

SENATE BILL 628

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By: **Senators Gile, Brooks, Klausmeier, and Rosapepe**

Introduced and read first time: January 26, 2024

Assigned to: Budget and Taxation

A BILL ENTITLED

1 AN ACT concerning

2 **State Finance – Catastrophic Event Account and Federal Government**
3 **Shutdown Employee Assistance Loan Fund – Noncivilian Federal Employees**

4 FOR the purpose of altering the purposes of the Catastrophic Event Account and the
5 Federal Government Shutdown Employee Assistance Loan Fund to provide financial
6 assistance to noncivilian federal employees; and generally relating to the
7 Catastrophic Event Account and the Federal Government Shutdown Employee
8 Assistance Loan Fund.

9 BY repealing and reenacting, with amendments,
10 Article – State Finance and Procurement
11 Section 7–324 and 7–327
12 Annotated Code of Maryland
13 (2021 Replacement Volume and 2023 Supplement)

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

16 **Article – State Finance and Procurement**

17 7–324.

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

19 (b) Subject to the provisions of this section, the Account is established to enable
20 the State or a local government to respond without undue delay to a natural disaster or
21 other catastrophic situation, or federal [civilian] employee financial hardship from a full or
22 partial federal government shutdown due to a lapse in federal appropriations that cannot
23 be taken care of within the resources of existing appropriations.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



(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 a natural disaster, 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 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 [civilian] employees of the federal government who are:

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

1 (2) not being paid because of a full or partial federal government shutdown
2 due to a lapse in appropriations.

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

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

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

9 (f) The Fund consists of:

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

11 (2) any interest earnings of the Fund;

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

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

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

17 (g) The Fund shall be used only to provide no-interest loans to [civilian]
18 employees of the federal government who are:

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

20 (2) not being paid because of a full or partial federal government shutdown
21 due to a lapse in appropriations.

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

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

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

27 (2) The eligibility criteria shall include that:

28 (i) the federal government is in a full or partial shutdown due to a
29 lapse in appropriations; and

(ii) an individual applying for a loan from the Fund is:

1. [a civilian] AN 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 this Act shall take effect October 1, 2024.