

SENATE BILL 985

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CF 2lr3258

By: **Senator Hershey**

Introduced and read first time: February 19, 2022

Assigned to: Rules

A BILL ENTITLED

1 AN ACT concerning

2 **Labor and Employment – Unemployment Insurance Violations – Penalties**

3 FOR the purpose of altering the criminal penalties for a conviction for certain
4 unemployment insurance–related offenses; and generally relating to penalties for
5 violations of the Maryland Unemployment Insurance Law.

6 BY repealing and reenacting, with amendments,
7 Article – Labor and Employment
8 Section 8–1305
9 Annotated Code of Maryland
10 (2016 Replacement Volume and 2021 Supplement)

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

13 **Article – Labor and Employment**

14 8–1305.

15 (a) Unless another penalty is provided by statute, a person who willfully violates
16 a provision of this title or a regulation adopted under this title is guilty of a misdemeanor
17 and on conviction is subject to a fine **NOT LESS THAN \$600 AND** not exceeding [~~\$1,000~~]
18 **\$2,300** or imprisonment not exceeding [90 days] **3 YEARS** or both.

19 (b) In addition to the penalty under subsection (a) of this section, a person who
20 violates § 8–1301 of this subtitle:

21 (1) shall make full restitution of the benefit unlawfully received and pay a
22 monetary penalty of 15% of the benefit unlawfully received, including interest at a rate of
23 1.5% a month on the total amount of restitution plus the monetary penalty from the date

EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.



1 the Secretary notifies the person of the amount to be recovered;

2 (2) shall be disqualified from receiving benefits for any week of
3 unemployment, including the week in which a determination is made that the individual
4 filed a claim involving a false statement, false representation, or failure to disclose a
5 material fact, until:

6 (i) the Secretary determines that:

7 1. the benefit unlawfully received has been repaid in full; and

8 2. the monetary penalty of 15% and interest at a rate of 1.5%
9 a month on the total amount of benefit unlawfully received plus the monetary penalty have
10 been paid in full; or

11 (ii) the Secretary determines that:

12 1. in the Secretary's sole discretion under § 8-809(f)(3) of this
13 title, the benefit unlawfully received and interest are uncollectible; and

14 2. the claimant has paid the 15% monetary penalty in full;
15 and

16 (3) shall be disqualified from receiving benefits:

17 (i) if there were no other previous determinations made that the
18 individual violated § 8-1301 of this subtitle during the immediately preceding 4 benefit
19 years, for 1 year from the date on which a determination is made that the individual filed
20 a claim involving a false statement, false representation, or failure to disclose a material
21 fact;

22 (ii) if there were previous determinations made that the individual
23 violated § 8-1301 of this subtitle in only 1 of the immediately preceding 4 benefit years, for
24 2 years from the date on which a determination is made that the individual filed a claim
25 involving a false statement, false representation, or failure to disclose a material fact; and

26 (iii) if there were previous determinations made that the individual
27 violated § 8-1301 of this subtitle in more than 1 of the immediately preceding 4 benefit
28 years, for 3 years from the date on which a determination is made that the individual filed
29 a claim involving a false statement, false representation, or failure to disclose a material
30 fact.

31 (c) (1) An employing unit or officer or agent of an employing unit who violates
32 § 8-1303 of this subtitle is guilty of a misdemeanor and on conviction is subject to a fine
33 **NOT LESS THAN \$600 AND** not exceeding [\$1,000] **\$2,300** or imprisonment not exceeding
34 1 year or both.

1 (2) A person who violates § 8–5A–08(b) or (d) of this title is guilty of a
2 misdemeanor and on conviction is subject to a fine **NOT LESS THAN \$600 AND** not
3 exceeding **[\$1,000] \$2,300** or imprisonment not exceeding 1 year or both.

4 (3) A person who violates § 8–1304 of this subtitle is guilty of a
5 misdemeanor for each day the violation continues and on conviction is subject to a fine **NOT**
6 **LESS THAN \$600 AND** not exceeding **[\$1,000] \$2,300** or imprisonment not exceeding 1
7 year or both.

8 (4) An employee of the Secretary or Board of Appeals who violates § 8–625
9 of this title is guilty of a misdemeanor and on conviction is subject to a fine **NOT LESS THAN**
10 **\$600 AND** not exceeding **[\$1,000] \$2,300** or imprisonment not exceeding 1 year or both.

11 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
12 October 1, 2022.