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Support With Amendments HB 1526: The PORT Act

April 4, 2024

Mister Chairman, Members of the Economic Matters and Appropriations Committees,

Thank you for the prompt hearing and opportunity for the administration to offer comment on House Bill 1526, the Protecting Opportunities and Regional Trade (PORT) Act. The Governor deeply appreciates the ongoing partnership with the Maryland General Assembly as the State faces the enormous task of recovery from the tragic collapse of the Francis Scott Key Bridge. The Governor supports the passage of HB 1526 with amendments.

The Governor's Office and the Departments of Budget and Management, Transportation, Labor, Emergency Management, and Commerce have reviewed the legislation and respectfully and collectively submit for your consideration a number of amendments to the PORT Act. The administration offered a number of amendments to the bill in the Senate, all of which were adopted on the Senate crossfile, Senate Bill 1188. The amendments the Administration proposed in the Senate include the following:

- Clarifying language that makes clear that agencies are able to make use of existing and available budgetary resources prior to requesting funds from the Rainy Day Fund (Revenue Stabilization Account);
- Flexibility for the Department of Labor to exempt individuals from work search requirements in order to access unemployment insurance during a state of emergency. This is intended to ensure that insofar as is possible, we provide an incentive for port workers who are unable to work as a result of reduced operations at the port to return to work at the port as soon as work becomes available again there;
- Creation of a new, permanent scholarship for the surviving children and spouses of transportation workers who die as a result of an accident on the job. The bridge collapse, coming on the heels of last year's crash on the Baltimore Beltway, which also killed six construction workers, has only highlighted the vital importance of the work transportation workers contribute to our state every

day and the danger inherent in that work. It is the least we can do as a state to ensure that the families of those who died as a result of these incidents are taken care of;

- Department of Commerce and Department of Labor markup amendments to the legislation as introduced, which:
 - Move the layoff aversion program envisioned in the bill from Commerce to Labor, which is better positioned to manage that program;
 - Allow the temporary relief program for businesses to support businesses whose shipments are affected by the reduced operations of the port, in addition to operational impacts;
 - Include clawback language for cases of fraud or misrepresentation;
 - Add “shipments” to operations due to a request from Commerce for reliance on the port under (d) in order to clarify that businesses that may not be geographically located at or in close proximity to the port but are reliant on the port are eligible for assistance.
 - Allow fund balances from within Labor and Commerce to be used on the programs envisioned by the bill; and
 - Make further technical and clarifying changes.
- Clarifying language from the Department of Transportation replacing the phrase ‘closure of the port’ with ‘reduced operations of the port’ to better reflect the fact that work at the port is still continuing since the collapse, albeit at a reduced level; and
- Clarifying language from the Department of Emergency Management which makes clear that the creation of the temporary relief program envisioned by the bill comes into being if a major disaster is not declared by the President of the United States or if, upon consultation between the State and the federal government, the State does not apply for a major disaster declaration. This amendment is proposed because the program envisioned in the bill would be duplicative of Disaster Unemployment Assistance available to workers from the federal government if a major disaster declaration is approved.

Since the Senate hearing, our Departments have flagged two additional issues which we believe merit amendments. These additional amendments:

- Give the Department of Labor the flexibility to exclude relief payments from the calculation of unemployment insurance benefits; and
- Clarify the language created a business relief program in the Department of Commerce to ensure that the program can serve all businesses affected by the reduced operations of the Port.

In addition, the administration supports amendments offered by the AFL-CIO to ensure tracking of data related to the programs envisioned in the bill. We would urge the Committee to adopt the Senate

amendments as well as these additional amendments, and we stand ready to answer any questions the committees should have on these proposed amendments or on the bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Eric Luedtke", enclosed in a thin black rectangular border.

Eric Luedtke
Chief Legislative Officer
Office of Governor Wes Moore