

Chapter 2

(Senate Bill 391)

AN ACT concerning

~~Unemployment Insurance~~ – **Civilian Federal Employees – Unemployment Insurance Benefits and Federal Government Shutdown Employee Assistance Loan Fund**
(Federal Shutdown Paycheck Protection Act)

FOR the purpose of specifying that, notwithstanding certain provisions of law, an individual who is a civilian employee of the federal government is eligible to receive unemployment benefits under certain circumstances; altering the purpose for which the Catastrophic Event Account is established; authorizing the Governor, under certain circumstances, to transfer funds by budget amendment from the Catastrophic Event Account to the Federal Government Shutdown Employee Assistance Loan Fund; authorizing funds appropriated to the Catastrophic Event Account to be expended to assist a unit of State government in funding costs in connection with a full or partial federal government shutdown due to a lapse in appropriations; establishing the Federal Government Shutdown Employee Assistance Loan Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department of Labor, Licensing, and Regulation to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; requiring interest earnings of the Fund to be credited to the Fund; requiring the Department of Labor, Licensing, and Regulation to establish certain procedures and certain eligibility criteria for loans from the Fund; exempting the Fund from a certain provision of law requiring the interest earnings on State money to accrue to the General Fund of the State; defining a certain term; requiring the Department of Labor, Licensing, and Regulation to request certain documentation from the U.S. Department of Labor within a certain time period after the taking effect of this Act and within a certain time period after a change in certain federal laws or federal guidance; making a certain provision provisions of this Act subject to a certain contingency contingencies; making this Act an emergency measure; and generally relating to unemployment benefits and assistance for civilian federal employees.

BY repealing and reenacting, with amendments,
 Article – Labor and Employment
 Section 8–903
 Annotated Code of Maryland
 (2016 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, without amendments,
 Article – State Finance and Procurement

Section 6–226(a)(2)(i)
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)

BY repealing and reenacting, with amendments,
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)112. and 113. and 7–324
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)

BY adding to
Article – State Finance and Procurement
Section 6–226(a)(2)(ii)114. and 7–327
Annotated Code of Maryland
(2015 Replacement Volume and 2018 Supplement)

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

Article – Labor and Employment

8–903.

(a) (1) Except as otherwise provided in this section, to be eligible for benefits an individual shall be:

- (i) able to work;
- (ii) available for work; and
- (iii) actively seeking work.

(2) In determining whether an individual actively is seeking work, the Secretary shall consider:

- (i) whether the individual has made an effort that is reasonable and that would be expected of an unemployed individual who honestly is looking for work; and
- (ii) the extent of the effort in relation to the labor market conditions in the area in which the individual is seeking work.

(3) A part–time worker may not be determined to be ineligible for the receipt of benefits for a week in which the part–time worker is available for and seeking only part–time work if the part–time worker:

- (i) is actively seeking part–time work; and

(ii) is in a labor market in which a reasonable demand exists for part-time work.

(4) For the purposes of paragraph (3) of this subsection, an individual is seeking only part-time work if the individual is able to work:

(i) hours that are comparable to the individual's work at the time of the most recent separation from part-time employment; and

(ii) at least 20 hours per week.

(b) The Secretary may not use the disability of a qualified individual with a disability as a factor in finding that an individual is not able to work, available for work, or actively seeking work under subsection (a)(1) or (3) of this section.

(c) Notwithstanding any other provision of this section or § 8-904 or § 8-907(a) of this subtitle, an individual who otherwise is eligible to receive benefits and who is in training with the approval of the Secretary may not be denied benefits:

(1) for failure to meet the requirements of subsection (a)(1)(ii) and (iii) of this section to be available for work and actively seeking work; or

(2) for failure to apply for or refusal to accept suitable work under § 8-1005 of this title.

(D) NOTWITHSTANDING ANY OTHER PROVISION OF THIS TITLE, AN INDIVIDUAL WHO IS A CIVILIAN EMPLOYEE OF THE FEDERAL GOVERNMENT IS ELIGIBLE TO RECEIVE UNEMPLOYMENT BENEFITS IF THE EMPLOYEE:

(1) ~~THE EMPLOYEE~~ IS REQUIRED TO REPORT TO WORK AT A WORK SITE LOCATED IN THE STATE; AND

(2) IS NOT BEING PAID BECAUSE THE FEDERAL GOVERNMENT IS IN A FULL OR PARTIAL SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

Article – State Finance and Procurement

6-226.

(a) (2) (i) 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:

112. the Pretrial Services Program Grant Fund; [and]

113. the Veteran Employment and Transition Success Fund;

AND

114. 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 to respond without undue delay to a natural disaster or other catastrophic situation, OR FEDERAL CIVILIAN 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.

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

(d) **(1)** [After] 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.

(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 in funding costs in connection with a natural disaster, [or] A catastrophic situation, OR A FULL OR PARTIAL FEDERAL GOVERNMENT SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS.

(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 earning 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 CIVILIAN EMPLOYEES OF THE FEDERAL GOVERNMENT WHO ARE:

(1) REQUIRED TO REPORT TO WORK AT A WORK SITE LOCATED IN THE STATE; AND

(2) NOT BEING PAID BECAUSE OF A FULL OR PARTIAL FEDERAL GOVERNMENT SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS.

(D) THE DEPARTMENT OF LABOR, LICENSING, AND REGULATION 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.

(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 CIVILIAN EMPLOYEES OF THE FEDERAL GOVERNMENT WHO ARE:

- (1) REQUIRED TO REPORT TO WORK AT A WORK SITE LOCATED IN THE STATE; AND**
- (2) NOT BEING PAID BECAUSE OF A FULL OR PARTIAL FEDERAL GOVERNMENT SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS.**

(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 DEPARTMENT OF LABOR, LICENSING, AND REGULATION SHALL ESTABLISH PROCEDURES AND ELIGIBILITY CRITERIA FOR LOANS FROM THE FUND.

(2) THE ELIGIBILITY CRITERIA SHALL INCLUDE THAT:

(I) THE FEDERAL GOVERNMENT IS IN A FULL OR PARTIAL SHUTDOWN DUE TO A LAPSE IN APPROPRIATIONS; AND

(II) AN INDIVIDUAL APPLYING FOR A LOAN FROM THE FUND IS:

1. A CIVILIAN EMPLOYEE OF THE FEDERAL GOVERNMENT;

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.

(3) THE PROCEDURES SHALL INCLUDE:

(I) APPLICATION PROCEDURES;

(II) PAYMENT PROCEDURES FROM THE FUND; AND

(III) REPAYMENT PROCEDURES, INCLUDING TIMELINES, FOR AN INDIVIDUAL TO REPAY A LOAN FROM THE FUND.

~~SECTION 2. AND BE IT FURTHER ENACTED, That, within 24 hours after the taking effect of this Act, the Department of Labor, Licensing, and Regulation shall request a determination letter from the U.S. Department of Labor confirming continued conformity of the Maryland Unemployment Insurance Law, as amended by Section 1 of this Act, with federal unemployment compensation program requirements.~~

~~SECTION 3. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take effect contingent on the receipt by the Department of Labor, Licensing, and Regulation of a favorable determination letter from the U.S. Department of Labor confirming that the Maryland Unemployment Insurance Law, as amended by Section 1 of this Act, conforms with federal unemployment compensation program requirements. Section 1 of this Act shall take effect on the date notice of the letter is received by the Department of Legislative Services in accordance with this section. If the Department of Labor, Licensing, and Regulation does not receive a favorable determination letter or the U.S. Department of Labor determines that implementation of the Maryland Unemployment Insurance Law, as amended by Section 1 of this Act, would result in a loss of federal funding, Section 1 of this Act, with no further action required by the General Assembly, shall be null and void. The Department of Labor, Licensing, and Regulation, within 24 hours after receiving the determination letter from the U.S. Department of Labor, shall forward a copy of the letter to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.~~

SECTION 3. AND BE IT FURTHER ENACTED, That:

(a) (1) Within 24 hours after the enactment of Section 1 of this Act, the Department of Labor, Licensing, and Regulation shall request a determination letter from the U.S. Department of Labor confirming whether the implementation of Section 1 of this Act, with federal reimbursement for the administration and payment of claims, conforms with federal unemployment compensation program requirements and will not result in a loss of certification by the United States Secretary of Labor.

(2) Within 24 hours after receiving the determination letter requested under paragraph (1) of this subsection from the U.S. Department of Labor, the Department of Labor, Licensing, and Regulation shall forward a copy of the letter to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

(b) (1) If there is a change to § 303 of the federal Social Security Act, other applicable federal law, or federal guidance to states on or before January 1, 2024, within 24 hours after the Department of Labor, Licensing, and Regulation receives notice of the change, the Department shall request a determination letter from the U.S. Department of Labor confirming whether the implementation of Section 1 of this Act, with federal reimbursement for the administration and payment of claims, conforms with federal unemployment compensation program requirements and will not result in a loss of certification by the United States Secretary of Labor.

(2) Within 24 hours after receiving the determination letter requested under paragraph (1) of this subsection from the U.S. Department of Labor, the Department of Labor, Licensing, and Regulation shall forward a copy of the letter to the Department of Legislative Services, 90 State Circle, Annapolis, Maryland 21401.

SECTION 4. AND BE IT FURTHER ENACTED, That:

(a) (1) Section 1 of this Act shall take effect contingent on the receipt by the Department of Labor, Licensing, and Regulation of a favorable determination letter requested under Section 3 of this Act from the U.S. Department of Labor.

(2) Section 1 of this Act shall take effect on the date notice of the letter described under paragraph (1) of this subsection is received by the Department of Legislative Services in accordance with Section 3 of this Act.

(3) If the Department of Labor, Licensing, and Regulation does not receive a favorable determination letter described under paragraph (1) of this subsection, Section 1 of this Act, with no further action required by the General Assembly, shall be null and void.

(b) (1) Section 2 of this Act shall take effect contingent on receipt by the Department of Labor, Licensing, and Regulation of an unfavorable determination letter requested under Section 3(a) of this Act from the U.S. Department of Labor.

(2) Section 2 of this Act shall take effect on the date notice of the letter described under paragraph (1) of this subsection is received by the Department of Legislative Services in accordance with Section 3 of this Act.

(3) If Section 1 of this Act takes effect following the receipt by the Department of Labor, Licensing, and Regulation of a favorable determination letter requested under Section 3(a) of this Act, Section 2 of this Act, with no further action required by the General Assembly, shall be null and void.

SECTION ~~4~~ 5. AND BE IT FURTHER ENACTED, That, subject to Section ~~3~~ 4 of this Act, 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.

Approved by the Governor, March 26, 2019.