

HOUSE BILL 724

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3lr0762
CF SB 670

By: **Delegate Charkoudian**

Introduced and read first time: February 8, 2023

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Unemployment Insurance Modernization Act of 2023**

3 FOR the purpose of altering the taxable wage base used to determine employer
4 contributions to the Unemployment Insurance Trust Fund; requiring the Maryland
5 Department of Labor, on or before a certain date each year, to determine and make
6 available online the State annual average wage applicable to the rate of contribution;
7 requiring the Secretary of Labor to set the taxable wage base and the maximum
8 weekly benefit amount in a certain manner for certain years; prohibiting the
9 applicable table of rates from shifting more than a certain number of tables under
10 certain circumstances; establishing certain collateral requirements for certain
11 investment funds that own certain portfolio companies; requiring and authorizing
12 the Secretary to take certain actions related to the collateral; altering the
13 circumstances under which an employing unit qualifies for an earned rate of
14 contribution that is based on the experience of the employing unit; altering the
15 circumstances under which an individual is eligible for unemployment benefits;
16 repealing the methodology used to calculate the weekly benefit amount; establishing
17 the methodology to be used to calculate the weekly benefit amount; and generally
18 relating to unemployment insurance.

19 BY repealing and reenacting, without amendments,
20 Article – Labor and Employment
21 Section 8–606(a) and (d) and 8–625(d)
22 Annotated Code of Maryland
23 (2016 Replacement Volume and 2022 Supplement)

24 BY repealing and reenacting, with amendments,
25 Article – Labor and Employment
26 Section 8–607(b), (c), and (d)(1), 8–610(a), 8–612, 8–626, 8–633, 8–802, 8–804,
27 8–1302, and 8–1304
28 Annotated Code of Maryland
29 (2016 Replacement Volume and 2022 Supplement)

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 BY adding to
2 Article – Labor and Employment
3 Section 8–612.1 and 8–803
4 Annotated Code of Maryland
5 (2016 Replacement Volume and 2022 Supplement)

6 BY repealing
7 Article – Labor and Employment
8 Section 8–803
9 Annotated Code of Maryland
10 (2016 Replacement Volume and 2022 Supplement)

11 BY repealing and reenacting, with amendments,
12 Article – Labor and Employment
13 Section 8–610(a) and 8–612(b)
14 Annotated Code of Maryland
15 (2016 Replacement Volume and 2022 Supplement)
16 (As enacted by Section 3 of this Act)

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

19 **Article – Labor and Employment**

20 8–606.

21 (a) In this Part II of this subtitle the following words have the meanings
22 indicated.

23 (d) (1) Except as provided in paragraph (2) of this subsection, “computation
24 date” means the July 1 immediately preceding the calendar year for which a rate of
25 contribution is assigned.

26 (2) For the period beginning March 5, 2020, through the second July 1 after
27 the expiration of the State of Emergency declared by the Governor due to the COVID–19
28 pandemic, both inclusive, “computation date” means July 1, 2019, if that date results in a
29 lower rate of contribution.

30 8–607.

31 (b) (1) Subject to paragraph (2) of this subsection, the taxable wage base is the
32 [first \$8,500 in wages] **AMOUNT SET UNDER SUBSECTION (C)(3) OF THIS SECTION** that:

33 (i) an employing unit pays to each employee for covered employment
34 during a calendar year;

1 (ii) an employing unit pays to each employee for covered employment
2 in this State and another state during a calendar year if the employee was continuously
3 employed immediately before and after a transfer of a business from another state during
4 a calendar year;

5 (iii) a reorganized employer pays to each employee for covered
6 employment if the employee was continuously employed immediately before and after the
7 reorganization in a calendar year and if the contribution rate of the reorganized employer
8 is based on the experience with payrolls and benefit charges of the employing unit before
9 the reorganization in accordance with § 8–613(b) of this subtitle; or

10 (iv) an employing unit or predecessor employer or combination of
11 both pays to each employee for covered employment during a calendar year if the payrolls
12 and benefit charges of the predecessor employing unit are transferred to the successor
13 employing unit in accordance with § 8–613(d) or (e) of this subtitle.

14 (2) If the Federal Unemployment Tax Act or any other federal tax law that
15 allows a credit for a contribution to a state unemployment insurance fund increases the
16 maximum amount of wages taxable under that law in a calendar year to **AN AMOUNT THAT**
17 **IS** more than **[\$8,500] THE PERCENTAGE OF THE AVERAGE ANNUAL WAGE FOR**
18 **EMPLOYEES IN THE STATE SET UNDER SUBSECTION (C)(3) OF THIS SECTION**, the
19 taxable wage base under paragraph (1) of this subsection shall be the same as under the
20 federal law.

21 (c) (1) The Secretary shall determine the rate of contribution for each
22 employing unit as of the computation date for the next calendar year.

23 (2) The rate of contribution is effective for 1 calendar year.

24 (3) (I) **ON OR BEFORE JANUARY 31 EACH YEAR, THE DEPARTMENT**
25 **SHALL:**

26 1. **DETERMINE THE AVERAGE ANNUAL WAGE FOR**
27 **EMPLOYEES IN THE STATE DURING THE CALENDAR YEAR OF THE COMPUTATION**
28 **DATE; AND**

29 2. **MAKE AVAILABLE ON ITS WEBSITE THE AVERAGE**
30 **ANNUAL WAGE FOR EMPLOYEES IN THE STATE APPLICABLE TO THE RATE OF**
31 **CONTRIBUTION.**

32 (II) 1. **THE SECRETARY SHALL ANNUALLY SET THE TAXABLE**
33 **WAGE BASE AS AN INCREASING PERCENTAGE OF THE AVERAGE ANNUAL WAGE FOR**
34 **EMPLOYEES IN THE STATE UNTIL THE TAXABLE WAGE BASE PROVIDED UNDER**
35 **SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH IS IN EFFECT.**

1 **2. BEGINNING CALENDAR YEAR 2027 AND EACH**
2 **CALENDAR YEAR THEREAFTER, THE TAXABLE WAGE BASE SHALL BE 25% OF THE**
3 **AVERAGE ANNUAL WAGE FOR EMPLOYEES IN THE STATE.**

4 (d) (1) By regulation, the Secretary shall set:

5 (i) **THE TAXABLE WAGE BASE;**

6 (II) the date when contributions are due; and

7 [(ii)] (III) subject to § 8–607.1 of this subtitle, the manner in which
8 contributions are to be paid.

9 8–612.

10 (a) (1) Subject to paragraph (2) of this subsection, on the basis of the earned
11 rating record of an employing unit that qualifies for an earned rate of contribution under §
12 8–610 of this subtitle, the Secretary shall compute to the 4th decimal place a benefit ratio
13 for the employing unit in accordance with subsection (b) or (c) of this section.

14 (2) The Secretary may not assign an earned rate of contribution that is less
15 than 0.3% or more than 13.5%.

16 (b) For an employing unit that qualifies under § 8–610(a)(2) of this subtitle, the
17 Secretary shall compute a benefit ratio by:

18 (1) adding the regular, work sharing, and extended benefits that were
19 chargeable to the earned rating record of the employing unit and paid during the 3 rating
20 years immediately preceding the computation date; and

21 (2) dividing the figure determined under item (1) of this subsection by the
22 total of the reported taxable wages for the same period.

23 (c) For an employing unit that qualifies under § 8–610(a)(3) of this subtitle, the
24 Secretary shall compute a benefit ratio for the employing unit by:

25 (1) adding the regular, work sharing, and extended benefits that were
26 chargeable to the earned rating record of the employing unit and paid during the period
27 beginning with the 1st day of the calendar quarter in which the employing unit first became
28 subject to this title and ending on the June 30 immediately preceding the computation date;
29 and

30 (2) dividing the figure obtained under item (1) of this subsection by the
31 total of the reported taxable wages for the same period.

32 (d) (1) Except as provided in subsections (f), (g), [and] (h), **AND (I)** of this

1 section, for any calendar year beginning on or after January 1, [2006] 2024, when the
2 Unemployment Insurance Fund balance on September 30 of the immediately preceding
3 calendar year exceeds 5% of the total taxable wages in covered employment for the 4
4 completed calendar quarters immediately preceding September 30, the Table of Rates in
5 this paragraph of this subsection shall apply.

6 Table of Rates – Table A

7 8 9	Employing Unit's Benefit Ratio	Employing Unit's Rate
10	(1) .0000 —	0.30%
11	(2) .0001 — .0027	0.60%
12	(3) .0028 — .0054	0.90%
13	(4) .0055 — .0081	1.20%
14	(5) .0082 — .0108	1.50%
15	(6) .0109 — .0135	1.80%
16	(7) .0136 — .0162	2.10%
17	(8) .0163 — .0189	2.40%
18	(9) .0190 — .0216	2.70%
19	(10) .0217 — .0243	3.00%
20	(11) .0244 — .0270	3.30%
21	(12) .0271 — .0297	3.60%
22	(13) .0298 — .0324	3.90%
23	(14) .0325 — .0351	4.20%
24	(15) .0352 — .0378	4.50%
25	(16) .0379 — .0405	4.80%
26	(17) .0406 — .0432	5.10%
27	(18) .0433 — .0459	5.40%

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1	(19)	.0460 — .0486	5.70%
2	(20)	.0487 — .0513	6.00%
3	(21)	.0514 — .0540	6.30%
4	(22)	.0541 — .0567	6.60%
5	(23)	.0568 — .0594	6.90%
6	(24)	.0595 — .0621	.....	7.20%
7	(25)	.0622 — and over	.....	7.50%

8 (2) Except as provided in subsections (f), (g), [and] (h), AND (I) of this
9 section, for any calendar year beginning on or after January 1, [2006] **2024**, when the
10 Unemployment Insurance Fund balance on September 30 of the immediately preceding
11 calendar year exceeds 4.5%, but is not in excess of 5% of the total taxable wages in covered
12 employment for the 4 completed calendar quarters immediately preceding September 30,
13 the Table of Rates in this paragraph of this subsection shall apply.

Table of Rates – Table B

15	Employing		Employing
16	Unit's Benefit		Unit's
17	Ratio		Rate
18	(1)	.0000 —	.....0.60%
19	(2)	.0001 — .0027	.....0.90%
20	(3)	.0028 — .0054	.....1.20%
21	(4)	.0055 — .0081	.....1.50%
22	(5)	.0082 — .0108	.....1.80%
23	(6)	.0109 — .0135	.....2.10%
24	(7)	.0136 — .0162	.....2.40%
25	(8)	.0163 — .0189	.....2.70%
26	(9)	.0190 — .0216	.....3.00%
27	(10)	.0217 — .0243	.....3.30%

1	(11)	.0244 — .0270	3.60%
2	(12)	.0271 — .0297	3.90%
3	(13)	.0298 — .0324	4.20%
4	(14)	.0325 — .0351	4.50%
5	(15)	.0352 — .0378	4.80%
6	(16)	.0379 — .0405	5.10%
7	(17)	.0406 — .0432	5.40%
8	(18)	.0433 — .0459	5.70%
9	(19)	.0460 — .0486	6.00%
10	(20)	.0487 — .0513	6.30%
11	(21)	.0514 — .0540	6.60%
12	(22)	.0541 — .0567	6.90%
13	(23)	.0568 — .0594	7.20%
14	(24)	.0595 — .0621	7.50%
15	(25)	.0622 — .0648	7.80%
16	(26)	.0649 — .0675	8.10%
17	(27)	.0676 — .0702	8.40%
18	(28)	.0703 — .0729	8.70%
19	(29)	.0730 — and over	9.00%

20 (3) Except as provided in subsections (f), (g), [and] (h), **AND (I)** of this
 21 section, for any calendar year beginning on or after January 1, **[2006] 2024**, when the
 22 Unemployment Insurance Fund balance on September 30 of the immediately preceding
 23 calendar year exceeds 4%, but is not in excess of 4.5% of the total taxable wages in covered
 24 employment for the 4 completed calendar quarters immediately preceding September 30,
 25 the Table of Rates in this paragraph of this subsection shall apply.

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1	Employing	Employing
2	Unit's Benefit	Unit's
3	Ratio	Rate
4	(1) .0000 —	1.00%
5	(2) .0001 — .0027	1.50%
6	(3) .0028 — .0054	1.80%
7	(4) .0055 — .0081	2.10%
8	(5) .0082 — .0108	2.40%
9	(6) .0109 — .0135	2.70%
10	(7) .0136 — .0162	3.00%
11	(8) .0163 — .0189	3.30%
12	(9) .0190 — .0216	3.60%
13	(10) .0217 — .0243	3.90%
14	(11) .0244 — .0270	4.20%
15	(12) .0271 — .0297	4.50%
16	(13) .0298 — .0324	4.80%
17	(14) .0325 — .0351	5.10%
18	(15) .0352 — .0378	5.40%
19	(16) .0379 — .0405	5.70%
20	(17) .0406 — .0432	6.00%
21	(18) .0433 — .0459	6.30%
22	(19) .0460 — .0486	6.60%
23	(20) .0487 — .0513	6.90%
24	(21) .0514 — .0540	7.20%

1	(22)	.0541 — .0567	7.50%
2	(23)	.0568 — .0594	7.80%
3	(24)	.0595 — .0621	8.10%
4	(25)	.0622 — .0648	8.40%
5	(26)	.0649 — .0675	8.70%
6	(27)	.0676 — .0702	9.00%
7	(28)	.0703 — .0729	9.30%
8	(29)	.0730 — .0756	9.60%
9	(30)	.0757 — .0783	9.90%
10	(31)	.0784 — .0810	10.20%
11	(32)	.0811 — and over	10.50%

12 (4) Except as provided in subsections (f), (g), [and] (h), AND (I) of this
 13 section, for any calendar year beginning on or after January 1, [2006] 2024, when the
 14 Unemployment Insurance Fund balance on September 30 of the immediately preceding
 15 calendar year exceeds 3.5%, but is not in excess of 4% of the total taxable wages in covered
 16 employment for the 4 completed calendar quarters immediately preceding September 30,
 17 the Table of Rates in this paragraph of this subsection shall apply.

18 Table of Rates – Table D

19	Employing		Employing
20	Unit's Benefit		Unit's
21	Ratio		Rate
22	(1)	.0000 —	1.40%
23	(2)	.0001 — .0027	2.10%
24	(3)	.0028 — .0054	2.40%
25	(4)	.0055 — .0081	2.70%
26	(5)	.0082 — .0108	3.00%
27	(6)	.0109 — .0135	3.30%

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1	(7)	.0136 — .0162	3.60%
2	(8)	.0163 — .0189	3.90%
3	(9)	.0190 — .0216	4.20%
4	(10)	.0217 — .0243	4.50%
5	(11)	.0244 — .0270	4.80%
6	(12)	.0271 — .0297	5.10%
7	(13)	.0298 — .0324	5.40%
8	(14)	.0325 — .0351	5.70%
9	(15)	.0352 — .0378	6.00%
10	(16)	.0379 — .0405	6.30%
11	(17)	.0406 — .0432	6.60%
12	(18)	.0433 — .0459	6.90%
13	(19)	.0460 — .0486	7.20%
14	(20)	.0487 — .0513	7.50%
15	(21)	.0514 — .0540	7.80%
16	(22)	.0541 — .0567	8.10%
17	(23)	.0568 — .0594	8.40%
18	(24)	.0595 — .0621	8.70%
19	(25)	.0622 — .0648	9.00%
20	(26)	.0649 — .0675	9.30%
21	(27)	.0676 — .0702	9.60%
22	(28)	.0703 — .0729	9.90%
23	(29)	.0730 — .0756	10.20%
24	(30)	.0757 — .0783	10.50%

1	(31)	.0784 — .0810	10.80%
2	(32)	.0811 — .0837	11.10%
3	(33)	.0838 — .0864	11.40%
4	(34)	.0865 — .0891	11.70%
5	(35)	.0892 — and over	11.80%

6 (5) Except as provided in subsections (f), (g), [and] (h), AND (I) of this
 7 section, for any calendar year beginning on or after January 1, [2006] 2024, when the
 8 Unemployment Insurance Fund balance on September 30 of the immediately preceding
 9 calendar year exceeds 3%, but is not in excess of 3.5% of the total taxable wages in covered
 10 employment for the 4 completed calendar quarters immediately preceding September 30,
 11 the Table of Rates in this paragraph of this subsection shall apply.

12 Table of Rates – Table E

13	Employing		Employing
14	Unit's Benefit		Unit's
15	Ratio		Rate
16	(1)	.0000 —	1.80%
17	(2)	.0001 — .0027	2.60%
18	(3)	.0028 — .0054	2.90%
19	(4)	.0055 — .0081	3.20%
20	(5)	.0082 — .0108	3.50%
21	(6)	.0109 — .0135	3.80%
22	(7)	.0136 — .0162	4.10%
23	(8)	.0163 — .0189	4.40%
24	(9)	.0190 — .0216	4.70%
25	(10)	.0217 — .0243	5.00%
26	(11)	.0244 — .0270	5.30%
27	(12)	.0271 — .0297	5.60%

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1	(13)	.0298 — .0324	5.90%
2	(14)	.0325 — .0351	6.20%
3	(15)	.0352 — .0378	6.50%
4	(16)	.0379 — .0405	6.80%
5	(17)	.0406 — .0432	7.10%
6	(18)	.0433 — .0459	7.40%
7	(19)	.0460 — .0486	7.70%
8	(20)	.0487 — .0513	8.00%
9	(21)	.0514 — .0540	8.30%
10	(22)	.0541 — .0567	8.60%
11	(23)	.0568 — .0594	8.90%
12	(24)	.0595 — .0621	9.20%
13	(25)	.0622 — .0648	9.50%
14	(26)	.0649 — .0675	9.80%
15	(27)	.0676 — .0702	10.10%
16	(28)	.0703 — .0729	10.40%
17	(29)	.0730 — .0756	10.70%
18	(30)	.0757 — .0783	11.00%
19	(31)	.0784 — .0810	11.30%
20	(32)	.0811 — .0837	11.60%
21	(33)	.0838 — .0864	11.90%
22	(34)	.0865 — .0891	12.20%
23	(35)	.0892 — .0918	12.50%

1 (36) .0919 — .0945 12.80%

2 (37) .0946 — and over12.90%

3 (6) Except as provided in subsections (f), (g), [and] (h), AND (I) of this
4 section, for any calendar year beginning on or after January 1, [2006] 2024, when the
5 Unemployment Insurance Fund balance on September 30 of the immediately preceding
6 calendar year is not in excess of 3% of the total taxable wages in covered employment for
7 the 4 completed calendar quarters immediately preceding September 30, the Table of Rates
8 in this paragraph of this subsection shall apply.

9 Table of Rates – Table F

10 11 12	Employing Unit's Benefit Ratio	Employing Unit's Rate
13	(1) .0000 —	2.20%
14	(2) .0001 — .0027	3.10%
15	(3) .0028 — .0054	3.40%
16	(4) .0055 — .0081	3.70%
17	(5) .0082 — .0108	4.00%
18	(6) .0109 — .0135	4.30%
19	(7) .0136 — .0162	4.60%
20	(8) .0163 — .0189	4.90%
21	(9) .0190 — .0216	5.20%
22	(10) .0217 — .0243	5.50%
23	(11) .0244 — .0270	5.80%
24	(12) .0271 — .0297	6.10%
25	(13) .0298 — .0324	6.40%
26	(14) .0325 — .0351	6.70%
27	(15) .0352 — .0378	7.00%

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1	(16)	.0379 — .0405	7.30%
2	(17)	.0406 — .0432	7.60%
3	(18)	.0433 — .0459	7.90%
4	(19)	.0460 — .0486	8.20%
5	(20)	.0487 — .0513	8.50%
6	(21)	.0514 — .0540	8.80%
7	(22)	.0541 — .0567	9.10%
8	(23)	.0568 — .0594	9.40%
9	(24)	.0595 — .0621	9.70%
10	(25)	.0622 — .0648	10.00%
11	(26)	.0649 — .0675	10.30%
12	(27)	.0676 — .0702	10.60%
13	(28)	.0703 — .0729	10.90%
14	(29)	.0730 — .0756	11.20%
15	(30)	.0757 — .0783	11.50%
16	(31)	.0784 — .0810	11.80%
17	(32)	.0811 — .0837	12.10%
18	(33)	.0838 — .0864	12.40%
19	(34)	.0865 — .0891	12.70%
20	(35)	.0892 — .0918	13.00%
21	(36)	.0919 — .0945	13.30%
22	(37)	.0946 — and over	13.50%

23 (e) For the purpose of making any computation under this section:

24 (1) money that has been credited to the account of the State in the

1 Unemployment Trust Fund under § 903 of the Social Security Act and that has been
2 appropriated for expenses of administration, whether or not withdrawn from the account,
3 shall be excluded from the total amount available for benefits in the Unemployment
4 Insurance Fund; and

5 (2) the total amount available for benefits in the Unemployment Insurance
6 Fund includes:

7 (i) money receivable by the Unemployment Insurance Fund as
8 federal reimbursement for shareable benefits under the Federal–State Extended
9 Unemployment Compensation Act of 1970;

10 (ii) all advance payments made to the Unemployment Insurance
11 Fund on behalf of eligible employing units who elect to make reimbursement payments;
12 and

13 (iii) money receivable by the Unemployment Insurance Fund from an
14 eligible employing unit who elects to make reimbursement payments.

15 (f) Except as provided in subsections (g) and (h) of this section, for any calendar
16 year beginning on or after January 1, 2017, the Table of Rates in effect for the immediately
17 preceding calendar year shall continue to apply if:

18 (1) the Unemployment Insurance Fund balance on September 30 of the
19 immediately preceding calendar year was at a level that would result in a Table of Rates
20 that had lower rates being applied under subsection (d) of this section; and

21 (2) the federal funding goals requirement in 20 C.F.R. § 606.32 were not
22 met as of December 31 of the second immediately preceding calendar year.

23 (g) (1) Based on the availability of qualified federal funds and notwithstanding
24 any other provision of law, for fiscal year 2022, the Governor shall include in the annual
25 budget bill an appropriation of funds towards replenishment of the unemployment
26 insurance trust fund in an amount sufficient to result in the earned rate of contributions
27 for calendar year 2022 being calculated using Table C of the Table of Rates, based on the
28 funding requirements of subsection (d)(3) of this section.

29 (2) The appropriation required under paragraph (1) of this subsection may
30 be used for administrative costs, including repayments, if any, of federal funds.

31 (h) Notwithstanding any other provision of law, the earned rate of contributions
32 for calendar year 2023 shall be calculated using Table C of the Table of Rates specified in
33 subsection (d) of this section.

34 **(I) FOR ANY CALENDAR YEAR BEGINNING ON OR AFTER JANUARY 1, 2025,**
35 **THE TABLE OF RATES IN EFFECT FOR A CALENDAR YEAR MAY NOT SHIFT MORE**
36 **THAN TWO TABLES FROM THE TABLE OF RATES IN EFFECT FOR THE IMMEDIATELY**

1 PRECEDING CALENDAR YEAR, IF THE SHIFT WOULD RESULT IN A HIGHER EARNED
2 RATE OF CONTRIBUTION.

3 **8-612.1.**

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

6 (2) "DEBT RATIO" MEANS THE RATIO OF A PORTFOLIO COMPANY'S
7 TOTAL DEBT TO EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND
8 AMORTIZATION DURING THE PORTFOLIO COMPANY'S IMMEDIATELY PRECEDING
9 FISCAL YEAR THAT IS CALCULATED AS THE PORTFOLIO COMPANY'S:

10 (I) TOTAL DEBT MINUS CASH; DIVIDED BY

11 (II) EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION, AND
12 AMORTIZATION.

13 (3) "INVESTMENT FUND" MEANS A HEDGE FUND OR PRIVATE EQUITY
14 FUND, AS DEFINED UNDER 12 U.S.C. § 1851, THAT INDIVIDUALLY OR TOGETHER
15 OWN EQUAL TO OR GREATER THAN 30% OF A PORTFOLIO COMPANY WHOSE DEBT
16 RATIO IS GREATER THAN 500% DURING THE RATING YEAR.

17 (4) "PORTFOLIO COMPANY" MEANS AN EMPLOYING UNIT OWNED BY
18 ONE OR MORE INVESTMENT FUNDS.

19 (B) (1) SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, THIS SECTION
20 APPLIES ONLY TO AN INVESTMENT FUND.

21 (2) IF TWO OR MORE INVESTMENT FUNDS OWN THE SAME PORTFOLIO
22 COMPANY, THIS SECTION APPLIES ONLY TO THE INVESTMENT FUND THAT OWNS THE
23 LARGEST SHARE OF THE PORTFOLIO COMPANY.

24 (C) (1) EACH INVESTMENT FUND, AS COLLATERAL:

25 (I) SHALL EXECUTE AND SUBMIT TO THE SECRETARY A SURETY
26 BOND THAT THE SECRETARY APPROVES; OR

27 (II) SUBJECT TO THE APPROVAL OF THE SECRETARY, SHALL
28 DEPOSIT WITH THE SECRETARY AN IRREVOCABLE LETTER OF CREDIT, MONEY, OR
29 SECURITY.

30 (2) EACH INVESTMENT FUND SHALL COMPLY WITH PARAGRAPH (1)

1 OF THIS SUBSECTION WITHIN 30 DAYS AFTER THE EARLIER OF:

2 (I) A PORTFOLIO COMPANY SUBMITTING A CONTRIBUTION AND
3 EMPLOYMENT REPORT UNDER § 8-626 OF THIS SUBTITLE THAT IDENTIFIES THE
4 INVESTMENT FUND AS HAVING THE REQUIRED OWNERSHIP SHARE OF THE
5 PORTFOLIO COMPANY; OR

6 (II) A PERSON NOTIFYING THE SECRETARY UNDER § 8-633 OF
7 THIS SUBTITLE THAT THE PERSON WILL BECOME AN INVESTMENT FUND FOR A
8 PORTFOLIO COMPANY.

9 (D) THE COLLATERAL REQUIRED UNDER THIS SECTION SHALL BE IN AN
10 AMOUNT THAT IS EQUAL TO THE HIGHEST MAXIMUM RATE OF CONTRIBUTION OF
11 THE TAXABLE WAGES FOR COVERED EMPLOYMENT THAT WAS PAID BY THE
12 PORTFOLIO COMPANY FOR THE 4 CALENDAR QUARTERS IMMEDIATELY PRECEDING
13 THE MOST RECENT OF THE FOLLOWING:

14 (1) THE DATE OF BECOMING AN INVESTMENT FUND FOR THE
15 PORTFOLIO COMPANY; OR

16 (2) (I) IF THE COLLATERAL IS OTHER THAN A BOND, THE SECOND
17 ANNIVERSARY OF THE DATE OF BECOMING AN INVESTMENT FUND FOR ANY
18 PORTFOLIO COMPANY; OR

19 (II) IF THE COLLATERAL IS A BOND, THE RENEWAL DATE OF THE
20 BOND.

21 (E) (1) A BOND SUBMITTED UNDER THIS SECTION:

22 (I) SHALL BE EFFECTIVE FOR AT LEAST 2 CALENDAR YEARS AS
23 DETERMINED BY THE SECRETARY; OR

24 (II) IF THE SECRETARY DETERMINES THAT THE INVESTMENT
25 FUND IS NO LONGER AN INVESTMENT FUND FOR THE PORTFOLIO COMPANY FOR
26 WHICH THE BOND WAS SUBMITTED, MAY NOT EXPIRE UNTIL AT LEAST 18 MONTHS
27 AFTER DETERMINATION WAS MADE.

28 (2) RENEWAL OF THE BOND IS SUBJECT TO APPROVAL BY THE
29 SECRETARY.

30 (F) (1) (I) THE SECRETARY SHALL ANNUALLY REVIEW THE
31 SUFFICIENCY OF THE COLLATERAL BASED ON THE PORTFOLIO COMPANY'S
32 REPORTED TAXABLE WAGES IN THE IMMEDIATELY PRECEDING CALENDAR YEAR OR

1 ON ANY OTHER BASIS THE SECRETARY DETERMINES TO BE APPROPRIATE.

2 (II) IF THE AMOUNT OF THE EXISTING COLLATERAL IS LESS
3 THAN THE PORTFOLIO COMPANY'S AVERAGE ANNUAL BENEFIT COSTS THAT WERE
4 CHARGEABLE TO THE EARNED RATING RECORD OF THE PORTFOLIO COMPANY FOR
5 THE IMMEDIATELY PRECEDING CALENDAR YEAR, THE AMOUNT OF THE
6 COLLATERAL PAID BY THE INVESTMENT FUND SHALL BE INCREASED TO EQUAL THE
7 AVERAGE ANNUAL BENEFIT COSTS.

8 (2) THE AMOUNT OF THE COLLATERAL MAY NOT EXCEED THE
9 PRODUCT OF:

10 (I) TWO TIMES THE MAXIMUM RATE OF CONTRIBUTION IN
11 EFFECT FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR; AND

12 (II) THE PORTFOLIO COMPANY'S REPORTED TAXABLE WAGES
13 FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR.

14 (3) IF THE SECRETARY REQUIRES AN ADJUSTMENT UNDER THIS
15 SUBSECTION, THE SECRETARY SHALL MAIL NOTICE OF THE REQUIRED
16 ADJUSTMENT TO THE INVESTMENT FUND AT ITS LAST KNOWN ADDRESS OR
17 OTHERWISE DELIVER NOTICE.

18 (4) IF THE SECRETARY REQUIRES AN INCREASE IN THE AMOUNT OF A
19 BOND, THE INVESTMENT FUND SHALL SUBMIT THE ADJUSTED BOND TO THE
20 SECRETARY WITHIN 30 DAYS AFTER THE DATE THAT NOTICE OF THE REQUIRED
21 ADJUSTMENT WAS MAILED OR OTHERWISE DELIVERED TO THE INVESTMENT FUND.

22 (G) IF AN INVESTMENT FUND THAT IS COVERED BY A BOND FAILS TO PAY
23 THE FULL AMOUNT OF CONTRIBUTIONS REQUIRED UNDER THIS SUBTITLE WHEN
24 DUE, TOGETHER WITH ANY APPLICABLE INTEREST AND PENALTIES REQUIRED
25 UNDER THIS SUBTITLE, THE SURETY SHALL BE LIABLE ON THE BOND TO THE EXTENT
26 OF THE BOND AS IF THE SURETY WAS THE INVESTMENT FUND.

27 (H) (1) THE SECRETARY SHALL DEPOSIT MONEY OR OTHER SECURITY
28 SUBMITTED UNDER THIS SECTION IN AN ESCROW ACCOUNT.

29 (2) WHEN A PORTFOLIO COMPANY IS NO LONGER LIABLE FOR
30 CONTRIBUTIONS UNDER THIS SUBTITLE, THE SECRETARY SHALL RETURN TO THE
31 INVESTMENT FUND THE COLLATERAL OTHER THAN A BOND LESS ANY DEDUCTION
32 ALLOWED IN THIS SECTION.

33 (I) (1) AT ANY TIME, THE SECRETARY MAY REVIEW THE ADEQUACY OF

1 THE DEPOSIT OF MONEY OR SECURITIES UNDER THIS SECTION.

2 (2) IF, AS A RESULT OF A REVIEW, THE SECRETARY DETERMINES
3 THAT AN ADJUSTMENT IS NECESSARY, THE SECRETARY SHALL:

4 (I) REQUIRE THE INVESTMENT FUND TO MAKE AN ADDITIONAL
5 DEPOSIT WITHIN 30 DAYS AFTER A WRITTEN NOTICE OF THE DETERMINATION OF
6 THE SECRETARY; OR

7 (II) RETURN TO THE INVESTMENT FUND THAT PORTION OF THE
8 DEPOSIT THAT THE SECRETARY NO LONGER CONSIDERS NECESSARY.

9 (3) DISPOSITION OF INCOME FROM SECURITIES HELD IN ESCROW
10 SHALL BE GOVERNED BY THE APPLICABLE PROVISIONS OF STATE LAW.

11 (J) (1) THE SECRETARY MAY MAKE A DEDUCTION FROM AN ESCROW
12 ACCOUNT OR SALE OF A SECURITY NECESSARY TO SATISFY:

13 (I) A PAYMENT IN LIEU OF CONTRIBUTIONS THAT IS DUE AND
14 UNPAID; AND

15 (II) ANY APPLICABLE INTEREST OR PENALTY ALLOWED UNDER
16 THIS SUBTITLE.

17 (2) WITHIN 30 DAYS AFTER A DEDUCTION OF MONEY OR SALE OF A
18 SECURITY UNDER THIS SUBSECTION, AN INVESTMENT FUND SHALL SUBMIT TO THE
19 SECRETARY MONEY OR SECURITIES SUFFICIENT TO RETURN THE ESCROW ACCOUNT
20 TO ITS LEVEL BEFORE THE DEDUCTION.

21 (3) ANY CASH REMAINING FROM THE SALE OF SECURITIES SHALL BE
22 PART OF THE ESCROW ACCOUNT OF THE INVESTMENT FUND.

23 8-625.

24 (d) (1) Except as provided in paragraph (2) of this subsection, the Secretary
25 and Board of Appeals may not publish or allow public inspection of information obtained
26 under this section in any manner that reveals the identity of the employer except to public
27 employees in the performance of their public duties.

28 (2) (i) The Secretary and Board of Appeals may allow inspection of
29 information obtained under this section to any agent of a child support enforcement unit if
30 the agent is under contract with the unit for the purposes of establishing and collecting
31 child support obligations from and locating individuals owing such obligations.

1 (ii) The agent of the unit shall comply with safeguards established
2 by the United States Department of Labor and the Secretary and is subject to the penalties
3 under § 8-1305(c) of this title.

4 (3) To the extent necessary for proper presentation of a claim, the Secretary
5 or Board of Appeals shall provide information from the records to a claimant at a hearing
6 before a special examiner, hearing examiner, the Secretary, or the Board of Appeals.

7 8-626.

8 (a) For each calendar quarter, each employing unit shall submit to the Secretary
9 a contribution and employment report on or before the date that the Secretary sets.

10 (b) **(1) [An] SUBJECT TO PARAGRAPH (2) OF THIS SUBSECTION, AN**
11 **employing unit shall include in a contribution and employment report:**

12 **(I) information that the Secretary requires; AND**

13 **(II) 1. WHETHER THE EMPLOYING UNIT IS A PORTFOLIO**
14 **COMPANY, AS DEFINED IN § 8-612.1 OF THIS SUBTITLE; AND**

15 **2. IF SO, THE NAMES AND OWNERSHIP SHARE OF ITS**
16 **INVESTMENT FUNDS, AS DEFINED IN § 8-612.1 OF THIS SUBTITLE.**

17 **(2) INFORMATION INCLUDED IN A CONTRIBUTION AND EMPLOYMENT**
18 **REPORT UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION IS CONFIDENTIAL AND**
19 **NOT SUBJECT TO DISCLOSURE TO THE SAME EXTENT THAT EMPLOYMENT RECORDS**
20 **ARE NOT SUBJECT TO DISCLOSURE UNDER § 8-625(D) OF THIS SUBTITLE.**

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

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

27 8-633.

28 (a) **(1) A person [who acquires the business, organization, trade, or a**
29 **substantial part of the assets of an employing unit] shall notify the Secretary in writing by**
30 **certified mail, return receipt requested, at least 10 days before:**

31 **(I) the acquisition OF THE BUSINESS, ORGANIZATION, TRADE, OR**
32 **A SUBSTANTIAL PART OF THE ASSETS OF AN EMPLOYING UNIT; OR**

1 **(II) THE DATE THAT THE PERSON WILL BECOME AN**
2 **INVESTMENT FUND, AS DEFINED IN § 8-612.1 OF THIS SUBTITLE, FOR A PORTFOLIO**
3 **COMPANY, AS DEFINED IN § 8-612.1 OF THIS SUBTITLE.**

4 **(2) INFORMATION INCLUDED IN NOTICE SUBMITTED TO THE**
5 **SECRETARY UNDER PARAGRAPH (1)(II) OF THIS SUBSECTION IS CONFIDENTIAL AND**
6 **NOT SUBJECT TO DISCLOSURE TO THE SAME EXTENT THAT EMPLOYMENT RECORDS**
7 **ARE NOT SUBJECT TO DISCLOSURE UNDER § 8-625(D) OF THIS SUBTITLE.**

8 (b) If a person fails to give the notice required under subsection (a) of this section
9 and if at the time of acquisition any contribution, reimbursement payment, or interest is
10 due and unpaid by the previous employing unit:

11 (1) the acquisition shall be void as to the Secretary; and

12 (2) the Secretary may proceed against the person for collection in the
13 manner provided in this Part IV of this subtitle.

14 8-1302.

15 **(A) IN THIS SECTION, “PERSON” INCLUDES AN INVESTMENT FUND, AS**
16 **DEFINED IN § 8-612.1 OF THIS TITLE, WITH RESPECT TO THE REQUIREMENTS OF §§**
17 **8-612.1 AND 8-626 OF THIS TITLE.**

18 **(B)** An employer, its officer or agent, or another person may not:

19 (1) knowingly make a false statement or false representation or knowingly
20 fail to disclose a material fact to:

21 (i) prevent or reduce the payment of a benefit to an individual who
22 is entitled to the benefit;

23 (ii) avoid becoming or remaining subject to this title; or

24 (iii) avoid or reduce any contribution or other payment that is
25 required from an employer under this title; or

26 (2) willfully fail or refuse to:

27 (i) make a contribution or other payment;

28 (ii) submit a report that is required under this title;

29 (iii) produce records that are required under this title; or

1 (iv) allow those records to be copied or inspected.

2 8-1304.

3 (A) IN THIS SECTION, "PERSON" INCLUDES AN INVESTMENT FUND, AS
4 DEFINED IN § 8-612.1 OF THIS TITLE, WITH RESPECT TO THE REQUIREMENTS OF §§
5 8-612.1 AND 8-626 OF THIS TITLE.

6 (B) A person may not, without just cause, fail or refuse to obey a subpoena issued
7 under § 8-306(c) or § 8-5A-06(b) of this title if the person has the power to obey the
8 subpoena.

9 SECTION 2. AND BE IT FURTHER ENACTED, That Section(s) 8-803 of Article –
10 Labor and Employment of the Annotated Code of Maryland be repealed.

11 SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
12 as follows:

13 Article – Labor and Employment

14 8-610.

15 (a) (1) An employing unit that meets the qualifications of this subsection shall
16 be assigned an earned rate of contribution that is based on the experience of the employing
17 unit.

18 (2) An employing unit qualifies under this subsection if, during each of the
19 [3] 4 rating years immediately preceding the computation date the employing unit:

20 (i) had an earned rating record that was chargeable with benefits;
21 and

22 (ii) reports taxable wages as required by § 8-626 of this subtitle for
23 the [3] 4 rating years immediately preceding the computation date.

24 (3) An employing unit that does not qualify under paragraph (2) of this
25 subsection qualifies if:

26 (i) throughout the rating year immediately preceding the
27 computation date, the employing unit had an earned rating record that was chargeable
28 with benefits; and

29 (ii) during each of the [2] 3 rating years immediately preceding the
30 computation date, the employing unit reports taxable wages as required by § 8-626 of this
31 subtitle for the [2] 3 rating years immediately preceding the computation date.

1 8-612.

2 (b) For an employing unit that qualifies under § 8-610(a)(2) of this subtitle, the
3 Secretary shall compute a benefit ratio by:

4 (1) adding the regular, work sharing, and extended benefits that were
5 chargeable to the earned rating record of the employing unit and paid during the [3] 4
6 rating years immediately preceding the computation date; and

7 (2) dividing the figure determined under item (1) of this subsection by the
8 total of the reported taxable wages for the same period.

9 8-802.

10 An individual is eligible for benefits if, during the base period:

11 (1) the individual was paid wages of at least [the lower quarterly wage
12 amount in line 1 of the schedule of benefits in § 8-803 of this subtitle] **\$1,176** for covered
13 employment during the calendar quarter in which the individual's wages were highest; and

14 (2) the individual was paid wages for covered employment that, during at
15 least 2 calendar quarters combined, are at least 1.5 times [the upper limit of] the **AMOUNT**
16 **OF** wages [for the line in the schedule of benefits for which the individual qualifies]
17 **SPECIFIED UNDER ITEM (1) OF THIS SECTION.**

18 **8-803.**

19 **(A) IN THIS SECTION, "STATE AVERAGE WEEKLY WAGE" MEANS THE**
20 **AVERAGE WEEKLY WAGE IN THE STATE, AS DETERMINED BY THE DEPARTMENT,**
21 **BASED ON THE WAGES IN TOTAL COVERED EMPLOYMENT FOR ALL EMPLOYERS IN**
22 **THE STATE FOR THE IMMEDIATELY PRECEDING CALENDAR YEAR.**

23 **(B) (1) (I) THE WEEKLY BENEFIT AMOUNT PAYABLE TO A CLAIMANT**
24 **UNDER THIS SECTION SHALL BE AT LEAST 15% OF THE STATE AVERAGE WEEKLY**
25 **WAGE BUT NOT MORE THAN THE AMOUNT OF THE STATE AVERAGE WEEKLY WAGE**
26 **SET UNDER SUBPARAGRAPH (II) OF THIS PARAGRAPH.**

27 **(II) 1. THE SECRETARY SHALL ANNUALLY SET THE**
28 **MAXIMUM WEEKLY BENEFIT AMOUNT AS AN INCREASING PERCENTAGE OF THE**
29 **STATE AVERAGE WEEKLY WAGE UNTIL THE MAXIMUM WEEKLY BENEFIT AMOUNT**
30 **PROVIDED UNDER SUBSUBPARAGRAPH 2 OF THIS SUBPARAGRAPH IS IN EFFECT.**

31 **2. BEGINNING CALENDAR YEAR 2027 AND EACH**
32 **CALENDAR YEAR THEREAFTER, THE MAXIMUM WEEKLY BENEFIT SHALL BE**
33 **TWO-THIRDS OF THE STATE AVERAGE WEEKLY WAGE.**

1 **3. THE SECRETARY SHALL ADOPT REGULATIONS TO**
2 **CARRY OUT THIS SUBPARAGRAPH.**

3 **(2) FOR PURPOSES OF DETERMINING THE MINIMUM AND MAXIMUM**
4 **WEEKLY BENEFIT AMOUNTS UNDER THIS SECTION, THE DEPARTMENT SHALL**
5 **CALCULATE AND UPDATE THE STATE AVERAGE WEEKLY WAGE ON JULY 1 EACH**
6 **YEAR.**

7 **(C) (1) FOR PURPOSES OF ASSIGNING A WEEKLY BENEFIT AMOUNT TO A**
8 **CLAIMANT, THE CLAIMANT'S WEEKLY BENEFIT AMOUNT SHALL BE COMPUTED BY**
9 **DIVIDING THE WAGES THAT THE CLAIMANT WAS PAID FOR COVERED EMPLOYMENT**
10 **IN THE CALENDAR QUARTER OF THE CLAIMANT'S BASE PERIOD IN WHICH THOSE**
11 **WAGES WERE THE HIGHEST BY 24.**

12 **(2) IN COMPUTING BENEFITS UNDER THIS SUBSECTION, A FRACTION**
13 **OF A DOLLAR SHALL BE ROUNDED TO THE NEXT HIGHER DOLLAR.**

14 **(D) THE WEEKLY BENEFIT AMOUNT CALCULATED UNDER THIS SECTION**
15 **THAT IS IN EFFECT ON THE FIRST DAY OF A CLAIMANT'S BENEFIT YEAR APPLIES TO**
16 **THE CLAIMANT THROUGHOUT THAT BENEFIT YEAR.**

17 **(E) (1) EXCEPT AS PROVIDED IN § 8-1207 OF THIS TITLE FOR THE WORK**
18 **SHARING PROGRAM, AN ELIGIBLE CLAIMANT SHALL BE PAID A WEEKLY BENEFIT**
19 **AMOUNT THAT IS COMPUTED BY:**

20 **(I) ASSIGNING THE CLAIMANT'S WEEKLY BENEFIT AMOUNT**
21 **UNDER SUBSECTION (C) OF THIS SECTION;**

22 **(II) ADDING ANY ALLOWANCE FOR A DEPENDENT TO WHICH THE**
23 **CLAIMANT IS ENTITLED UNDER § 8-804 OF THIS SUBTITLE; AND**

24 **(III) SUBTRACTING ANY WAGES EXCEEDING 50% OF THE**
25 **CLAIMANT'S ASSIGNED WEEKLY BENEFIT AMOUNT UNDER SUBSECTION (C) OF THIS**
26 **SECTION.**

27 **(2) IN COMPUTING BENEFITS UNDER THIS SUBSECTION, A FRACTION**
28 **OF A DOLLAR SHALL BE ROUNDED TO THE NEXT HIGHER DOLLAR.**

29 **(F) ANY CHILD SUPPORT PAYMENT THAT IS REQUIRED UNDER § 8-807 OF**
30 **THIS SUBTITLE SHALL BE WITHHELD FROM BENEFITS.**

31 8-804.

1 (a) (1) Subject to subsection (b) of this section, in addition to the weekly benefit
2 amount [in the schedule of benefits] **ASSIGNED IN ACCORDANCE WITH § 8-803 OF THIS**
3 **SUBTITLE**, a claimant shall be paid an allowance [of \$8] **EQUAL TO 25% OF THE STATE**
4 **MINIMUM WEEKLY BENEFIT AMOUNT, AS DETERMINED UNDER § 8-803 OF THIS**
5 **SUBTITLE**, for each child, adopted child, or stepchild of the claimant who, on the 1st day of
6 the benefit year, is:

7 (i) wholly or partly supported by the claimant; and

8 (ii) under 16 years of age.

9 (2) A claimant shall submit to the Secretary the Social Security number or
10 copy of the birth certificate of each dependent for whom the claimant is to be paid an
11 allowance.

12 (b) (1) An allowance under this section is not payable:

13 (i) for more than 5 dependents of the claimant;

14 (ii) for longer than the number of weeks of benefits allowable to the
15 claimant for total unemployment; or

16 (iii) for any week in which an unemployment benefit is not payable
17 to the claimant.

18 (2) Benefits and the allowance under this section in any 1 week may not
19 exceed the [highest] **STATE MAXIMUM** weekly benefit amount [in the schedule of benefits],
20 **AS DETERMINED UNDER § 8-803 OF THIS SUBTITLE**.

21 (c) (1) The number of a claimant's dependents shall be determined as of the
22 1st day of the benefit year and shall be fixed for the duration of the benefit year.

23 (2) After an individual has been determined to be a dependent of a
24 claimant, the individual may not be considered to be a dependent of any other claimant
25 whose benefit year starts within 1 year after the determination.

26 (d) In the computation of a contribution rate under Part II of Subtitle 6 of this
27 title, an allowance for a dependent shall be considered a benefit.

28 (e) Notwithstanding subsection (d) of this section, an allowance for a dependent
29 may not be deducted from a claimant's benefit account.

30 SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read
31 as follows:

32 **Article – Labor and Employment**

1 8–610.

2 (a) (1) An employing unit that meets the qualifications of this subsection shall
3 be assigned an earned rate of contribution that is based on the experience of the employing
4 unit.

5 (2) An employing unit qualifies under this subsection if, during each of the
6 [4] 5 rating years immediately preceding the computation date the employing unit:

7 (i) had an earned rating record that was chargeable with benefits;
8 and

9 (ii) reports taxable wages as required by § 8–626 of this subtitle for
10 the [4] 5 rating years immediately preceding the computation date.

11 (3) An employing unit that does not qualify under paragraph (2) of this
12 subsection qualifies if:

13 (i) throughout the rating year immediately preceding the
14 computation date, the employing unit had an earned rating record that was chargeable
15 with benefits; and

16 (ii) during each of the [3] 4 rating years immediately preceding the
17 computation date, the employing unit reports taxable wages as required by § 8–626 of this
18 subtitle for the [3] 4 rating years immediately preceding the computation date.

19 8–612.

20 (b) For an employing unit that qualifies under § 8–610(a)(2) of this subtitle, the
21 Secretary shall compute a benefit ratio by:

22 (1) adding the regular, work sharing, and extended benefits that were
23 chargeable to the earned rating record of the employing unit and paid during the [4] 5
24 rating years immediately preceding the computation date; and

25 (2) dividing the figure determined under item (1) of this subsection by the
26 total of the reported taxable wages for the same period.

27 SECTION 5. AND BE IT FURTHER ENACTED, That Sections 2 and 3 of this Act
28 shall take effect July 1, 2025.

29 SECTION 6. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall take
30 effect July 1, 2026.

31 SECTION 7. AND BE IT FURTHER ENACTED, That, except as provided in
32 Sections 5 and 6 of this Act, this Act shall take effect January 1, 2024.