

HOUSE BILL 348

K2

3lr0034

By: **Chair, Economic Matters Committee (By Request – Departmental – Labor, Licensing and Regulation)**

Introduced and read first time: January 25, 2013

Assigned to: Economic Matters

Committee Report: Favorable

House action: Adopted

Read second time: March 16, 2013

CHAPTER _____

1 AN ACT concerning

2 **Unemployment Insurance – Employer Contributions – Application for**
3 **Refund or Adjustment**

4 FOR the purpose of extending the time period during which an employer may apply to
5 the Secretary of Labor, Licensing, and Regulation for an adjustment to
6 unemployment insurance contributions due or a refund of unemployment
7 contributions or interest paid; and generally relating to applications for a refund
8 of or adjustment to unemployment insurance employer contributions.

9 BY repealing and reenacting, with amendments,
10 Article – Labor and Employment
11 Section 8–638
12 Annotated Code of Maryland
13 (2008 Replacement Volume and 2012 Supplement)

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

16 **Article – Labor and Employment**

17 8–638.

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.



1 (a) An employer that has paid to the Secretary, wholly or partly,
2 contributions or interest alleged to be due may submit to the Secretary an application
3 for:

4 (1) an adjustment in connection with contributions then due; or

5 (2) if an adjustment cannot be made, a refund.

6 (b) An employing unit that wishes to apply for an adjustment or refund shall
7 apply within the later of:

8 (1) 1 year from the date on which the payment was made; or

9 (2) [3] 4 years from the last day of the calendar quarter for which the
10 payment was made.

11 (c) (1) If the Secretary determines that the contested amount or any part
12 of it was collected erroneously, the Secretary shall:

13 (i) allow the employing unit to make an adjustment without
14 interest to the contribution then due by the employing unit; or

15 (ii) if an adjustment cannot be made, refund the amount
16 without interest.

17 (2) The Secretary shall refund a contribution that was collected
18 erroneously from the Unemployment Insurance Fund and interest that was collected
19 erroneously from the Special Administrative Expense Fund.

20 (3) If an employing unit reported wages that have been included in the
21 determination of an eligible claimant for benefits, the Secretary shall reduce any
22 adjustment or refund by the amount of benefits received by the claimant that are
23 chargeable to the employing unit.

24 (d) Within the time limitation for an application under subsection (b) of this
25 section and in accordance with subsection (c) of this section, the Secretary, on the
26 Secretary's own initiative, may make an adjustment or grant a refund without
27 interest.

28 (e) (1) If a claim for an adjustment or refund is rejected, the Secretary
29 shall mail a written notice of rejection to the employing unit.

30 (2) (i) Within 15 days after receiving a notice of rejection, the
31 employing unit may petition the Appeals Board for a formal hearing.

32 (ii) The petition shall state the grounds on which the refund or
33 adjustment is claimed.

- 1 (3) The Board of Appeals shall:
- 2 (i) grant a hearing requested under this subsection;
- 3 (ii) notify the employing unit of the time and place of the
- 4 hearing;
- 5 (iii) after the hearing, pass an order that the Board of Appeals
- 6 considers to be just and lawful; and
- 7 (iv) give a copy of the order to the employing unit.
- 8 (f) This title does not:
- 9 (1) authorize an adjustment or refund of money that was due under
- 10 the law in effect at the time that the money was paid; or
- 11 (2) prohibit a refund required under § 8–640 of this subtitle.

12 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
13 October 1, 2013.

Approved:

Governor.

Speaker of the House of Delegates.

President of the Senate.