

HOUSE BILL 908

K2

EMERGENCY BILL
ENROLLED BILL

(11r2080)

— *Economic Matters/Finance* —

Introduced by **Delegate Carey**

Read and Examined by Proofreaders:

Proofreader.

Proofreader.

Sealed with the Great Seal and presented to the Governor, for his approval this

_____ day of _____ at _____ o'clock, _____ M.

Speaker.

CHAPTER _____

1 AN ACT concerning

2 **Unemployment Insurance – Employer Contributions *and Reimbursement***
3 ***Payments* – ~~Payment Plans~~**

4 FOR the purpose of requiring the Secretary of Labor to offer to employing units for certain
5 calendar years a variety of payment plan options that spread certain contribution
6 due dates through the end of a certain month; requiring the Secretary to offer a
7 variety of additional payment plan options that mutually serve certain interests and,
8 for plans offered in a calendar year in which a certain table of rates is applicable,
9 provide more flexibility than certain plans offered under a certain provision of this
10 Act; authorizing certain employing units to elect to delay submitting certain
11 contributions for certain calendar quarters under certain circumstances; authorizing
12 the Secretary to authorize certain employing units to defer submitting certain
13 contributions for certain calendar quarters under certain circumstances; prohibiting
14 an employing unit that defers the submission of a contribution in accordance with
15 this Act from being required by the Secretary to file for an extension or be assessed

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.

Italics indicate opposite chamber/conference committee amendments.



1 certain interest under certain circumstances; *altering the nonprofit organizations*
 2 *and governmental entities that may elect to defer payments of reimbursement bills for*
 3 *a certain calendar year; repealing certain provisions of law providing for the deferral*
 4 *of certain contribution and employment reports; repealing a certain provision of law*
 5 *rendered obsolete by a certain provision of this Act; making this Act an emergency*
 6 *measure; providing for the termination of certain provisions of this Act; and*
 7 *generally relating to ~~payment plans for~~ unemployment insurance.*

8 BY repealing and reenacting, with amendments,
 9 Article – Labor and Employment
 10 Section ~~8–607(d)~~ 8–607(a) and (d)
 11 Annotated Code of Maryland
 12 (2016 Replacement Volume and 2020 Supplement)

13 BY adding to
 14 Article – Labor and Employment
 15 Section 8–607.1 and 8–607.2
 16 Annotated Code of Maryland
 17 (2016 Replacement Volume and 2020 Supplement)

18 *BY repealing and reenacting, without amendments,*
 19 *Article – Labor and Employment*
 20 *Section 8–620(a)(1) and (2)*
 21 *Annotated Code of Maryland*
 22 *(2016 Replacement Volume and 2020 Supplement)*
 23 *(As enacted by Chapter 39 of the Acts of the General Assembly of 2021)*

24 *BY repealing and reenacting, with amendments,*
 25 *Article – Labor and Employment*
 26 *Section ~~8–626~~ 8–620(a)(3), 8–626, and 8–628*
 27 *Annotated Code of Maryland*
 28 *(2016 Replacement Volume and 2020 Supplement)*
 29 *(As enacted by Chapter 39 of the Acts of the General Assembly of 2021)*

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

Article – Labor and Employment

33 8–607.

34 (d) (1) [(i)] By regulation, the Secretary shall set:

35 [1.] (I) the date when contributions are due; and

1 **[2.] (II) SUBJECT TO § 8-607.1 OF THIS SUBTITLE,** the
2 manner in which contributions are to be paid.

3 (ii) The regulations shall require that, for any calendar year in which
4 Table F is applicable under § 8-612(d)(6) of this title, the Secretary offer a variety of
5 payment plan options that spread through the end of August the dates when contributions
6 are due on taxable wages for covered employment of the first 6 months of the calendar
7 year.]

8 (2) In accordance with regulations adopted by the Secretary, an employing
9 unit shall:

10 (i) submit to the Secretary periodic reports for determination of the
11 amount of contributions due; and

12 (ii) pay the contribution.

13 (3) For payment of contributions, a fractional part of a cent:

14 (i) that is less than one-half cent shall be disregarded; and

15 (ii) that is one-half cent or more shall be increased to 1 cent.

16 **8-607.1.**

17 **THE SECRETARY SHALL:**

18 **(1) FOR ANY CALENDAR YEAR IN WHICH TABLE F IS APPLICABLE**
19 **UNDER § 8-612(D)(6) OF THIS SUBTITLE, OFFER A VARIETY OF PAYMENT PLAN**
20 **OPTIONS THAT SPREAD THROUGH THE END OF AUGUST THE DATES WHEN**
21 **CONTRIBUTIONS ARE DUE ON TAXABLE WAGES FOR COVERED EMPLOYMENT OF THE**
22 **FIRST 6 MONTHS OF THE CALENDAR YEAR; AND**

23 **(2) OFFER A VARIETY OF ADDITIONAL PAYMENT PLAN OPTIONS THAT:**

24 **(I) MUTUALLY SERVE THE INTEREST OF THE DIVISION AND**
25 **INDIVIDUAL EMPLOYING UNITS; AND**

26 **(II) FOR PLANS OFFERED IN A CALENDAR YEAR IN WHICH**
27 **TABLE F IS APPLICABLE UNDER § 8-612(D)(6) OF THIS SUBTITLE, PROVIDE MORE**
28 **FLEXIBILITY FOR AN EMPLOYING UNIT ~~THEN~~ THAN THE PLANS OFFERED UNDER**
29 **ITEM (1) OF THIS SECTION.**

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

1 Article – Labor and Employment

2 8-607.

3 (a) Except as provided in Part III of this subtitle, AND SUBJECT TO § 8-607.2
4 OF THIS SUBTITLE, an employing unit shall pay to the Secretary contributions for the
5 Unemployment Insurance Fund on taxable wages for covered employment that is
6 performed for the employing unit.

7 8-607.2.

8 (A) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR
9 CALENDAR YEAR 2021, AN EMPLOYING UNIT THAT EMPLOYS FEWER THAN 50
10 INDIVIDUALS MAY ELECT TO DEFER PAYING CONTRIBUTIONS FOR THE CALENDAR
11 QUARTERS ENDING ON MARCH 31, JUNE 30, AND SEPTEMBER 30.

12 (2) AN EMPLOYING UNIT THAT ELECTS TO DEFER THE PAYMENT OF
13 CONTRIBUTIONS AS AUTHORIZED UNDER PARAGRAPH (1) OF THIS SUBSECTION:

14 (I) SHALL SUBMIT THE CONTRIBUTIONS ON OR BEFORE THE
15 DATE ON WHICH THE CONTRIBUTION FOR THE CALENDAR QUARTER ENDING
16 DECEMBER 31, 2021, IS DUE;

17 (II) MAY NOT BE REQUIRED BY THE SECRETARY TO FILE FOR AN
18 EXTENSION; AND

19 (III) MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER §
20 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE CONTRIBUTIONS ARE
21 DEFERRED.

22 (B) (1) NOTWITHSTANDING ANY OTHER PROVISION OF LAW, FOR
23 CALENDAR YEAR 2022, THE SECRETARY MAY AUTHORIZE AN EMPLOYING UNIT THAT
24 EMPLOYS FEWER THAN 50 INDIVIDUALS TO DEFER PAYING CONTRIBUTIONS DUE IN
25 ACCORDANCE WITH THIS SECTION.

26 (2) IF THE SECRETARY AUTHORIZES AN EMPLOYING UNIT TO DEFER
27 PAYING CONTRIBUTIONS IN ACCORDANCE WITH PARAGRAPH (1) OF THIS
28 SUBSECTION:

29 (I) THE SECRETARY SHALL ESTABLISH THE DATE ON WHICH
30 THE CONTRIBUTIONS ARE DUE;

1 **(II) THE EMPLOYING UNIT MAY NOT BE REQUIRED TO FILE FOR**
2 **AN EXTENSION; AND**

3 **(III) THE EMPLOYING UNIT MAY NOT BE ASSESSED INTEREST**
4 **THAT ACCRUES UNDER § 8-628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE**
5 **CONTRIBUTIONS ARE DEFERRED.**

6 8-620.

7 (a) (1) Reimbursement payments shall be made in accordance with this section.

8 (2) Except as provided in paragraphs (3) and (4) of this subsection, unless
9 there is an application for review and redetermination of a bill under § 8-621 of this subtitle,
10 a nonprofit organization or governmental entity shall pay the bill under this section within
11 30 days after the Secretary mailed the bill to the last known address of the nonprofit
12 organization or governmental entity or otherwise delivered the bill to it.

13 (3) (i) For calendar year 2021, a nonprofit organization or governmental
14 entity that employs fewer than 50 individuals may elect to defer payment of the bills under
15 this section for the calendar quarters ending on March 31, June 30, and September 30.

16 (ii) **FOR CALENDAR YEAR 2021, IF THE FEDERAL GOVERNMENT**
17 **IS NOT PROVIDING EMERGENCY UNEMPLOYMENT RELIEF FOR NONPROFIT**
18 **ORGANIZATIONS AND GOVERNMENTAL ENTITIES FOR THE ENTIRETY OF THE**
19 **CALENDAR QUARTER ENDING SEPTEMBER 30, A NONPROFIT ORGANIZATION OR**
20 **GOVERNMENTAL ENTITY THAT EMPLOYS 50 OR MORE INDIVIDUALS MAY ELECT TO**
21 **DEFER PAYMENT OF THE BILLS UNDER THIS SECTION FOR THE CALENDAR QUARTER**
22 **ENDING SEPTEMBER 30.**

23 (III) A nonprofit organization or governmental entity that elects to
24 defer the payment of a bill as authorized under subparagraph (i) OR (II) of this paragraph:

25 1. shall submit the payment on or before the date on which
26 the payment for the calendar quarter ending December 31, 2021, is due;

27 2. may not be required by the Secretary to file for an extension;

28 3. notwithstanding § 8-622 of this subtitle, may not be
29 considered delinquent in making the payment during the period for which the payment is
30 deferred; and

31 4. may not be assessed interest that accrues under § 8-628 of
32 this subtitle for the period for which the payment is deferred.

33 8-626.

1 (a) [(1) Subject to paragraphs (2) and (3) of this subsection, for] **FOR** each
2 calendar quarter, each employing unit shall submit to the Secretary a contribution and
3 employment report on or before the date that the Secretary sets.

4 [(2) (i) For calendar year 2021, an employing unit that employs fewer
5 than 50 individuals may elect to defer submitting contribution and employment reports for
6 the calendar quarters ending on March 31, June 30, and September 30.

7 (ii) An employing unit that elects to defer the submission of a
8 contribution and employment report as authorized under subparagraph (i) of this
9 paragraph:

10 1. shall submit the report on or before the date on which the
11 report for the calendar quarter ending December 31, 2021, is due;

12 2. may not be required by the Secretary to file for an
13 extension; and

14 3. may not be assessed interest that accrues under § 8-628
15 of this subtitle for the period for which the submission is deferred.

16 (3) (i) For calendar year 2022, the Secretary may authorize an
17 employing unit that employs fewer than 50 individuals to defer submitting a contribution
18 and employment report due in accordance with this section.

19 (ii) If the Secretary authorizes an employing unit to defer submitting
20 a contribution and employment report in accordance with subparagraph (i) of this
21 paragraph:

22 1. the Secretary shall establish the date on which the
23 contribution and employment report is due;

24 2. the employing unit may not be required to file for an
25 extension; and

26 3. the employing unit may not be assessed interest that
27 accrues under § 8-628 of this subtitle for the period for which the submission is deferred.]

28 (b) An employing unit shall include in a contribution and employment report
29 information that the Secretary requires.

30 (c) (1) An employing unit that fails to submit a contribution and employment
31 report under this section is subject to a penalty of \$35 unless the Secretary waives the
32 penalty for cause.

1 (2) An employing unit that submits a check or other negotiable instrument
2 in payment of any penalty under this subsection which is returned for insufficient funds is
3 subject to an additional penalty of \$25.

4 8-628.

5 (a) Except as provided in § 8-201.1 of this title and §§ 8-620 and [8-626] 8-607.2
6 of this subtitle, a contribution or reimbursement payment that is due and unpaid shall
7 accrue interest at the rate of 1.5% per month or part of a month from the date on which it
8 is due until the Secretary receives the contribution or payment in lieu of contributions and
9 the interest.

10 (b) Notwithstanding subsection (a) of this section, except as provided in § 8-201.1
11 of this title, for any calendar year in which Table F is applicable under § 8-612(d)(6) of this
12 subtitle, a contribution or reimbursement payment that is due and unpaid shall accrue
13 interest at the rate of 0.5% per month or part of a month from the date on which it is due
14 until the Secretary receives the contribution or payment in lieu of contributions and the
15 interest.

16 SECTION 3. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
17 construed to apply only prospectively to bills for contributions *and reimbursement* due on
18 or after the effective date of this Act.

19 SECTION ~~2~~ 4. AND BE IT FURTHER ENACTED, That this Act is an emergency
20 measure, is necessary for the immediate preservation of the public health or safety, has
21 been passed by a yea and nay vote supported by three-fifths of all the members elected to
22 each of the two Houses of the General Assembly, and shall take effect from the date it is
23 enacted. Section 2 of this Act shall remain effective through June 30, 2023, and, at the end
24 of June 30, 2023, Section 2 of this Act, with no further action required by the General
25 Assembly, shall be abrogated and of no further force and effect.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.