32 CREATED UNDER PARAGRAPH (1) OF THIS SUBSECTION.



## 1                                   4.     NURSING.

2                                   (II)   APPRENTICESHIP SPONSORS ARE ELIGIBLE TO RECEIVE  
3   GRANTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BASED ON REGULATIONS  
4   ADOPTED BY THE SECRETARY.

## 5                                   (III)   SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET:

6                                   1.     FOR FISCAL YEAR 2021, THE GOVERNOR SHALL  
7   INCLUDE IN THE STATE BUDGET AT LEAST \$2,000,000 TO THE DEPARTMENT TO  
8   FUND THE GRANT PROGRAM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS  
9   PARAGRAPH;

10                                  2.     FOR FISCAL YEAR 2022, THE GOVERNOR SHALL  
11   INCLUDE IN THE STATE BUDGET AT LEAST \$2,000,000 TO THE DEPARTMENT TO  
12   FUND THE GRANT PROGRAM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS  
13   PARAGRAPH; AND

14                                  3.     FOR FISCAL YEAR 2023, THE GOVERNOR SHALL  
15   INCLUDE IN THE STATE BUDGET AT LEAST \$2,000,000 TO THE DEPARTMENT TO  
16   FUND THE GRANT PROGRAM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS  
17   PARAGRAPH.

18                                  (5)   THE SECRETARY SHALL ADOPT REGULATIONS THAT PROVIDE  
19   FOR THE ADMINISTRATION, DISTRIBUTION, AND OVERSIGHT OF THE GRANT  
20   PROGRAMS ESTABLISHED UNDER THIS SUBSECTION.

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

23   **Article – Tax – General**

24   10–742.

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

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

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

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

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

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

4 (ii) **\$2,000 FOR EACH ELIGIBLE YOUTH APPRENTICE IN A**  
5 **YOUTH APPRENTICESHIP REGISTERED WITH THE DEPARTMENT OF LABOR,**  
6 **LICENSING, AND REGULATION UNDER § 11-603 OF THE LABOR AND EMPLOYMENT**  
7 **ARTICLE; OR**

8 [(ii)] (iii) the State income tax imposed for the taxable year  
9 calculated before the application of the credits allowed under this section and under §§  
10 10-701 and 10-701.1 of this subtitle but after the application of any other credit allowed  
11 under this subtitle.

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

16 [(3) For any taxable year, the total amount of credits approved by the  
17 Department of Labor, Licensing, and Regulation under this section may not exceed  
18 \$500,000.]

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

21 (1) the enrollment of the eligible apprentice in a registered apprenticeship  
22 program; and

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

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

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

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

29 **Chapter 149 of the Acts of 2017**

30 SECTION 9. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take  
31 effect July 1, 2017, and shall be applicable to all taxable years beginning after December  
32 31, 2016[, but before January 1, 2020. It shall remain effective for a period of 3 years and,

1 at the end of June 30, 2020, with no further action required by the General Assembly,  
2 Section 2 of this Act shall be abrogated and of no further force and effect].

3 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2020, the  
4 Maryland 529 Board shall enhance the Program's marketing efforts to highlight the ability  
5 to use college savings plans account proceeds for approved workforce development  
6 programs and approved apprenticeship training programs in the State.

7 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be  
8 applicable to all taxable years beginning after December 31, 2018.

9 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take  
10 effect October 1, 2019.

11 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section  
12 5 of this Act, this Act shall take effect July 1, 2019.