

HOUSE BILL 1126

K2

EMERGENCY BILL

1lr0488

By: **Delegate Beitzel**

Introduced and read first time: February 5, 2021

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Unemployment Insurance – Earned Rating Record – Waiver of Benefit Charges**
3 **Due to COVID–19**

4 FOR the purpose of authorizing the Secretary of Labor to waive the charging of
5 unemployment insurance benefits paid to a claimant against the earned rating
6 record of an employing unit during a state of emergency declared by the Governor
7 due to COVID–19 under certain circumstances; providing that the required waiver
8 of benefit charges is in effect only until the earlier of a certain number of months
9 after a certain state of emergency has ended or the date the employing unit hires a
10 certain workforce; providing for the termination of this Act; making this Act an
11 emergency measure; and generally relating to unemployment insurance.

12 BY repealing and reenacting, without amendments,
13 Article – Labor and Employment
14 Section 8–610(a) and 8–611(a)
15 Annotated Code of Maryland
16 (2016 Replacement Volume and 2020 Supplement)

17 BY repealing and reenacting, with amendments,
18 Article – Labor and Employment
19 Section 8–611(k)
20 Annotated Code of Maryland
21 (2016 Replacement Volume and 2020 Supplement)

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

Article – Labor and Employment

24
25 8–610.

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 (a) (1) An employing unit that meets the qualifications of this subsection shall
2 be assigned an earned rate of contribution that is based on the experience of the employing
3 unit.

4 (2) An employing unit qualifies under this subsection if, during each of the
5 3 rating years immediately preceding the computation date the employing unit:

6 (i) had an earned rating record that was chargeable with benefits;
7 and

8 (ii) reports taxable wages as required by § 8–626 of this subtitle for
9 the 3 rating years immediately preceding the computation date.

10 (3) An employing unit that does not qualify under paragraph (2) of this
11 subsection qualifies if:

12 (i) throughout the rating year immediately preceding the
13 computation date, the employing unit had an earned rating record that was chargeable
14 with benefits; and

15 (ii) during each of the 2 rating years immediately preceding the
16 computation date, the employing unit reports taxable wages as required by § 8–626 of this
17 subtitle for the 2 rating years immediately preceding the computation date.

18 8–611.

19 (a) For each employing unit, the Secretary shall keep an earned rating record that
20 shows all benefits that are based on covered employment that was performed for the
21 employing unit.

22 (k) (1) **[The] SUBJECT TO PARAGRAPH (3) OF THIS SUBSECTION, THE**
23 Secretary may waive the charge of benefits paid to a claimant against the earned rating
24 record of an employing unit if:

25 (i) the benefits are paid to the claimant during a period in which the
26 claimant is temporarily unemployed because the employing unit shut down due to a natural
27 disaster; and

28 (ii) the Governor declared a state of emergency due to the natural
29 disaster.

30 (2) If the Secretary waives the charge of benefits under paragraph (1) of
31 this subsection, the waiver may be in effect only until the earlier of:

32 (i) 4 months after the natural disaster; or

33 (ii) the date the employing unit reopens.

1 **(3) (I) THE SECRETARY MAY WAIVE THE CHARGE OF BENEFITS**
2 **PAID TO A CLAIMANT AGAINST THE EARNED RATING RECORD OF AN EMPLOYING**
3 **UNIT IF:**

4 **1. THE GOVERNOR HAS DECLARED A STATE OF**
5 **EMERGENCY DUE TO COVID-19; AND**

6 **2. THE UNEMPLOYMENT IS CAUSED BY A SHUTDOWN OF**
7 **THE EMPLOYING UNIT DUE TO AN OFFICIAL ORDER, REGARDLESS OF WHETHER THE**
8 **SHUTDOWN IS MANDATED OR DUE TO ECONOMIC HARDSHIP CAUSED BY THE ORDER.**

9 **(II) A WAIVER OF THE CHARGE OF BENEFITS UNDER**
10 **SUBPARAGRAPH (I) OF THIS PARAGRAPH MAY BE IN EFFECT ONLY UNTIL THE**
11 **EARLIER OF:**

12 **1. 4 MONTHS AFTER THE STATE OF EMERGENCY HAS**
13 **ENDED; OR**

14 **2. THE DATE THE EMPLOYING UNIT HIRES A MAJORITY**
15 **OF THE WORKFORCE THAT IT NEEDS TO RESUME NORMAL OPERATIONS.**

16 SECTION 2. AND BE IT FURTHER ENACTED, That this Act is an emergency
17 measure, is necessary for the immediate preservation of the public health or safety, has
18 been passed by a ye and nay vote supported by three-fifths of all the members elected to
19 each of the two Houses of the General Assembly, and shall take effect from the date it is
20 enacted. It shall remain effective through May 31, 2026, and, at the end of May 31, 2026,
21 this Act, with no further action required by the General Assembly, shall be abrogated and
22 of no further force and effect.