HOUSE BILL 1424

P1 EMERGENCY BILL 5lr1865
CF SB 683

By: **Delegates J. Lewis, Feldmark, Allen, Amprey, Behler, Boafo, Cardin, Charkoudian, Clippinger, Fair, Foley, Guzzone, Harrison, Healey, Holmes, Ivey, D. Jones, Kaufman, Korman, R. Lewis, Mireku–North, Moon, Palakovich Carr, Pasteur, Pruski, Roberts, Simmons, Solomon, Spiegel, Stein, Stewart, Terrasa, Toles, Valderrama, Vogel, Wells, White Holland, Williams, Wolek, ~~and Ziegler~~ Ziegler, Barnes, Chang, Acevero, Edelson, Forbes, Harris, McCaskill, Ruff, Schindler, Shetty, and Watson**

Introduced and read first time: February 7, 2025
Assigned to: Appropriations

Committee Report: Favorable with amendments
House action: Adopted
Read second time: February 26, 2025

CHAPTER ______

AN ACT concerning

Catastrophic Event Account ~~and~~, Federal Government Shutdown Employee Assistance Loan Fund, and Powers of the Attorney General – Alterations (Protect Our Federal Workers Act)

FOR the purpose of renaming the Federal Government Shutdown Employee Assistance Loan Fund to be the Federal Government Employee Assistance Loan Fund; authorizing funds appropriated to the Catastrophic Event Account to be expended to assist in funding costs in connection with a closure, relocation, or mass layoff of a unit of the federal government, or other similar circumstances; altering the purpose of the Fund and the eligibility criteria to receive loans from the Fund; authorizing the Maryland Department of Labor to forgive a loan from the Fund; expanding the authority of the Attorney General to take certain actions under certain circumstances; increasing the amount the Governor is required to appropriate in the proposed budget each year to the Attorney General to be used for certain purposes; altering a requirement that the Attorney General use a certain appropriation to employ a certain number of attorneys; and generally relating to the Catastrophic Event Account ~~and~~, the Federal Government Employee Assistance Loan Fund, and the powers of the Attorney General.

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.

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)

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**]**:

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

(2)**]** **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**; OR**

(2) IN THE IMMEDIATELY PRECEDING 6 MONTHS 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.

(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.

(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**]**:

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

(2)**]** **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**; OR**

(2) IN THE IMMEDIATELY PRECEDING 6 MONTHS 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.

(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:

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

2. A. an employee of the federal government **WHO IS NOT BEING PAID BECAUSE OF THE FULL OR PARTIAL FEDERAL GOVERNMENT SHUTDOWN DUE TO THE LAPSE IN APPROPRIATIONS; 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. A FORMER EMPLOYEE OF THE FEDERAL GOVERNMENT WHO, WITHIN THE 6 MONTHS IMMEDIATELY PRECEDING THE DATE OF THE LOAN APPLICATION, WAS 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 INDIVIDUAL'S CONTROL.

(3) The procedures shall include:

(i) application procedures;

(ii) payment procedures from the Fund; and

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

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

Article – State Government

6–106.1.

(a) The General Assembly finds that:

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

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

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

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

(ii) safeguarding public safety and security;

(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; OR

[(ix)**] (XI)** 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.

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

SECTION 3. 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 yea 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 2 of this Act shall remain effective through June 30, 2025, and at the end of June 30, 2025, Section 2 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

Approved:

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Governor.

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Speaker of the House of Delegates.

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President of the Senate.