SENATE BILL 683

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CF 5lr1865

By: **Senators Charles, Jackson, Augustine, Waldstreicher, Muse, Benson, Rosapepe, Watson, and Kagan**

Introduced and read first time: January 26, 2025
Assigned to: Budget and Taxation

A BILL ENTITLED

AN ACT concerning

Catastrophic Event Account and Federal Government Shutdown Employee Assistance Loan Fund – 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; and generally relating to the Catastrophic Event Account and the Federal Government Employee Assistance Loan Fund.

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)

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

Article – State Finance and Procurement

EXPLANATION: **CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.**
[Brackets**]** indicate matter deleted from existing law.

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) 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 July 1, 2025.