

## Testimony Against HB1526

Honorable Delegates

I realize that this bill has been created to deal with a catastrophic emergency. However, I believe it is flawed because of the haste to create it.

Please vote against HB1526.

It is interesting that the bill states it was first read on March 16, 2024, 10 days before the Key Bridge collapsed. How can this be (The Senate bill was first read on March 14)?

By: Delegates Clippinger, Edelson, R. Lewis, R. Long, and Metzgar  
Rules suspended

**Introduced and read first time: March 16, 2024**

Assigned to: Rules and Executive Nominations

What sort of legislative finagling is going on to subvert Constitutional intent regarding submitting bills in the 90-day session just to avoid a special session to do the process correctly?

I have read the bill plus the Fiscal and Policy Note documents.

In general, I have misgivings about this bill as it is rushed, just as the COVID relief bills were rushed. As a result, more COVID money was appropriated than was needed. Because of poor program controls, miscreants fraudulently obtained funds who should not have received them, money was wasted through poor administration, and more importantly, the excess COVID relief money was used by State and local governments for purposes totally unrelated to COVID relief. I believe this program will have similar problems.

I see that SB1188 has a section dealing with fraudulently obtaining PORT Act relief funds. However, does it require that any unspent money be returned to the Rainy Day Fund(RDF)? If not, when you meet to reconcile the bills, please insist that any unused funds be returned to the RDF so they cannot be spent on any other project.

This program will take money from the Rainy Day Fund (RDF). However, the fiscal analysis does not address how much money from the RDF will be used to balance the FY 2025 budget. The Senate supposedly wants to use the RDF to balance the budget so that no new taxes will be imposed on us this year. The House wants to use less RDF money but increase taxes and fees to balance the budget.

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Although the RDF may have sufficient money to pay for the PORT Act (\$275 million above the 7.5 percent threshold of the estimated FY 2025 revenues), it may not have enough to balance the budget AND pay for the PORT Act. If more than \$275 million is spent, then the FY2026 budget would need a mandatory \$50 million dollar appropriation to replenish it. If it falls below 3 percent, then the mandatory appropriation for the RDF is \$100 million. These mandatory appropriations would most likely result in tax increases for us, as I doubt the State would ever cut any spending. It could result in tax and/or fee increases this year if the House version of the budget is adopted because of the need to fund the PORT Act.

The RDF currently has a balance of \$2.3 billion. Some portion of that amount will be used to balance the budget and pay for the PORT Act. The fiscal analysis only states that transfers from the RDF will be a "significant, indeterminate amount in FY 2024 and 2025".

I have the following concerns about HB1526

- Section 1(b) on page 2, lines 16-24. Subject to subsection (e) of this section, the Maryland Department of Labor, as soon as practicable, shall establish a temporary relief program to provide assistance to individuals who: (1) **regularly** performed paid work at the Port; (2) are unable to work through no fault of their own due to the the closure of the Port; and (3) despite being able, available, and **actively seeking work**, do not qualify for unemployment insurance benefits under Title 8 of the Labor and Employment Article or any **similar employer-provided benefit**.

What is the definition of "regularly"? Will more people than intended be allowed receive PORT Act money?

How will the "actively seeking work" provision be defined and used, plus how will it be enforced? It seems the intent of the bill is to get State relief money into the hands of the workers as soon as possible. Since those receiving State money would not be eligible for unemployment insurance (UI), How long would they have to demonstrate seeking other employment before they are eligible? Once they begin receiving money, how often would they need to report their seeking work efforts and to what agency would they report this? **I see that SB1188 waives the "actively seeking work" provisions for PORT Act payments.**

The fiscal analysis states that those not eligible for UI would be those who are self-employed and generally do not pay into the UI program. The estimated PORT Act benefits would cost \$48.3 million for FY 2024 and FY2025, but could **differ significantly** based on numerous factors.

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Many of the workers no longer employed are members of a union. Some unions provide benefits when their members are unemployed. The bill would preclude workers who receive an "employer-provided benefit". Would a union-provided benefit preclude receiving State relief funds? If not, should it?

- Section 1(c)(2) on page 3, lines 6-9. A small business, trade association, or company that contracts with a trade association that receives relief under the program established under this subsection shall, to the **fullest extent practicable**, use the relief to maintain its workforce at the same hours, rates of pay, and benefits in effect before the closure of the Port.

What is definition of "fullest extent possible"? If a business takes the money but does not meet the "same hours, rates of pay, and benefits" clause and claims that is the best they can do, what recourse do the workers have and what agency would enforce this nebulous phrase?

- Section 1(3)(2) on page 3, lines 22-28. In administering the temporary relief programs established under subsections (b) through (d) of this section, the Maryland Department of Labor and the Department of Commerce shall require an individual, business, trade association, or company that is compensated through indemnification or other similar means for the same purpose for which assistance is provided under the applicable program to **repay any monetary assistance received under the applicable program within 6 months after receipt** of the nonprogram compensation.

How will businesses that receive monetary assistance, which must be used to pay workers the "same hours, rates of pay, and benefits", be able to repay the benefits within 6 months of receipt if the businesses still cannot generate any income because of limited port usage?

It seems strange that workers will get payments that will not be subject to Maryland income tax (per SB1188), but the businesses will get payments that must be repaid in a very short time (6 months).

What agency will administer these relief payments and how will workers apply for them? During COVID, applying for unemployment insurance was a disaster. Have the system problems been resolved? Will new software be needed to process these claims?

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Unlike the Senate version of this bill (SB1188), there is no scholarship provisions for the children of the killed workers. Please resist attempts to add scholarships to this bill.

The **Fallen Transportation Workers Scholarship Fund** seems to apply to any student applying to college who has lost a parent to a transportation project accident. In theory, that would include the families of the 6 Beltway workers who were killed roughly a year ago. However, the bill has no beginning time period stated. Will it go back 12-15 years ago so students just now applying to college or those in college now could seek assistance next year?

Does the State have a First Responder Worker Scholarship Fund for fire, police, EMT staff killed in the line of duty? If not, why not?

Why should we only have a scholarship fund for transportation workers? If you want to give away even more money that we do not have, why not add other scholarships for other department workers who were killed in the line of duty? Don't you value their lives as well?

Please vote against HB1526 as currently written.

Alan Lang  
242 Armstrong Lane  
Pasadena, MD 21122  
410-336-9745  
[Alanlang1@verizon.net](mailto:Alanlang1@verizon.net)