

HOUSE BILL 849

C8, Q7

2lr2836
CF SB 671

By: **Delegate Stewart**

Introduced and read first time: February 7, 2022

Assigned to: Ways and Means

A BILL ENTITLED

1 AN ACT concerning

2 **Economic Development – Eligibility for State Job Creation Incentives**

3 FOR the purpose of prohibiting a certain entity from qualifying for certain State job
4 creation incentives unless certain positions created or maintained by the entity
5 satisfy certain standards; requiring an entity that receives a State job creation
6 incentive to report certain information to the unit of State government that
7 administers the incentive in a certain manner; and generally relating to eligibility
8 for State job creation incentives.

9 BY adding to

10 Article – Business Regulation

11 Section 19–107

12 Annotated Code of Maryland

13 (2015 Replacement Volume and 2021 Supplement)

14 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND,

15 That the Laws of Maryland read as follows:

16 **Article – Business Regulation**

17 **19–107.**

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

20 (2) “ENTITY” MEANS:

21 (I) A COMMERCIAL ENTERPRISE OR BUSINESS THAT IS
22 REGISTERED TO DO BUSINESS IN THE STATE; OR

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 **(II) A CORPORATION, FOUNDATION, SCHOOL, HOSPITAL, OR**
2 **OTHER LEGAL ENTITY FOR WHICH NONE OF THE NET EARNINGS INURE TO THE**
3 **BENEFIT OF ANY PRIVATE SHAREHOLDER OR INDIVIDUAL HOLDING AN INTEREST IN**
4 **THE ENTITY.**

5 **(3) “QUALIFIED POSITION” MEANS, FOR A POSITION FILLED AFTER**
6 **OCTOBER 1, 2022, A POSITION THAT:**

7 **(I) IS FULL-TIME;**

8 **(II) PAYS AT LEAST:**

9 **1. FOR AN EMPLOYEE CLASSIFICATION FOR WHICH**
10 **THERE IS A PREVAILING WAGE RATE, AS DEFINED UNDER § 17-201 OF THE STATE**
11 **FINANCE AND PROCUREMENT ARTICLE, THE PREVAILING WAGE; OR**

12 **2. FOR ANY OTHER EMPLOYEE CLASSIFICATION, 150%**
13 **OF THE STATE MINIMUM WAGE;**

14 **(III) IS LOCATED IN THE STATE;**

15 **(IV) PROVIDES CAREER ADVANCEMENT TRAINING FOR A**
16 **WORKER NOT IN A BONA FIDE EXECUTIVE, ADMINISTRATIVE, OR PROFESSIONAL**
17 **CAPACITY AS DEFINED UNDER 29 C.F.R. PART 541;**

18 **(V) AFFORDS THE EMPLOYEE THE RIGHT TO COLLECTIVELY**
19 **BARGAIN FOR WAGES AND BENEFITS AND APPLIES LABOR PEACE STANDARDS ON**
20 **THE JOB SITE;**

21 **(VI) PROVIDES PAID LEAVE;**

22 **(VII) IS CONSIDERED COVERED EMPLOYMENT FOR PURPOSES OF**
23 **UNEMPLOYMENT INSURANCE BENEFITS IN ACCORDANCE WITH TITLE 8 OF THE**
24 **LABOR AND EMPLOYMENT ARTICLE;**

25 **(VIII) ENTITLES THE EMPLOYEE TO WORKERS’ COMPENSATION**
26 **BENEFITS IN ACCORDANCE WITH TITLE 9 OF THE LABOR AND EMPLOYMENT**
27 **ARTICLE;**

28 **(IX) OFFERS EMPLOYER-PROVIDED HEALTH INSURANCE**
29 **BENEFITS WITH MONTHLY PREMIUMS THAT DO NOT EXCEED 8.5% OF THE**
30 **EMPLOYEE’S NET MONTHLY EARNINGS;**

1 **(X) OFFERS RETIREMENT BENEFITS; AND**

2 **(XI) PROVIDES FAIR SCHEDULING.**

3 **(4) “STATE JOB CREATION INCENTIVE” MEANS:**

4 **(I) A STATE GRANT OR LOAN THAT IS NOT FEDERALLY FUNDED**
5 **AND THE PRINCIPAL PURPOSE OF WHICH IS TO ENCOURAGE JOB CREATION OR**
6 **MAINTAIN EXISTING EMPLOYMENT LEVELS BY THE RECIPIENT; OR**

7 **(II) A STATE TAX CREDIT OR EXEMPTION THE PRINCIPAL**
8 **PURPOSE OF WHICH IS TO ENCOURAGE JOB CREATION OR MAINTAIN EXISTING**
9 **EMPLOYMENT LEVELS BY THE RECIPIENT.**

10 **(B) AN ENTITY MAY NOT QUALIFY FOR A STATE JOB CREATION INCENTIVE**
11 **UNLESS THE POSITIONS CREATED OR MAINTAINED BY THE ENTITY FOR WHICH THE**
12 **ENTITY QUALIFIED TO RECEIVE THE INCENTIVE ARE QUALIFIED POSITIONS.**

13 **(C) AT LEAST ONCE A YEAR, AN ENTITY THAT RECEIVES A STATE JOB**
14 **CREATION INCENTIVE SHALL REPORT TO THE UNIT OF STATE GOVERNMENT THAT**
15 **ADMINISTERS THE INCENTIVE INFORMATION ON THE QUALIFIED POSITIONS**
16 **CREATED OR MAINTAINED BY THE ENTITY, INCLUDING:**

17 **(1) WAGE AND BENEFIT BREAKDOWNS FOR EACH QUALIFIED**
18 **POSITION; AND**

19 **(2) IF APPLICABLE, THE AMOUNT OF STATE TAXES THAT WOULD**
20 **HAVE OTHERWISE BEEN DUE BUT FOR THE INCENTIVE.**

21 **(D) THE DEPARTMENT OF COMMERCE SHALL ADOPT REGULATIONS TO**
22 **CARRY OUT THIS SECTION, INCLUDING DIRECTIVES FOR STATE AGENCIES AND**
23 **ENTITIES TO COMPLY WITH THE REQUIREMENTS OF THIS SECTION.**

24 **SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect**
25 **October 1, 2022.**