

SENATE BILL 683

P1

EMERGENCY BILL

5lr2405
CF HB 1424

By: Senators Charles, ~~Jackson~~ M. Jackson, Augustine, Waldstreicher, Muse, Benson, Rosapepe, Watson, ~~and Kagan~~ Kagan, Ferguson, Guzzone, Hettleman, King, Lewis Young, McCray, and Zucker ~~Zucker~~, Beidle, Brooks, Ellis, Feldman, Gile, Hayes, Henson, Hester, C. Jackson, Kramer, Lam, Love, Smith, Sydnor, A. Washington, and M. Washington

Introduced and read first time: January 26, 2025

Assigned to: Budget and Taxation

Committee Report: Favorable with amendments

Senate action: Adopted with floor amendments

Read second time: March 22, 2025

CHAPTER _____

1 AN ACT concerning

2 **Catastrophic Event Account and Federal Government Shutdown Employee**
3 **Assistance Loan Fund, Protection of Federal Benefits, and Powers of the**
4 **Attorney General – Alterations**
5 **(Protect Our Federal Workers Act)**

6 FOR the purpose of renaming the Federal Government Shutdown Employee Assistance
7 Loan Fund to be the Federal Government Employee Assistance Loan Fund;
8 authorizing funds appropriated to the Catastrophic Event Account to be expended to
9 assist in funding costs in connection with a closure, relocation, or mass layoff of a
10 unit of the federal government, or other similar circumstances; altering the purpose
11 of the Fund and the eligibility criteria to receive loans from the Fund; authorizing
12 the Maryland Department of Labor to disclose certain information to a third-party
13 vendor for a certain purpose and to forgive a loan from the Fund; expanding the
14 authority of the Attorney General to take certain actions under certain
15 circumstances; increasing the amount the Governor is required to appropriate in the
16 proposed budget each year to the Attorney General to be used for certain purposes;
17 altering a requirement that the Attorney General use a certain appropriation to
18 employ a certain number of attorneys; authorizing the disclosure of certain tax
19 information to the Maryland Department of Labor for certain purposes; requiring
20 the Maryland Department of Labor to conduct certain research and make a certain
21 report; authorizing the Governor to make certain transfers of funds subject to the

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.



review and comment of the Legislative Policy Committee; and generally relating to the Catastrophic Event Account ~~and~~ the Federal Government Employee Assistance Loan Fund, and the powers of the Attorney General.

BY repealing and reenacting, without amendments,
Article – State Finance and Procurement
Section 6–226(a)(1) and (2)(i)
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)118., 7–324, and 7–327
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,
Article – State Government
Section 6–106.1
Annotated Code of Maryland
(2021 Replacement Volume and 2024 Supplement)

BY repealing and reenacting, with amendments,
Article – Tax – General
Section 13–203(c)(17) and (18)
Annotated Code of Maryland
(2022 Replacement Volume and 2024 Supplement)

BY adding to
Article – Tax – General
Section 13–203(c)(19)
Annotated Code of Maryland
(2022 Replacement Volume and 2024 Supplement)

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

Article – State Finance and Procurement

6–226.

(a) (1) Except as otherwise specifically provided by law or by regulation of the Treasurer, the Treasurer shall credit to the General Fund any interest on or other income from State money that the Treasurer invests.

(2) (i) 1. This subparagraph does not apply in fiscal years 2024 through 2028.

2. 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:

118. the Federal Government [Shutdown] Employee Assistance Loan Fund; 7–324.

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

(b) Subject to the provisions of this section, the Account is established to enable the State or a local government to respond without undue delay to:

(1) a natural disaster or other catastrophic situation[, or];

(2) federal employee financial hardship from a full or partial federal government shutdown due to a lapse in federal appropriations that cannot be taken care of within the resources of existing appropriations; OR

(3) FORMER FEDERAL EMPLOYEE FINANCIAL HARDSHIP FROM THE CLOSURE, RELOCATION, OR MASS LAYOFF OF A UNIT OF THE FEDERAL GOVERNMENT, OR OTHER SIMILAR CIRCUMSTANCES.

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

(d) (1) Subject to paragraph (2) of this subsection, after a 15–day review and comment period by the Legislative Policy Committee, the Governor may transfer funds by budget amendment from the Account to the expenditure accounts of the appropriate unit of State government or unit of local government.

(2) If the federal government is in a full or partial shutdown due to a lapse in appropriations, after a 2–day review and comment period by the Legislative Policy Committee, the Governor may transfer funds by budget amendment from the Account to the Federal Government [Shutdown] Employee Assistance Loan Fund established under § 7–327 of this subtitle.

(e) Funds appropriated to the Catastrophic Event Account:

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

(2) may be expended to assist a unit of State government or unit of local government in funding costs in connection with:

(I) a natural disaster[.];

(II) a catastrophic situation[, or];

(III) a full or partial federal government shutdown due to a lapse in appropriations; OR

(IV) A CLOSURE, RELOCATION, OR MASS LAYOFF OF A UNIT OF THE FEDERAL GOVERNMENT.

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

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

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

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

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

7-327.

(a) In this section, "Fund" means the Federal Government [Shutdown] Employee Assistance Loan Fund.

(b) There is a Federal Government [Shutdown] Employee Assistance Loan Fund.

(c) The purpose of the Fund is to provide loans to [employees of the federal government] **STATE RESIDENTS** who ~~are~~ are:

(1) [required to report to work at a work site located in the State; and

(2)] **ARE EMPLOYEES OF THE FEDERAL GOVERNMENT, REQUIRED TO REPORT TO WORK, AND WHO ARE** not being paid because of a full or partial federal government shutdown due to a lapse in appropriations **AFTER JANUARY 1, 2025; OR**

(2) IN THE IMMEDIATELY PRECEDING 6 MONTHS, AND ON OR AFTER JANUARY 1, 2025, WERE TERMINATED FROM EMPLOYMENT BY THE FEDERAL GOVERNMENT DUE TO THE CLOSURE, RELOCATION, OR MASS LAYOFF OF A UNIT OF THE FEDERAL GOVERNMENT, OR OTHER SIMILAR CIRCUMSTANCES BEYOND THE EMPLOYEES' CONTROL, AND WHO ARE EXPERIENCING FINANCIAL HARDSHIP AS DETERMINED BY THE MARYLAND DEPARTMENT OF LABOR.

(d) The Maryland Department of Labor shall administer the Fund.

(e) (1) The Fund is a special, nonlapsing fund that is not subject to § 7-302 of this subtitle that shall be available in perpetuity for the purpose of providing loans in accordance with the provisions of this section.

(2) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(3) THE MARYLAND DEPARTMENT OF LABOR IS AUTHORIZED TO DISCLOSE INFORMATION TO THIRD-PARTY VENDORS TO VERIFY FEDERAL EMPLOYMENT FOR THE PURPOSE OF ASSISTING WITH THE IMPLEMENTATION OF THE FUND, SUBJECT TO PRIVACY CONSIDERATIONS.

(f) The Fund consists of:

(1) money appropriated in the State budget to the Fund;

(2) any interest earnings of the Fund;

(3) money transferred from the Catastrophic Event Account in accordance with § 7-324 of this subtitle;

(4) repayments on loans made from the Fund; and

(5) any other money from any other source accepted for the benefit of the Fund.

(g) The Fund shall be used only to provide no-interest loans to [employees of the federal government] **STATE RESIDENTS** who ~~are~~ are:

(1) [required to report to work at a work site located in the State; and

(2)] **ARE EMPLOYEES OF THE FEDERAL GOVERNMENT, REQUIRED TO REPORT TO WORK, AND WHO ARE** not being paid because of a full or partial federal government shutdown due to a lapse in appropriations **AFTER JANUARY 1, 2025; OR**

(2) IN THE IMMEDIATELY PRECEDING 6 MONTHS, AND ON OR AFTER JANUARY 1, 2025, WERE TERMINATED FROM EMPLOYMENT BY THE FEDERAL GOVERNMENT DUE TO THE CLOSURE, RELOCATION, OR MASS LAYOFF OF A UNIT OF THE FEDERAL GOVERNMENT, OR OTHER SIMILAR CIRCUMSTANCES BEYOND THE EMPLOYEES' CONTROL, AND WHO ARE EXPERIENCING FINANCIAL HARDSHIP AS DETERMINED BY THE MARYLAND DEPARTMENT OF LABOR.

(h) (1) The State Treasurer shall invest the money of the Fund in the same manner as other State money may be invested.

(2) Any interest earnings of the Fund shall be credited to the Fund.

(i) (1) Subject to paragraph (2) of this subsection, the Maryland Department of Labor shall establish procedures and eligibility criteria for loans from the Fund.

(2) The eligibility criteria shall include that:

(i) 1. the federal government is in a full or partial shutdown due to a lapse in appropriations; **OR**

2. A UNIT OF THE FEDERAL GOVERNMENT HAS BEEN CLOSED, BEEN RELOCATED, EXPERIENCED MASS LAYOFFS, OR EXPERIENCED OTHER SIMILAR CIRCUMSTANCES; and

(ii) an individual applying for a loan from the Fund is A RESIDENT OF THE STATE WHO IS:

~~1. A RESIDENT OF THE STATE; AND~~

~~2. A~~ 1. an employee of the federal government ~~WHO IS,~~ REQUIRED TO REPORT TO WORK, AND NOT BEING PAID BECAUSE OF THE FULL OR PARTIAL FEDERAL GOVERNMENT SHUTDOWN DUE TO THE LAPSE IN APPROPRIATIONS AFTER JANUARY 1, 2025; OR

[2. required to report to work at a work site located in the State; and

3. not being paid because of the full or partial federal government shutdown due to the lapse in appropriations]

~~B. 2.~~ A FORMER EMPLOYEE OF THE FEDERAL GOVERNMENT WHO, WITHIN THE 6 MONTHS IMMEDIATELY PRECEDING THE DATE OF THE LOAN APPLICATION, AND ON OR AFTER JANUARY 1, 2025, WAS TERMINATED FROM EMPLOYMENT BY THE FEDERAL GOVERNMENT DUE TO THE CLOSURE, RELOCATION, OR MASS LAYOFF OF A UNIT OF THE FEDERAL GOVERNMENT, OR

1 OTHER SIMILAR CIRCUMSTANCES BEYOND THE INDIVIDUAL’S CONTROL, AND WHO
2 IS EXPERIENCING FINANCIAL HARDSHIP AS DETERMINED BY THE MARYLAND
3 DEPARTMENT OF LABOR.

4 (3) THE MARYLAND DEPARTMENT OF LABOR MAY ESTABLISH OTHER
5 CRITERIA TO BEST ASSIST FEDERAL EMPLOYEES FACING FINANCIAL HARDSHIP.

6 ~~(3)~~ (4) The procedures shall include:

7 (i) application procedures;

8 (ii) payment procedures from the Fund; and

9 (iii) IF REPAYMENT IS REQUIRED, repayment procedures, including
10 timelines, for an individual to repay a loan from the Fund.

11 (5) THE MARYLAND DEPARTMENT OF LABOR MAY FORGIVE A LOAN
12 PROVIDED UNDER THIS SECTION.

13 Article – State Government

14 6–106.1.

15 (a) The General Assembly finds that:

16 (1) the federal government’s action or failure to take action may pose a
17 threat to the health and welfare of the residents of the State; and

18 (2) the State should investigate and obtain relief from any arbitrary,
19 unlawful, or unconstitutional federal action or inaction and prevent such action or inaction
20 from harming the residents of the State.

21 (b) (1) In addition to any other powers and duties and subject to the
22 requirements of this subsection, the Attorney General may investigate, commence, and
23 prosecute or defend any civil or criminal suit or action that is based on the federal
24 government’s action or inaction that threatens the public interest and welfare of the
25 residents of the State with respect to:

26 (i) protecting the health of the residents of the State and ensuring
27 the availability of affordable health care;

28 (ii) safeguarding public safety and security;

29 (iii) protecting civil liberties;

(iv) preserving and enhancing the economic security of workers and retirees;

(v) protecting financial security of the residents of the State, including their pensions, savings, and investments, and ensuring fairness in mortgages, student loans, and the marketplace;

(vi) protecting the residents of the State against fraud and other deceptive and predatory practices;

(vii) protecting the natural resources and environment of the State;

(viii) protecting the residents of the State against illegal and unconstitutional federal immigration and travel restrictions; [or]

(IX) PROTECTING RESIDENTS OF THE STATE WHO ARE EMPLOYEES OF THE FEDERAL GOVERNMENT WHO ARE NOT BEING PAID BECAUSE OF A FULL OR PARTIAL FEDERAL GOVERNMENT SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS;

(X) PROTECTING RESIDENTS OF THE STATE WHO WERE EMPLOYEES OF THE FEDERAL GOVERNMENT, AND ON OR AFTER JANUARY 1, 2025:

1. WERE TERMINATED FROM EMPLOYMENT BY THE FEDERAL GOVERNMENT DUE TO THE CLOSURE, RELOCATION, OR MASS LAYOFF OF A UNIT OF THE FEDERAL GOVERNMENT, OR OTHER SIMILAR CIRCUMSTANCES BEYOND THE EMPLOYEES' CONTROL; OR

2. SEPARATED FROM EMPLOYMENT BY THE FEDERAL GOVERNMENT AS A RESULT OF A VOLUNTARY SEPARATION INCENTIVE PAYMENT;

(XI) PROTECTING RESIDENTS OF THE STATE WHO ARE INAPPROPRIATELY DENIED FEDERAL BENEFITS THAT THEY HAVE EARNED, INCLUDING SOCIAL SECURITY BENEFITS, MEDICARE, AND VETERANS AFFAIRS BENEFITS;

(XII) PROTECTING RESIDENTS OF THE STATE WHO ARE INAPPROPRIATELY DENIED FEDERAL ENTITLEMENTS, INCLUDING MEDICAID; OR

[(ix)] (XIII) otherwise protecting, as parens patriae, the State's interest in the general health and well-being of its residents.

(2) Except as provided in paragraph (4) of this subsection, before commencing a suit or an action under paragraph (1) of this subsection, the Attorney General shall provide to the Governor:

(i) written notice of the intended suit or action; and

(ii) an opportunity to review and comment on the intended suit or action.

(3) If the Governor objects to the intended suit or action for which notice was provided under this subsection:

(i) the Governor shall provide in writing to the Attorney General the reasons for the objection within 10 days after receiving the notice; and

(ii) except as provided in paragraph (4) of this subsection, the Attorney General shall consider the Governor's objection before commencing the suit or action.

(4) If the Attorney General determines that emergency circumstances require the immediate commencement of a suit or an action under paragraph (1) of this subsection, the Attorney General shall provide to the Governor notice of the suit or action as soon as reasonably practicable.

(c) The Governor's proposed budget for fiscal year 2019, and for each fiscal year thereafter, shall appropriate at least [\$1,000,000] \$2,500,000 to the Attorney General to be used only for:

(1) carrying out this section; and

(2) employing [five] attorneys in the Office of the Attorney General.

Article – Tax – General

13–203.

(c) Subject to subsections (f) and (g) of this section, tax information may be disclosed to:

(17) the Maryland Cannabis Administration; [and]

(18) a person, governmental entity, or tax compliance organization for the purpose of assisting the Comptroller in tax compliance activity; AND

(19) THE MARYLAND DEPARTMENT OF LABOR TO THE EXTENT NECESSARY TO:

(I) ADMINISTER THE FEDERAL GOVERNMENT EMPLOYEE ASSISTANCE LOAN FUND UNDER § 7-327 OF THE STATE FINANCE AND PROCUREMENT ARTICLE; OR

(II) DETECT AND PREVENT FRAUDULENT CLAIMS FOR RELIEF OR AVOIDANCE OF REPAYMENT REQUIRED UNDER § 7-327 OF THE STATE FINANCE AND PROCUREMENT ARTICLE.

~~SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 2025.~~

SECTION 2. AND BE IT FURTHER ENACTED, That:

(1) the Maryland Department of Labor shall conduct research and analysis on foreclosure activity in Maryland, particularly as it relates to federal workers, to include, to the extent practicable, federal contractors impacted by layoffs since January 1, 2025; and

(2) on or before December 31, 2025, the Maryland Department of Labor shall report to the General Assembly, in accordance with § 2-1257 of the State Government Article, on any data findings or trend analysis as it relates to foreclosures in Maryland for this worker population.

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) Notwithstanding § 7-311(i) of the State Finance and Procurement Article, after providing the Legislative Policy Committee with at least 7 days to review and comment, the Governor may transfer up to \$5,000,000 from the Revenue Stabilization Account under § 7-311 of the State Finance and Procurement Article to the Federal Government Employee Assistance Loan Fund under § 7-327 of the State Finance and Procurement Article, as enacted by Section 1 of this Act.

(b) Notwithstanding § 7-311(i) of the State Finance and Procurement Article, after providing the Legislative Policy Committee with at least 7 days to review and comment, the Governor may transfer up to \$1,500,000 from the Revenue Stabilization Account under § 7-311 of the State Finance and Procurement Article to the expenditure accounts of the Attorney General to fund costs associated with carrying out § 6-106.1 of the State Government Article, as enacted by Section 1 of this Act.

SECTION 4. AND BE IT FURTHER ENACTED, That this Act is an emergency measure, is necessary for the immediate preservation of the public health or safety, has been passed by a ye and nay vote supported by three-fifths of all the members elected to each of the two Houses of the General Assembly, and shall take effect from the date it is enacted. Section 3 of this Act shall remain effective through March 30, 2026, and at the end of March 30, 2026, Section 3 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.