Chapter 39

**(Senate Bill 496)**

AN ACT concerning

**Recovery for the Economy, Livelihoods, Industries, Entrepreneurs, and Families (RELIEF) Act**

FOR the purpose of authorizing the Maryland Small Business Development Financing Authority to convert up to a certain amount of certain financing provided to certain businesses to grants under certain circumstances; allowing, ~~beginning with a certain taxable year~~ *for certain taxable years*, a subtraction under the Maryland income tax for certain unemployment insurance benefits paid to an individual; allowing, for certain taxable years, a subtraction under the Maryland income tax for certain coronavirus relief payments received by a certain person during the taxable year; requiring the Comptroller to publish certain guidance regarding the subtraction; requiring certain governmental entities, on certain request, to provide certain information to the Comptroller; allowing a subtraction modification under the Maryland income tax for certain State economic impact payments; *altering, for certain taxable years, the percentage of the federal earned income tax credit used for determining the amount that an individual may claim as a refund under the Maryland earned income tax credit under certain circumstances; altering, for certain taxable years, the calculation of the Maryland earned income tax credit to increase the amount of credit that certain individuals without qualifying children may claim; allowing certain individuals to claim a refund of the credit; clarifying certain provisions of law concerning the State income tax imposed on certain pass–through entities; authorizing a pass–through entity to elect to pay the tax imposed with respect to certain shares of all members of the pass–through entity, rather than only resident members; allowing each member to claim a credit against the income tax for the member's proportionate share of the tax paid by the pass–through entity; requiring certain taxpayers to add the amount of the credit back to federal adjusted gross income to determine Maryland adjusted gross income;* altering the definition of "~~rating year~~ *contribution date*" for purposes of excluding certain fiscal years from the calculation of the earned rates of contribution for certain employing units under unemployment insurance law; *authorizing the Secretary of Labor to use a certain computation date for purposes of determining an earned rate of contribution under certain circumstances; authorizing, for purposes of unemployment insurance law, certain nonprofit organizations, governmental entities, and employing units to elect to delay submitting certain reimbursement payments or certain contributions and employment reports for certain calendar quarters under certain circumstances; authorizing the Secretary to authorize a certain nonprofit organization, governmental entity, or employing unit to defer submitting a certain reimbursement payment or a certain contribution and employment report for certain calendar quarters under certain circumstances; prohibiting a nonprofit organization, a governmental entity, or an employing unit that defers the submission of a reimbursement payment or a contribution and employment report in accordance with this Act from being required*

*by the Secretary to file for an extension or be assessed certain interest under certain circumstances;* authorizing certain vendors, under certain circumstances, to take a certain credit against the sales and use tax; requiring the Comptroller to provide certain payments, in a certain manner, to certain individuals eligible to claim the Maryland earned income tax credit for ~~certain taxable years;~~ *a certain taxable year; requiring the Comptroller to conduct, in a certain manner, a certain earned income tax credit eligibility awareness campaign; authorizing the disclosure of certain tax information for certain purposes of this Act; providing that, except under certain circumstances, certain economic impact payments are not subject to garnishment or certain liens or rights of setoff;* requiring the Comptroller to report to the Governor and the General Assembly on certain matters on or before certain dates; authorizing the Governor on or before a certain date to transfer certain amounts from certain accounts to a certain fund; establishing the Recovery Now Fund as a special, nonlapsing fund; specifying the purpose of the Fund; requiring the Department of Budget and Management to administer the Fund; requiring the State Treasurer to hold the Fund and the Comptroller to account for the Fund; specifying the contents of the Fund; specifying the purpose for which the Fund may be used; providing for the investment of money in and expenditures from the Fund; increasing the monthly benefit under a certain program; requiring that the recipients of payments under a certain program may not be removed from the program before a certain date, except under certain circumstances; requiring certain recipients of payments under a certain program who were denied benefits of the program to be reenrolled in the program until a certain date; requiring certain entities to submit certain reports on or before a certain date and at certain intervals thereafter; authorizing the Governor to process certain budget amendments for certain purposes; stating the intent of the General Assembly; *authorizing the Governor to transfer certain funds to a certain program and requiring those funds to be used as grants to certain utilities to eliminate certain arrearages in a certain manner; authorizing the Comptroller to distribute certain grants to certain counties under certain circumstances;* requiring the Comptroller to perform a cash flow analysis and report the results on or before a certain date; defining certain terms; *making conforming changes;* providing for the *application, construction, and* termination of certain provisions of this Act; making this Act an emergency measure; and generally relating to economic development and tax relief.

BY repealing and reenacting, without amendments,
Article – Economic Development
Section 5–501(a) and (b) and 5–549(a), (f), and (h)
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

BY adding to
Article – Economic Development
Section 5–559
Annotated Code of Maryland
(2018 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, without amendments,
Article – Labor and Employment
Section ~~8–606(a) and 8–610(a)~~ *8–601(a), (b), and (d), 8–606(a), 8–610(a), and 8–620(c)*
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)

BY repealing and reenacting, with amendments,
Article – Labor and Employment
Section ~~8–606(c)~~ *8–606(d), 8–610(c), 8–620(a), 8–626, and 8–628*
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)

*BY repealing and reenacting, with amendments,*
*Article – Tax – General*
*Section 10–102.1, 10–306(b), 10–307(g)(4) and (5), 10–701.1, and 10–704*
*Annotated Code of Maryland*
*(2016 Replacement Volume and 2020 Supplement)*

BY repealing and reenacting, without amendments,
Article – Tax – General
Section ~~10–207(a), 10–307(a), and 11–105~~ *10–205(a), 10–207(a), 10–208(a), 10–306(a), 10–307(a), and 11–105*
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)

BY adding to
Article – Tax – General
Section ~~10–207(jj) through (ll) and 10–307(g)(6)~~ *10–205(m), 10–207(jj) and (kk), 10–208(y), and 10–307(g)(6)*
Annotated Code of Maryland
(2016 Replacement Volume and 2020 Supplement)

~~BY repealing and reenacting, with amendments,~~
~~Article – Tax – General~~
~~Section 10–307(g)(4) and (5)~~
~~Annotated Code of Maryland~~
~~(2016 Replacement Volume and 2020 Supplement)~~

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

**Article – Economic Development**

5–501.

(a) In this subtitle the following words have the meanings indicated.

(b) "Authority" means the Maryland Small Business Development Financing Authority.

5–549.

(a) In this part the following words have the meanings indicated.

(f) "Program" means the Equity Participation Investment Program.

(h) "Small business" means a business that is classified as a small business under the U.S. Small Business Administration size standards.

**5–559.**

**(A) THIS SECTION APPLIES TO FINANCING PROVIDED UNDER THE PROGRAM DURING FISCAL YEARS 2021 AND 2022 FOR THE PURPOSE OF RELIEVING THE ADVERSE EFFECTS OF THE CORONAVIRUS PANDEMIC.**

**(B) THE AUTHORITY MAY CONVERT TO A GRANT UP TO $50,000 OF THE FINANCING DESCRIBED UNDER SUBSECTION (A) OF THIS SECTION THAT IS PROVIDED TO A SMALL BUSINESS.**

**Article – Tax – General**

10–207.

(a) To the extent included in federal adjusted gross income, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.

~~**(JJ) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF BENEFITS PAID TO AN INDIVIDUAL IN ACCORDANCE WITH TITLE 8 OF THE LABOR AND EMPLOYMENT ARTICLE.**~~

~~**(KK)**~~ ***(JJ)*** **(1) IN THIS SUBSECTION, "CORONAVIRUS RELIEF PAYMENT" MEANS A FEDERAL, STATE, OR LOCAL GOVERNMENT GRANT OR LOAN:**

**(I) FOR WHICH A PERSON APPLIED ON OR AFTER MARCH 5, 2020; AND**

**(II) THAT WAS PROVIDED TO THE PERSON FOR THE PURPOSE OF ASSISTING WITH THE ECONOMIC HARDSHIPS RESULTING FROM THE CORONAVIRUS PANDEMIC.**

**(2) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2022, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF A CORONAVIRUS RELIEF PAYMENT, INCLUDING ~~A LOAN~~ *ANY AMOUNT OF A CORONAVIRUS RELIEF LOAN* THAT HAS BEEN FORGIVEN, RECEIVED BY THE PERSON DURING THE TAXABLE YEAR.**

**(3) (I) THE COMPTROLLER SHALL PUBLISH GUIDANCE TO TAXPAYERS REGARDING ELIGIBILITY FOR THE SUBTRACTION ALLOWED UNDER THIS SUBSECTION, INCLUDING A LIST OF GRANTS AND LOANS THAT ARE ELIGIBLE FOR THE SUBTRACTION.**

**~~(II) ON REQUEST BY THE COMPTROLLER, A UNIT OF STATE GOVERNMENT OR A LOCAL GOVERNMENT SHALL PROVIDE TO THE COMPTROLLER THE NAME OF THE CORONAVIRUS RELIEF PAYMENT PROGRAMS ADMINISTERED BY THE UNIT OR LOCAL GOVERNMENT AND ANY OTHER REQUESTED INFORMATION REGARDING THOSE CORONAVIRUS RELIEF PAYMENTS.~~**

***(II) WITHIN 30 DAYS AFTER THE EFFECTIVE DATE OF CHAPTER _____ OR _____ (S.B. 496 OR H.B. 612) OF THE ACTS OF THE GENERAL ASSEMBLY OF 2021, OR IF CREATED AFTER THE EFFECTIVE DATE OF THOSE ACTS, WITHIN 30 DAYS AFTER CREATING A CORONAVIRUS RELIEF PAYMENT PROGRAM, A UNIT OF STATE GOVERNMENT OR A LOCAL GOVERNMENT SHALL PROVIDE TO THE COMPTROLLER THE NAME OF THE CORONAVIRUS RELIEF PAYMENT PROGRAMS ADMINISTERED BY THE UNIT OR LOCAL GOVERNMENT.***

***(III) ON REQUEST BY THE COMPTROLLER, A UNIT OF STATE GOVERNMENT OR A LOCAL GOVERNMENT THAT ADMINISTERS A CORONAVIRUS RELIEF PAYMENT PROGRAM SHALL PROVIDE TO THE COMPTROLLER, WITHIN 30 DAYS OF THE DATE OF THE REQUEST AND IN THE MANNER REQUESTED BY THE COMPTROLLER, THE FOLLOWING INFORMATION:***

***1. THE NAMES OF THE CORONAVIRUS RELIEF PAYMENT PROGRAMS ADMINISTERED BY THE UNIT OR LOCAL GOVERNMENT;***

***2. A LIST OF RECIPIENTS OF A CORONAVIRUS RELIEF PAYMENT, INCLUDING THE NAME, ADDRESS, AND TAX IDENTIFICATION NUMBER OF EACH RECIPIENT;***

***3. THE AMOUNT OF THE CORONAVIRUS RELIEF PAYMENT PROVIDED TO THE PERSON;***

***4. THE DATE THAT THE CORONAVIRUS RELIEF PAYMENT WAS PROVIDED TO THE PERSON; AND***

***5. ANY OTHER INFORMATION REQUESTED REGARDING A CORONAVIRUS RELIEF PAYMENT.***

**~~(LL)~~ *(KK)* FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2020, BUT BEFORE JANUARY 1, 2022, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF ANY STATE ECONOMIC IMPACT PAYMENT RECEIVED BY AN INDIVIDUAL IN ACCORDANCE WITH CHAPTER ____ OR ____ ~~(S.B. ____ OR H.B. ____)(1LR0133 OR 1LR0134)~~ *(S.B. 496 OR H.B. 612)* OF THE ACTS OF THE GENERAL ASSEMBLY OF 2021.**

*10–208.*

*(a) In addition to the modification under § 10–207 of this subtitle, the amounts under this section are subtracted from the federal adjusted gross income of a resident to determine Maryland adjusted gross income.*

***(Y) FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2022, THE SUBTRACTION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF BENEFITS PAID TO AN INDIVIDUAL IN ACCORDANCE WITH TITLE 8 OF THE LABOR AND EMPLOYMENT ARTICLE, OR IN ACCORDANCE WITH THE UNEMPLOYMENT INSURANCE PROGRAM OF A JURISDICTION WITH WHICH THE STATE HAS A RECIPROCAL TAXATION AGREEMENT, IF THE INDIVIDUAL'S FEDERAL ADJUSTED GROSS INCOME FOR THE TAXABLE YEAR DOES NOT EXCEED:***

***(1) $75,000 FOR AN INDIVIDUAL; OR***

***(2) $100,000 FOR A MARRIED COUPLE FILING A JOINT RETURN OR AN INDIVIDUAL DESCRIBED IN § 2 OF THE INTERNAL REVENUE CODE AS A HEAD OF HOUSEHOLD OR AS A SURVIVING SPOUSE.***

10–307.

(a) To the extent included in federal taxable income, the amounts under this section are subtracted from the federal taxable income of a corporation to determine Maryland modified income.

(g) The subtraction under subsection (a) of this section includes the amounts allowed to be subtracted for an individual under:

(4) § 10–207(c–1) of this title (State tax–exempt interest from mutual funds); **[**or**]**

(5) § 10–207(hh) of this title (Gain on the transfer of property within the Laurel Park site or Pimlico site or Bowie Race Course Training Center property and income realized as result of governmental expenditures)**; OR**

**(6) ~~§ 10–207(KK)~~ *§ 10–207(JJ)* OF THIS TITLE (CORONAVIRUS RELIEF PAYMENTS)**.

*10–704.*

*(a) (1) A resident may claim a credit against the State income tax for a taxable year in the amount determined under subsection (b) of this section for earned income.*

*(2) A resident may claim a credit against the county income tax for a taxable year in the amount determined under subsection (c) of this section for earned income.*

*(b) (1) Except as provided in paragraphs (2) and (3) of this subsection and subject to subsection (d) of this section, the credit allowed against the State income tax under subsection (a)(1) of this section is the lesser of:*

*(i) 50% of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code; or*

*(ii) the State income tax for the taxable year.*

*(2) (i) Subject to subsection (d) of this section, a resident may claim a refund in the amount, if any, by which the applicable percentage specified in subparagraph (ii) of this paragraph of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code exceeds the State income tax for the taxable year.*

*(ii) The applicable percentage of the earned income credit allowable under § 32 of the Internal Revenue Code to be used for purposes of determining the refund provided under this paragraph is:*

*1. 25% for a taxable year beginning after December 31, 2013, but before January 1, 2015;*

*2. 25.5% for a taxable year beginning after December 31, 2014, but before January 1, 2016;*

*3. 26% for a taxable year beginning after December 31, 2015, but before January 1, 2017;*

*4. 27% for a taxable year beginning after December 31, 2016, but before January 1, 2018;* ***[****and****]***

*5. 28% for a taxable year beginning after December 31, 2017****, BUT BEFORE JANUARY 1, 2020;***

***6. 45% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2023; AND***

***7. 28% FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2022****.*

*(3)* ***(I)*** *For purposes of this section for an individual without a qualifying child, the credit allowable for a taxable year under § 32 of the Internal Revenue Code is calculated without regard to the minimum age requirement under § 32(c)(1)(A)(ii)(II) of the Internal Revenue Code.*

***(II) SUBJECT TO SUBPARAGRAPH (III) OF THIS PARAGRAPH, FOR A TAXABLE YEAR BEGINNING AFTER DECEMBER 31, 2019, BUT BEFORE JANUARY 1, 2023, THE CREDIT ALLOWED AGAINST THE STATE INCOME TAX UNDER SUBSECTION (A)(1) OF THIS SECTION FOR AN INDIVIDUAL WITHOUT A QUALIFYING CHILD IS EQUAL TO 100% OF THE EARNED INCOME CREDIT ALLOWABLE FOR A TAXABLE YEAR UNDER § 32 OF THE INTERNAL REVENUE CODE.***

***(III) THE TAX CREDIT ALLOWED UNDER THIS PARAGRAPH MAY NOT EXCEED $530 FOR A TAXABLE YEAR.***

***(IV) IF THE TAX CREDIT ALLOWED UNDER THIS PARAGRAPH IN ANY TAXABLE YEAR EXCEEDS THE TOTAL TAX OTHERWISE PAYABLE BY THE INDIVIDUAL WITHOUT A QUALIFYING CHILD FOR THAT TAXABLE YEAR, THE INDIVIDUAL MAY CLAIM A REFUND IN AN AMOUNT OF THE EXCESS.***

*(c) (1) Except as provided in paragraph (2) of this subsection and subject to subsection (d) of this section, the credit allowed against the county income tax under subsection (a)(2) of this section is the lesser of:*

*(i) the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code multiplied by 10 times the county income tax rate for the taxable year; or*

*(ii) the county income tax for the taxable year.*

*(2) (i) A county may provide, by law, for a refundable county earned income credit as provided in this paragraph.*

*(ii) If a county provides for a refundable county earned income credit under this paragraph, on or before July 1 prior to the beginning of the first taxable year for which it is applicable, the county shall give the Comptroller notice of the refundable county earned income credit.*

*(iii) If a county provides for a refundable county earned income credit under this paragraph, a resident may claim a refund of the amount, if any, by which the product of multiplying the credit allowable for the taxable year under § 32 of the Internal Revenue Code by 5 times the county income tax rate for the taxable year exceeds the county income tax for the taxable year.*

*(iv) The amount of any refunds payable under a refundable county earned income credit operates to reduce the income tax revenue from individuals attributable to the county income tax for that county.*

*(d) For an individual who is a resident of the State for only a part of the year, the amount of the credit or refund allowed under this section shall be determined based on the part of the earned income credit allowable for the taxable year under § 32 of the Internal Revenue Code that is attributable to Maryland, determined by multiplying the federal earned income credit by a fraction:*

*(1) the numerator of which is the Maryland adjusted gross income of the individual; and*

*(2) the denominator of which is the federal adjusted gross income of the individual.*

11–105.

(a) (1) Except as provided in subsections (b) and (c) of this section, a vendor who timely files a sales and use tax return is allowed, for the expense of collecting and paying the tax, a credit equal to 0.9% of the gross amount of sales and use tax that the vendor is to pay to the Comptroller.

(2) The credit allowed under this section does not apply to any sales and use tax that a vendor is required to pay to the Comptroller for any purchase or use that the vendor makes that is subject to the tax.

(b) (1) Subject to paragraph (2) of this subsection, the credit allowed under this section is 1.2% of the first $6,000 of the gross amount of sales and use tax that the vendor is to pay with each return.

(2) For a vendor who files or is eligible to file a consolidated return under § 11–502 of this title, the credit allowed under paragraph (1) of this subsection is 1.2% of the first $6,000 of the gross amount of sales and use tax that the vendor is or would be required to pay with the consolidated return.

(c) (1) The credit allowed under subsection (a) of this section may not exceed $500 for each return.

(2) For a vendor who files or is eligible to file a consolidated return under § 11–502 of this title, the total maximum credit that the vendor is allowed under this section for all returns filed for any period is $500.

SECTION 2. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:

***Article – Tax – General***

*10–102.1.*

*(a) (1) In this section the following words have the meanings indicated.*

*(2) "Distributable cash flow" means taxable income reportable by a pass–through entity on its federal income tax return for the taxable year:*

*(i) adjusted, in the case of an entity using the accrual method of accounting to report federal taxable income, to reflect the amount of taxable income that would have been reported under the cash method of accounting;*

*(ii) increased by the sum of:*

*1. cash receipts for the taxable year that are not includable in the gross income of the entity, including capital contributions and loan proceeds;*

*2. amounts allowable to the entity for the taxable year as deductions for depreciation, amortization, and depletion; and*

*3. the decrease, if any, in the entity's liability reserve as of the end of the taxable year; and*

*(iii) decreased by the sum of:*

*1. cash expenditures for the taxable year that are not deductible in computing the taxable income of the entity, not including distributions to shareholders, partners, or members; and*

*2. the increase, if any, in the entity's liability reserve as of the end of the taxable year.*

*(3) "Liability reserve" means accrued unpaid liabilities that are not deductible in computing taxable income.*

*(4) "Member" means:*

*(i) a shareholder of an S corporation;*

*(ii) a general or limited partner of a partnership, limited partnership, or limited liability partnership;*

*(iii) a member of a limited liability company; or*

*(iv) a beneficiary of a business trust or statutory trust.*

*(5) "Nonresident entity" means an entity that is not formed under the laws of the State and is not qualified by or registered with the Department of Assessments and Taxation to do business in the State.*

*(6) "Nonresident taxable income" means any income described in § 10–210(b)(1) through (4) of this title.*

*(7) "Pass–through entity" means:*

*(i) an S corporation;*

*(ii) a partnership;*

*(iii) a limited liability company that is not taxed as a corporation under this title; or*

*(iv) a business trust or statutory trust that is not taxed as a corporation under this title.*

*(8) "Pass–through entity's taxable income" means the portion of a pass–through entity's income under the federal Internal Revenue Code that is derived from or reasonably attributable to the trade or business of the pass–through entity in this State.*

*(b) (1) Subject to paragraph (2) of this subsection, in addition to any other tax imposed under this title, a tax is imposed on each pass–through entity.*

*(2) Each pass–through entity:*

*(i) shall pay the tax imposed under paragraph (1) of this subsection with respect to the distributive shares or pro rata shares of the nonresident and nonresident entity members of the pass–through entity; or*

*(ii) may elect to pay the tax imposed under paragraph (1) of this subsection with respect to the distributive shares or pro rata shares of* ***[****resident****]*** ***ALL*** *members of the pass–through entity.*

*(c) (1) With respect to a pass–through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(i) of this section, the tax shall be treated as a tax imposed on the nonresident or nonresident entity members that is paid on behalf of the nonresidents or nonresident entities by the pass–through entity.*

*(2) The Comptroller shall provide by regulation for the treatment of the tax imposed under subsection (b) of this section that is paid on behalf of a nonresident entity member that is itself a pass–through entity.*

***(3) WITH RESPECT TO A PASS–THROUGH ENTITY THAT PAYS THE TAX IMPOSED UNDER SUBSECTION (B)(1) OF THIS SECTION IN ACCORDANCE WITH SUBSECTION (B)(2)(II) OF THIS SECTION, THE TAX SHALL BE TREATED AS A TAX IMPOSED ON THE PASS–THROUGH ENTITY ITSELF.***

*(d) (1) With respect to a pass–through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(i) of this section, the tax imposed is the sum of:*

*(i) a rate equal to the sum of the rate of the tax imposed under § 10–106.1 of this subtitle and the top marginal State tax rate for individuals under § 10–105(a) of this subtitle applied to the sum of each nonresident individual member's distributive share or pro rata share of the pass–through entity's nonresident taxable income; and*

*(ii) the rate of the tax for a corporation under § 10–105(b) of this subtitle applied to the sum of each nonresident entity member's distributive share or pro rata share of the pass–through entity's nonresident taxable income.*

*(2) With respect to a pass–through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(ii) of this section, the tax imposed is the sum of:*

*(i) a rate equal to the sum of the rate of the tax imposed under § 10–106.1 of this subtitle and the top marginal State tax rate for individuals under § 10–105(a) of this subtitle applied to the sum of each individual member's distributive share or pro rata share of the pass–through entity's taxable income; and*

*(ii) the rate of the tax for a corporation under § 10–105(b) of this subtitle applied to the sum of each entity member's distributive share or pro rata share of the pass–through entity's taxable income.*

*(3) The tax required to be paid for any taxable year by a pass–through entity may not exceed:*

*(i) with respect to a pass–through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(i) of this section, the sum of all of the nonresident and nonresident entity members' shares of the pass–through entity's distributable cash flow; and*

*(ii) with respect to a pass–through entity that pays the tax imposed under subsection (b)(1) of this section in accordance with subsection (b)(2)(ii) of this section, the sum of all of the members' shares of the pass–through entity's distributable cash flow.*

*(e) In accordance with § 10–701.1 of this title, each member may claim a credit against the tax imposed on the member for the member's proportionate share of the tax paid by the pass–through entity under subsection (b) of this section.*

*(f) (1) (i) The tax imposed under subsection* ***[****(b)****] (B)(1)*** *of this section* ***THAT IS PAID IN ACCORDANCE WITH SUBSECTION (B)(2)(I) OF THIS SECTION AND FOR WHICH NO ELECTION IS MADE UNDER SUBSECTION (B)(2)(II) OF THIS SECTION*** *does not apply with respect to the distributive share or pro rata share of a member that is itself a pass–through entity formed under the laws of the State or qualified by or registered with the Department of Assessments and Taxation to do business in the State.*

*(ii) A member of a pass–through entity that is itself a pass–through entity as described in subparagraph (i) of this paragraph shall itself comply with the provisions of this section.*

*(2) The tax imposed under subsection* ***[****(b)****] (B)(1)*** *of this section* ***THAT IS PAID IN ACCORDANCE WITH SUBSECTION (B)(2)(I) OF THIS SECTION AND FOR WHICH NO ELECTION IS MADE UNDER SUBSECTION (B)(2)(II) OF THIS SECTION*** *does not apply with respect to the direct or indirect distributive share or pro rata share of a member that is:*

*(i) a real estate investment trust as defined by § 856 of the Internal Revenue Code; or*

*(ii) an entity that is exempt from taxation under § 501 of the Internal Revenue Code.*

*(g) The Comptroller may provide by regulation for:*

*(1) the filing of composite returns by a pass–through entity on behalf of its nonresident and nonresident entity members; and*

*(2) application of or exemption from the tax imposed under subsection (b) of this section for a pass–through entity:*

*(i) that files a composite return on behalf of nonresident and nonresident entity members; or*

*(ii) the entity members of which are tax exempt.*

*(h) (1) Subject to paragraph (2) of this subsection, if a partnership fails to pay the tax when due, the tax may be collected from the partners under the law applicable to debts of the partnership, with the partnership and partners having rights of contribution against any partner on whose behalf the tax is paid.*

*(2) Unless it is established by the Comptroller that the partner participated in a pattern of distributions to one or more partners with the intention of defeating the partnership liability for the tax imposed under subsection (b) of this section, any partner otherwise liable under paragraph (1) of this subsection shall be liable for the tax imposed on the partnership only to the extent of distributions from the partnership to that partner after the tax was due to be paid by the partnership.*

*(i) Except as provided in § 10–701.1 of this title, nothing in this section limits or affects in any way the liability of an individual nonresident member or a nonresident entity member for the tax imposed on the individual nonresident or nonresident entity under § 10–102 of this subtitle.*

*(j) The tax imposed under subsection* ***[****(b)****] (B)(1)*** *of this section* ***THAT IS PAID IN ACCORDANCE WITH SUBSECTION (B)(2)(I) OF THIS SECTION AND FOR WHICH NO ELECTION IS MADE UNDER SUBSECTION (B)(2)(II) OF THIS SECTION*** *does not apply to a publicly traded pass–through entity that has agreed to file with the Comptroller an annual information return reporting the name, address, taxpayer identification number, and other information requested by the Comptroller of each nonresident or nonresident entity member whose distributive share or pro rata share of the pass–through entity's nonresident taxable income for the taxable year exceeds $500.*

*10–205.*

*(a) In addition to the modification under § 10–204 of this subtitle, the amounts under this section are added to the federal adjusted gross income of a resident to determine Maryland adjusted gross income.*

***(M) THE ADDITION UNDER SUBSECTION (A) OF THIS SECTION INCLUDES THE AMOUNT OF CREDIT THAT IS CLAIMED UNDER § 10–701.1 OF THIS TITLE FOR THE AMOUNT OF TAX PAID BY A PASS–THROUGH ENTITY UNDER § 10–102.1 OF THIS TITLE AND IS ATTRIBUTABLE TO THE MEMBER'S SHARE OF TAX ON THE MEMBER'S SHARE***

***OF THE PASS–THROUGH ENTITY'S TAXABLE INCOME, AS DEFINED IN § 10–102.1(A)(8) OF THIS TITLE.***

*10–306.*

*(a) In addition to the modification under § 10–305 of this subtitle, the amounts under this section are added to the federal taxable income of a corporation to determine Maryland modified income.*

*(b) The addition under subsection (a) of this section includes the additions required for an individual under:*

*(1) § 10–205(b) of this title (Enterprise zone wage credit, employment opportunity credit, disability credit, and qualified ex–felon employee credit);*

*(2) § 10–205(c) of this title (Reforestation and timber stand modification);*

*(3) § 10–205(e) of this title (Net operating loss modification);*

*(4) § 10–205(g) of this title (Unlicensed child care facility operating expenses);* ***[****and****]***

*(5) § 10–205(i) of this title (Maryland research and development tax credit)****; AND***

***(6) § 10–205(M) OF THIS TITLE (CREDIT FOR SHARE OF TAXES PAID BY PASS–THROUGH ENTITIES)****.*

*10–701.1.*

***[****An individual or a corporation****]*** ***A MEMBER OF A PASS–THROUGH ENTITY*** *may claim a credit against the* ***[****State****]*** *income tax for a taxable year in the amount of tax paid by a pass–through entity under § 10–102.1 of this title that is attributable to the* ***[****individual's or corporation's****]*** ***MEMBER'S*** *share of the pass–through entity's taxable income, as defined in § 10–102.1(a)(8) of this title.*

*SECTION 3. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:*

**Article – Labor and Employment**

8–606.

(a) In this Part II of this subtitle the following words have the meanings indicated.

~~(c) (1) ["Rating] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, "RATING year" means the 12–month period beginning July 1 and ending June 30 immediately preceding the computation date.~~

~~(2) "RATING YEAR" DOES NOT INCLUDE:~~

~~(I) THE 12–MONTH PERIOD BEGINNING JULY 1, 2019, AND ENDING JUNE 30, 2020; AND~~

~~(II) THE 12–MONTH PERIOD BEGINNING JULY 1, 2020, AND ENDING JUNE 30, 2021.~~

*(d) **(1) [**"Computation**] EXCEPT AS PROVIDED IN PARAGRAPH (2) OF THIS SUBSECTION, "COMPUTATION** date" means the July 1 immediately preceding the calendar year for which a rate of contribution is assigned.*

***(2) FOR THE PERIOD BEGINNING MARCH 5, 2020, THROUGH THE SECOND JULY 1 AFTER THE EXPIRATION OF THE STATE OF EMERGENCY DECLARED BY THE GOVERNOR DUE TO THE COVID–19 PANDEMIC, BOTH INCLUSIVE, "COMPUTATION DATE" MEANS JULY 1, 2019, IF THAT DATE RESULTS IN A LOWER RATE OF CONTRIBUTION.***

8–610.

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

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

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

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

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

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

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

*(c) **(1)** If an employing unit has met each of the requirements to qualify for an earned rate but files no contribution reports for any of the 3 rating years immediately preceding the computation date as required by § 8–626 of this subtitle, the Secretary shall assign the employing unit the standard rate of contribution.*

***(2) NOTWITHSTANDING § 8–606(D)(2) OF THIS SUBTITLE, IF THE SECRETARY DETERMINES THAT AN EMPLOYING UNIT OR AGENCY HAS ESTABLISHED A PATTERN OF FAILING TO RESPOND TIMELY OR ADEQUATELY FOR REQUESTS FOR INFORMATION, THE SECRETARY MAY USE THE COMPUTATION DATE AS DEFINED IN § 8–606(D)(1) OF THIS SUBTITLE FOR PURPOSES OF DETERMINING AN EARNED RATE OF CONTRIBUTION.***

*SECTION 4. AND BE IT FURTHER ENACTED, That the Laws of Maryland read as follows:*

***Article – Labor and Employment***

*8–601.*

*(a) In this subtitle the following words have the meanings indicated.*

*(b) "Election" means an election to make reimbursement payments instead of paying contributions in accordance with Part III of this subtitle.*

*(d) "Reimbursement payment" means a payment that an employing unit makes under an election to reimburse the Unemployment Insurance Fund for benefits paid.*

*8–620.*

*(a) (1) Reimbursement payments shall be made in accordance with this section.*

*(2) **[**Unless**]** **EXCEPT AS PROVIDED IN PARAGRAPHS (3) AND (4) OF THIS SUBSECTION, UNLESS** there is an application for review and redetermination of a bill under § 8–621 of this subtitle, a nonprofit organization or governmental entity shall pay the bill under this section within 30 days after the Secretary mailed the bill to the last known address of the nonprofit organization or governmental entity or otherwise delivered the bill to it.*

***(3) (I) FOR CALENDAR YEAR 2021, A NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY THAT EMPLOYS FEWER THAN 50 INDIVIDUALS MAY***

***ELECT TO DEFER PAYMENT OF THE BILLS UNDER THIS SECTION FOR THE CALENDAR QUARTERS ENDING ON MARCH 31, JUNE 30, AND SEPTEMBER 30.***

***(II) A NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY THAT ELECTS TO DEFER THE PAYMENT OF A BILL AS AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH:***

***1. SHALL SUBMIT THE PAYMENT ON OR BEFORE THE DATE ON WHICH THE PAYMENT FOR THE CALENDAR QUARTER ENDING DECEMBER 31, 2021, IS DUE;***

***2. MAY NOT BE REQUIRED BY THE SECRETARY TO FILE FOR AN EXTENSION;***

***3. NOTWITHSTANDING § 8–622 OF THIS SUBTITLE, MAY NOT BE CONSIDERED DELINQUENT IN MAKING THE PAYMENT DURING THE PERIOD FOR WHICH THE PAYMENT IS DEFERRED; AND***

***4. MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8–628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE PAYMENT IS DEFERRED.***

***(4) (I) FOR CALENDAR YEAR 2022, THE SECRETARY MAY AUTHORIZE A NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY THAT EMPLOYS FEWER THAN 50 INDIVIDUALS TO DEFER PAYING A BILL.***

***(II) IF THE SECRETARY AUTHORIZES A NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY TO DEFER PAYING A BILL IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH:***

***1. THE SECRETARY SHALL ESTABLISH THE DATE ON WHICH THE PAYMENT IS DUE;***

***2. THE NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY MAY NOT BE REQUIRED BY THE SECRETARY TO FILE FOR AN EXTENSION;***

***3. NOTWITHSTANDING § 8–622 OF THIS SUBTITLE, THE NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY MAY NOT BE CONSIDERED DELINQUENT IN MAKING THE PAYMENT DURING THE PERIOD FOR WHICH THE PAYMENT IS DEFERRED; AND***

***4. THE NONPROFIT ORGANIZATION OR GOVERNMENTAL ENTITY MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8–628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE PAYMENT IS DEFERRED.***

*(c) Except as provided in subsection (d) of this section, at the end of each calendar quarter or any other period set by the Secretary, the Secretary shall send:*

*(1) to each nonprofit organization that has made an election or if the Secretary has approved a group account under § 8–619 of this subtitle, to the group representative, a bill for all regular and work sharing benefits, and 50% of extended benefits paid during that period that are attributable to covered employment for that nonprofit organization; and*

*(2) to each governmental entity that has made an election, a bill for all regular, work sharing, and extended benefits paid during that period that are attributable to covered employment for that governmental entity.*

*8–626.*

*(a)* ***(1) [****For****] SUBJECT TO PARAGRAPHS (2) AND (3) OF THIS SUBSECTION, FOR*** *each calendar quarter, each employing unit shall submit to the Secretary a contribution and employment report on or before the date that the Secretary sets.*

***(2) (I) FOR CALENDAR YEAR 2021, AN EMPLOYING UNIT THAT EMPLOYS FEWER THAN 50 INDIVIDUALS MAY ELECT TO DEFER SUBMITTING CONTRIBUTION AND EMPLOYMENT REPORTS FOR THE CALENDAR QUARTERS ENDING ON MARCH 31, JUNE 30, AND SEPTEMBER 30.***

***(II) AN EMPLOYING UNIT THAT ELECTS TO DEFER THE SUBMISSION OF A CONTRIBUTION AND EMPLOYMENT REPORT AS AUTHORIZED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH:***

***1. SHALL SUBMIT THE REPORT ON OR BEFORE THE DATE ON WHICH THE REPORT FOR THE CALENDAR QUARTER ENDING DECEMBER 31, 2021, IS DUE;***

***2. MAY NOT BE REQUIRED BY THE SECRETARY TO FILE FOR AN EXTENSION; AND***

***3. MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8–628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE SUBMISSION IS DEFERRED.***

***(3) (I) FOR CALENDAR YEAR 2022, THE SECRETARY MAY AUTHORIZE AN EMPLOYING UNIT THAT EMPLOYS FEWER THAN 50 INDIVIDUALS TO***

***DEFER SUBMITTING A CONTRIBUTION AND EMPLOYMENT REPORT DUE IN ACCORDANCE WITH THIS SECTION.***

***(II) IF THE SECRETARY AUTHORIZES AN EMPLOYING UNIT TO DEFER SUBMITTING A CONTRIBUTION AND EMPLOYMENT REPORT IN ACCORDANCE WITH SUBPARAGRAPH (I) OF THIS PARAGRAPH:***

***1. THE SECRETARY SHALL ESTABLISH THE DATE ON WHICH THE CONTRIBUTION AND EMPLOYMENT REPORT IS DUE;***

***2. THE EMPLOYING UNIT MAY NOT BE REQUIRED TO FILE FOR AN EXTENSION; AND***

***3. THE EMPLOYING UNIT MAY NOT BE ASSESSED INTEREST THAT ACCRUES UNDER § 8–628 OF THIS SUBTITLE FOR THE PERIOD FOR WHICH THE SUBMISSION IS DEFERRED.***

*(b) An employing unit shall include in a contribution and employment report information that the Secretary requires.*

*(c) (1) An employing unit that fails to submit a contribution and employment report under this section is subject to a penalty of $35 unless the Secretary waives the penalty for cause.*

*(2) An employing unit that submits a check or other negotiable instrument in payment of any penalty under this subsection which is returned for insufficient funds is subject to an additional penalty of $25.*

*8–628.*

*(a) Except as provided in § 8–201.1 of this title* ***AND §§ 8–620 AND 8–626 OF THIS SUBTITLE****, a contribution or reimbursement payment that is due and unpaid shall accrue interest at the rate of 1.5% per month or part of a month from the date on which it is due until the Secretary receives the contribution or payment in lieu of contributions and the interest.*

*(b) Notwithstanding subsection (a) of this section, except as provided in § 8–201.1 of this title, for any calendar year in which Table F is applicable under § 8–612(d)(6) of this subtitle, a contribution or reimbursement payment that is due and unpaid shall accrue interest at the rate of 0.5% per month or part of a month from the date on which it is due until the Secretary receives the contribution or payment in lieu of contributions and the interest.*

SECTION ~~3.~~ *5.* AND BE IT FURTHER ENACTED, That:

(a) This section does not apply to a sale by a marketplace seller, as defined under § 11–101 of the Tax – General Article.

(b) (1) Subject to subsection (d) of this section, a vendor is allowed a credit against the gross amount of sales and use tax for any of the ~~4~~ *3* consecutive months immediately following the month in which this Act takes effect if, for that month:

(i) the vendor timely files a sales and use tax return or consolidated return; and

(ii) the gross amount of sales and use tax that the vendor is required to pay with the return does not exceed $6,000.

(2) The credit allowed under paragraph (1) of this subsection is equal to the lesser of:

(i) the amount of sales and use tax collected during the month for which the vendor qualifies for the credit under paragraph (1) of this subsection; or

(ii) $3,000.

(c) ~~A~~ *Subject to subsection (e) of this section, a* vendor may take the credit provided in ~~paragraph (1) of this subsection~~ *subsection (b) of this section* by reducing the gross amount of sales and use tax that the vendor is required to pay to the Comptroller in accordance with Title 11 of the Tax – General Article by the amount of the credit.

(d) A vendor may not take the credit allowed under § 11–105 of the Tax – General Article for the same period for which the vendor applies the credit allowed under this section against a return.

*(e) The credit allowed under this section shall be claimed in the manner prescribed by the Comptroller.*

SECTION ~~4.~~ *6.* AND BE IT FURTHER ENACTED, That~~, as~~*:*

*(a)* *As* soon as practicable after the effective date of this Act *and notwithstanding § 7–222 of the State Finance and Procurement Article*, the Comptroller shall send by first–class mail to or direct deposit in the financial institution accounts of each taxpayer *whose residency in Maryland as of the date of enactment of this Act can be verified by the Comptroller using commercially available third–party address validation services and* who received a State earned income tax credit in accordance with § 10–704 of the Tax – General Article *for a taxable year beginning after December 31, 2018, but before January 1, 2020*, the following amounts as State economic impact payments:

~~(1) with respect to a taxpayer who received a State earned income tax credit for the taxable year beginning after December 31, 2018, but before January 1, 2020:~~

~~(i)~~ *(1)* $300 for an individual ~~other than an individual described under items (ii) or (iii) of this item;~~*; or*

~~(ii) $250 for an individual filing as married filing separately; or~~

~~(iii)~~ *(2)* $500 for spouses filing a joint return or for a surviving spouse or head of household as defined in § 2 of the Internal Revenue Code~~; and~~

~~(2) with respect to a taxpayer who received a State earned income tax credit for the taxable year beginning after December 31, 2019, but before January 1, 2021:~~

~~(i) $150 for an individual other than an individual described under items (ii) or (iii) of this item;~~

~~(ii) $125 for an individual filing as married filing separately; or~~

~~(iii) $250 for spouses filing a joint return or for a surviving spouse or head of household as defined in § 2 of the Internal Revenue Code~~.

*(b) The Comptroller shall establish procedures to implement this section.*

SECTION ~~5.~~ *7.* AND BE IT FURTHER ENACTED, That:

*(a) As soon as practicable, the Comptroller shall conduct an earned income tax credit eligibility awareness campaign to encourage eligible individuals to claim the federal and State earned income tax credits for a taxable year beginning after December 31, 2019, but before January 1, 2021.*

*(b) To the extent that "tax information", as defined in § 13–201 of the Tax – General Article, is required to be disclosed by the Comptroller in order to send the State economic impact payments under Section 6 of this Act:*

*(1) the prohibition against the disclosure of tax information under § 13–202 of the Tax – General Article does not apply; and*

*(2) the tax information permitted to be disclosed is limited to the name, address, bank account number, and bank routing number provided by the taxpayer on the taxpayer's Maryland income tax return.*

*(c) (1) Unless a garnishment relates to an action for or judgment awarding child support:*

*(i) an economic impact payment under Section 6 of this Act is exempt from and shall not be subject to garnishment; and*

*(ii) a financial institution may not hold an economic impact payment under Section 6 of this Act of a judgment debtor under a writ of garnishment and shall treat an economic impact payment as protected amounts under Maryland Rules 2–625.1 and 3–645.1.*

*(2) A banking institution or credit union incorporated under the laws of this State may not have a lien on or rights of setoff against funds in a customer's or member's account to the extent the funds are traceable to an economic impact payment under Section 6 of this Act.*

~~(a)~~ *(d)* Subject to subsection ~~(c)~~ *(f)* of this section, on the first day of each month following the effective date of this Act, the Comptroller shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly on the status of the delivery of State economic impact payments required under Section ~~4~~ *6* of this Act and any obstacles that are preventing or slowing the payments.

~~(b)~~ *(e)* On or before December 31, 2021, and December 31, 2022, the Comptroller shall report to the Governor and, in accordance with § 2–1257 of the State Government Article, the General Assembly the amount of money paid in State economic impact payments and the number of taxpayers who received a payment under Section ~~4~~ *6* of this Act ~~for~~ *during* calendar years 2021 and 2022.

~~(c)~~ *(f)* Following the submission by the Comptroller of the report due on or before December 31, 2022, under subsection ~~(b)~~ *(e)* of this section, the Comptroller is not required to provide the monthly reports required under subsection ~~(a)~~ *(d)* of this section.

SECTION ~~6.~~ *8.* AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2021, the Governor may transfer to the Recovery Now Fund established under this Act~~:~~

~~(1)~~ ~~$320,000,000~~ *$306,000,000* of the funds in the Revenue Stabilization Account established under § 7–311 of the State Finance and Procurement Article~~; and~~

~~(2) $100,000,000 of the funds in the Local Reserve Account established to comply with § 2–606 of the Tax – General Article~~.

SECTION ~~7.~~ *9.* AND BE IT FURTHER ENACTED, That:

(a) In this section, "Fund" means the Recovery Now Fund.

(b) There is a Recovery Now Fund.

(c) The purpose of the Fund is to receive specified money to be spent on specified purposes on or before June 30, 2021.

(d) (1) The Department of Budget and Management shall administer the Fund.

(2) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of the State Finance and Procurement Article.

(3) The State Treasurer shall hold the Fund separately, and the Comptroller shall account for the Fund.

(e) The Fund consists of money transferred to the Fund as authorized under this Act.

(f) (1) Except as otherwise provided in this Act, money in the Fund shall be retained in the Fund and may not be spent for any purpose.

(2) Except as otherwise provided by law, any unspent balance in the Fund on June 30, 2021, shall revert to the General Fund.

(3) Notwithstanding the requirements of Section 27 of Chapter 19 of the Acts of 2020 and *the limitations of* the budget amendment procedure provided in Title 7, Subtitle 2 of the State Finance and Procurement Article, of the money credited to the Fund up to the following specified amounts may be used for fiscal year 2021, *on the Governor's approval of a budget amendment*, for the following purposes in addition to the amounts authorized under Chapter 19 of the Acts of 2020:

| Appropriation Code | Program Title | Amount |
|---|---|---|
| N00G00.08 | Assistance Payments | $22,000,000 |
| D50H01.06 | Maryland Emergency Management Agency | ~~$13,000,000~~ *$4,000,000* |
| N00I00.07 | Office of Grants Management | $10,000,000 |
| ~~N00I00.06~~ | ~~Office of Home Energy Programs~~ | ~~$9,000,000~~ |
| *C90G00.01* | *Public Service Commission* | *$30,000,000* |
| M00R01.03 | Maryland Community Health Resource Commission | $5,000,000 |
| S00A24.01 | Neighborhood Revitalization | ~~$30,000,000~~ *$20,000,000* |
| T00G00.05 | Maryland State Arts Council | ~~$10,000,000~~ *$5,000,000* |
| T00F00.23 | Maryland Economic Development Assistance Authority and Fund | ~~$40,000,000~~ *$10,000,000* |
| T00F00.23 | Maryland Economic Development Assistance Authority and Fund | ~~$26,000,000~~ *$22,000,000* |
| T00F00.23 | Maryland Economic Development Assistance Authority and Fund | $10,000,000 |
| S00A24.01 | Neighborhood Revitalization | $10,000,000 |

| | | |
|---|---|---|
| T00F00.15 | Maryland Small, Minority, and Women–Owned Businesses Account | $10,000,000 |
| P00G01.07 | Workforce Development | ~~$10,000,000~~ *$7,000,000* |
| T50T01.01 | Technology Development, Transfer and Commercialization | ~~$10,000,000~~ $1,500,000 |
| S00A20.01 | Office of the Secretary | ~~$5,000,000~~ *$2,000,000* |
| L00A12.20 | Maryland Agricultural and Resource–Based Industry Development Corporation | ~~$3,500,000~~ *$2,000,000* |
| S00A24.01 | Neighborhood Revitalization | ~~$5,000,000~~ *$2,000,000* |
| T00F00.23 | Maryland Economic Development Assistance Authority and Fund | ~~$3,000,000~~ *$500,000* |
| T00G00.03 | Maryland Tourism Development Board | $1,000,000 |
| ~~P00H01.01~~ | ~~Office of Unemployment~~ Revenue | ~~$40,000,000~~ *$32,000,000* |
| E00A04.01 | Administration Division Insurance | |
| P00H01.01 | Office of Unemployment Insurance | $3,000,000 |
| P00H01.01 | Office of Unemployment Insurance | $1,000,000 |
| J00H01.02 | Bus Operations | ~~$30,000,000~~ *$10,000,000* |
| J00B01.02 | State System Maintenance | ~~$25,000,000~~ *$10,000,000* |
| T00F00.23 | Maryland Economic Development Assistance Authority and Fund | $8,000,000 |
| M00L01.02 | Community Services | $20,000,000 |
| M00R01.03 | Maryland Community Health Resource Commission | $14,000,000 |
| ~~M00F06.01~~ | ~~Office of Preparedness and Response~~ | ~~$10,000,000~~ |
| ~~M00F06.01~~ | ~~Office of Preparedness and Response~~ | ~~$1,000,000~~ |
| S00A25.05 | Rental Services | ~~$25,000,000~~ *$15,000,000* |
| C00A00.06 | Administrative Office of the Courts | $3,000,000 |
| R62I00.05 and | Aid to Community Colleges and | ~~$15,000,000~~ *$10,000,000* |
| R95C00 | Baltimore City Community College | |
| R00A01.15 | Juvenile Services Education Program | $1,000,000 |
| *A15000.01* | *Disparity Grants* | *$5,000,000* |

(4) (i) Notwithstanding any other provision of law and subject to subparagraph (ii) of this paragraph, for purposes of the amount authorized under paragraph (3) of this subsection for the Temporary Disability Assistance Program (N00G00.08), for the remainder of fiscal year 2021, the maximum monthly allowable

assistance under the Program shall be increased by $100 each month for the remainder of fiscal year 2021.

(ii) 1. Except as the result of a final determination of a Supplemental Security Income claim, the recipient of payments under the Program may not be removed from the Program before July 1, 2021.

2. A recipient of payments who was denied payments on or after July 1, 2020, shall be *retroactively* reenrolled in the Program until July 1, 2021, unless the denial of Program payments was the result of a final determination of a Supplemental Security Income claim.

(5) *(i)* For purposes of the amount authorized under paragraph (3) of this subsection for the Maryland Emergency Management Agency (D50H01.06), the Agency shall distribute the amount authorized as grants to volunteer fire departments and rescue squads *that have lost revenue due to COVID–19.*

*(ii) An applicant for a grant authorized under this paragraph may not have received other relief from sources such as county, federal, or other State aid.*

*(iii) The Maryland Emergency Management Agency shall advertise the grants authorized under this paragraph to all volunteer stations in the State.*

(6) For purposes of the amount authorized under paragraph (3) of this subsection for the Office of Grants Management (N00I00.07), the Office shall distribute the amount authorized to the Maryland Food Bank and Capital Area Foodbank.

(7) For purposes of the amount authorized under paragraph (3) of this subsection for the ~~Office of Home Energy Programs (N00I00.06), the Office~~ *Public Service Commission (C90G00.01):*

*(i) the Commission* shall distribute the amount authorized as grants *to utility companies* to assist households with utility arrearages *by reducing those arrearages; and*

*(ii) the funds shall be allocated in the following priority order:*

*1. eliminate all arrearages for households who have qualified for Office of Home Energy Program Energy Assistance benefits in the past 4 years;*

*2. eliminate all arrearages for residential special needs customers; and*

*3. eliminate the oldest arrearages.*

(8) For purposes of the $5,000,000 authorized under paragraph (3) of this subsection for the Maryland Community Health Resource Commission (M00R01.03), the Commission shall provide grants to community providers of services under Title 7 of the Health – General Article to support pandemic–related reopening, transformation, and revenue loss.

(9) For purposes of the ~~$30,000,000~~ *$20,000,000* authorized under paragraph (3) of this subsection for Neighborhood Revitalization (S00A24.01), the Department of Housing and Community Development shall distribute the money to local governments to provide grants to nonprofits that can demonstrate need with priority given to organizations that have not received assistance through the Neighborhood Revitalization Program.

(10) (i) Subject to subparagraph (ii) of this paragraph, for purposes of the amount authorized under paragraph (3) of this subsection for the Maryland State Arts Council (T00G00.05), the Council shall provide emergency art grants to artists, art districts, and art organizations.

(ii) The Council shall prioritize grants to organizations that have not received prior funding from the Council or do not qualify for funding under other Council programs.

(11) (i) Subject to subparagraph (ii) of this paragraph, for purposes of the ~~$40,000,000~~ *$10,000,000* authorized under paragraph (3) of this subsection for the Maryland Economic Development Assistance Authority and Fund (T00F00.23), the Authority shall provide up to ~~$12,000~~ *$9,000* grants to businesses that:

1. do not engage in a business activity that requires the business to collect sales and use tax; and

2. can demonstrate a need for assistance.

(ii) 1. At least 15% of the amount distributed under subparagraph (i) of this paragraph shall be distributed to disadvantaged businesses.

2. The Authority shall prioritize providing grants to businesses that have not received prior funding from the Authority.

(12) (i) Subject to subparagraph (ii) of this paragraph, for purposes of the ~~$26,000,000~~ *$22,000,000* authorized under paragraph (3) of this subsection for the Maryland Economic Development Assistance Authority and Fund (T00F00.23), the Authority shall provide funding to local governments to provide up to $12,000 grants to businesses that:

1. are primarily engaged in activities that, in accordance with the North American Industrial Classification System, would be included in Code

722320 (Caterers), Code 7224 (Drinking Places (Alcoholic Beverages)), or Code 7225 (Restaurants and Other Eating Places); and

2. can demonstrate a need for assistance.

(ii) 1. At least 15% of the amount distributed under subparagraph (i) of this paragraph shall be distributed to disadvantaged businesses.

2. The Authority shall prioritize providing grants to businesses that have not received prior funding from the Authority.

(13) (i) Subject to subparagraph (ii) of this paragraph, for purposes of the $10,000,000 authorized under paragraph (3) of this subsection for the Maryland Economic Development Assistance Authority and Fund (T00F00.23), the Authority shall provide funding to local governments to provide up to $25,000 grants to businesses that:

1. are primarily engaged in activities that, in accordance with the North American Industrial Classification System, would be included in Code 721110 (Hotels (except Casino Hotels) and Motels) or Code 721191 (Bed–and–Breakfast Inns); ~~and~~

*2. if a part of a franchise with multiple locations of businesses, are owned by a local franchisee; and*

~~2.~~ *3.* can demonstrate a need for assistance.

(ii) The Authority shall prioritize providing grants to businesses that have not received prior funding from the Authority.

(14) (i) ~~For~~ Subject to subparagraph (ii) of this paragraph, for purposes of the $10,000,000 authorized under paragraph (3) of this subsection for Neighborhood Revitalization (S00A24.01), the Department of Housing and Community Development shall provide grants to *live* ~~the 12 largest~~ entertainment venues ~~in the State.~~ or promoters of live performances.

(ii) The Department shall prioritize providing grants to *live* entertainment venues or promoters:

1. that closed or cancelled live performances due to capacity limitations in response to the pandemic; and

2. for which any previously received State or federal stimulus funds due to the size of the venue were not sufficient to cover the fixed–costs of the *live* entertainment venue or promoter.

(15) For purposes of the amount authorized under paragraph (3) of this subsection for the Maryland Small, Minority, and Women–Owned Businesses Account (T00F00.15), the amount shall be used as provided under § 5–1501 of the Economic Development Article.

(16) (i) Subject to subparagraph (ii) of this paragraph, for purposes of the amount authorized under paragraph (3) of this subsection for Workforce Development (P00G01.07), the Maryland Department of Labor shall distribute funds directly to local workforce development boards according to the same formula used to distribute fiscal year 2021 Federal Workforce Innovation and Opportunity Act adult funds to local workforce areas.

(ii) The local workforce development boards shall utilize the funds to engage, upskill, and connect residents to employment, including providing subsidized employment opportunities for the unemployed, youth (ages 16–24), *including through summer job programs*, adults, ex–offenders, and other populations who are in need of reemployment assistance.

(17) (i) For purposes of the amount authorized under paragraph (3) of this subsection for Technology Development, Transfer, and Commercialization (T50T01.01), the Maryland Technology Development Corporation~~, in consultation with the Maryland Agriculture and Resource–Based Industry Development Corporation,~~ shall provide grants to Maryland's rural and agricultural businesses.

(ii) For purposes of the amount authorized under paragraph (3) of this subsection for the Office of the Secretary (S00A20.01), the Secretary shall provide grants for rural broadband programs.

(iii) For purposes of the amount authorized under paragraph (3) of this subsection for the Maryland Agricultural and Resource–Based Industry Development Corporation (L00A12.20), the Corporation shall provide grants to rural and agricultural businesses.

(18) For purposes of the ~~$5,000,000~~ *$2,000,000* authorized under paragraph (3) of this subsection for Neighborhood Revitalization (S00A24.01), the Department of Housing and Community Development shall establish a grant program to help preserve the State's main street economies.

(19) For purposes of the ~~$3,000,000~~ *$500,000* authorized under paragraph (3) of this subsection for the Maryland Economic Development Assistance Authority and Fund (T00F00.23), the Authority shall provide grants to businesses ~~in distressed communities~~ to assist the businesses in setting up an online sales framework and offering employees telework opportunities.

(20) For purposes of the amount authorized under paragraph (3) of this subsection for the Maryland Tourism Development Board (T00G00.03), the Board shall use the amount authorized to market Maryland small businesses for tourism.

~~(21) For purposes of the $40,000,000 authorized under paragraph (3) of this subsection for the Office of Unemployment Insurance (P00H01.01), the Maryland Department of Labor shall provide a $1,000 grant to any individual whose unemployment benefits have been suspended, provided that the suspension is not related to an allegation of fraud.~~

(21) (i) For purposes of the ~~$40,000,000~~ *$32,000,000* authorized under paragraph (3) of this subsection for the Revenue Administration Division (E00A04.01), the Comptroller shall provide a $1,000 grant to any individual whose claim for unemployment benefits is pending a determination of eligibility and has been in adjudication for at least 30 days, except for a claim where the failure to determine eligibility is related to an allegation of fraud.

(ii) The Secretary of Labor shall send to the Comptroller:

1. by March 3, 2021, a list of all individuals eligible for a grant under subparagraph (i) of this paragraph as of February 28, 2021;

2. by April 5, 2021, a list of all individuals eligible for a grant under subparagraph (i) of this paragraph as of March 31, 2021;

3. by May 5, 2021, a list of all individuals eligible for a grant under subparagraph (i) of this paragraph as of April 30, 2021;

4. by June 3, 2021, a list of all individuals eligible for a grant under subparagraph (i) of this paragraph as of May 31, 2021;

5. by July 6, 2021, a list of all individuals eligible for a grant under subparagraph (i) of this paragraph as of June 30, 2021; and

6. any information necessary to distribute the grants under subparagraph (i) of this paragraph.

(iii) An individual may not receive more than one grant under subparagraph (i) of this paragraph.

(22) For purposes of the $3,000,000 authorized under paragraph (3) of this subsection for the Office of Unemployment Insurance (P00H01.01), the Maryland Department of Labor shall ~~hire additional caseworkers~~ *augment staffing* to assist Maryland residents with accessing unemployment insurance benefits.

(23) For purposes of the $1,000,000 authorized under paragraph (3) of this subsection for the Office of Unemployment Insurance (P00H01.01), the Maryland Department of Labor shall ~~increase workshare program participation with the goal of reaching at least 5% participation~~ contract with a professional marketing and communications firm to develop and implement a work sharing unemployment insurance marketing campaign.

(24) For purposes of the $8,000,000 authorized under paragraph (3) of this subsection for the Maryland Economic Development Assistance Authority and Fund (T00F00.23), the Authority shall assist ~~private commuter and shuttle bus operators, including entities that provide commuter and shuttle bus services contractually to governmental entities, with losses that are~~ *the following entities that have lost State or local funding as* a result of the COVID–19 pandemic*:*

*(i) private commuter and shuttle bus operators, including entities that provide commuter and shuttle bus services contractually to government entities; and*

*(ii) locally operated transit systems.*

(25) For purposes of the amount authorized under paragraph (3) of this subsection for Community Services (M00L01.02), the Maryland Department of Health shall*:*

*(i) provide grants of $5,000,000 to providers serving people directed to treatment under § 8–507 of the Health – General Article; and*

*(ii)* provide *grants of $15,000,000 for* mobile crisis and stand–alone walk–in crisis services for the treatment of community mental health and substance use disorders.

(26) *(i)* For purposes of the $14,000,000 authorized under paragraph (3) of this subsection for the Maryland Community Health Resource Commission (M00R01.03), the Commission shall provide grants to:

~~(i)~~ *1.* reduce health disparities;

~~(ii)~~ *2.* improve health outcomes;

~~(iii)~~ *3.* improve access to primary care;

~~(iv)~~ *4.* promote primary and secondary prevention services; and

~~(v)~~ *5.* reduce health care costs and hospital admissions and readmissions.

*(ii) The Maryland Community Health Resource Commission may retain any funds allocated under paragraph (3) of this subsection that remain unspent at the end of the fiscal year into fiscal year 2022.*

~~(27) For purposes of the $10,000,000 authorized under paragraph (3) of this subsection for the Office of Preparedness and Response (M00F06.01), the Office shall provide a grant to each county for vaccine outreach and training, provided that at least $1,500,000 shall be provided to the University of Maryland Baltimore Campus to assist with mobile vaccine administration.~~

~~(28) For purposes of the $1,000,000 authorized under paragraph (3) of this subsection for the Office of Preparedness and Response (M00F06.01), the Office shall provide outreach, recruitment, and training for individuals.~~

*(27) It is the intent of the General Assembly that the Governor allocate $1.5 million of federal vaccine funding to the University of Maryland Baltimore Campus to assist with mobile vaccine administration.*

~~(29)~~ *(28)* For purposes of the amount authorized under paragraph (3) of this subsection for Rental Services (S00A25.05), the Department of Housing and Community Development shall provide grants to pay for ~~housing debt or~~ up to 30 days of emergency housing.

~~(30)~~ *(29)* For purposes of the amount authorized under paragraph (3) of this subsection for the Administrative Office of the Courts (C00A00.06), the Office shall provide a grant to the Maryland Legal Services Corporation to pay for legal assistance for individuals facing eviction.

~~(31)~~ *(30)* For purposes of the amount authorized under paragraph (3) of this subsection for Aid to Community Colleges (R62I00.05) and Baltimore City Community College (R95C00), the Maryland Higher Education Commission shall increase the resources of community colleges to offer services to students or members of the community who are seeking training or other assistance to improve their job skills or reenter the workplace after losing a job or being otherwise negatively impacted by the pandemic. The funds should be allocated proportional to each college's share of total State aid provided under §§ 16–305 and 16–512 of the Education Article in fiscal year 2021.

~~(32)~~ *(31)* For purposes of the amount authorized under paragraph (3) of this subsection for the Juvenile Services Education Program (R00A01.15), the State Department of Education shall enhance the educational services provided to children in the Juvenile Services System.

*(32) For purposes of the amount authorized under paragraph (3) of this subsection for Disparity Grants (A15000.01), the funds shall be distributed as follows:*

*(i) $3,498,738 to Prince George's County;*

*(ii) $360,034 to Dorchester County; and*

*(iii) $1,141,228 to Wicomico County.*

(g) (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 General Fund of the State.

(h) Money expended from the Fund for any program or purpose is supplemental to and is not intended to take the place of funding that otherwise would be appropriated for the program or purpose.

(i) ~~(1)~~ On or before the second Wednesday after enactment of this Act and every 2 weeks thereafter, the Department of Budget and Management shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on:

~~(i)~~ (1) deposits into and distributions from the Fund; and

~~(ii)~~ (2) for each program listed under subsection (f)(3) of this section:

~~1.~~ (i) the amount distributed to the program;

~~2.~~ (ii) if available, the individuals or organizations that were served by the program;

~~3.~~ (iii) the amount spent or encumbered for the purposes of the program and any remaining balance in the Fund; and

~~4.~~ (iv) plans to allocate the remaining balance in the Fund.

~~(2) (i) On or before the second Wednesday after enactment of this Act and every 2 weeks thereafter, the State Department of Education shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, and to the Department of Budget and Management on:~~

~~1. distributions to each eligible school; and~~

~~2. for each item in Section 8 of this Act:~~

~~A. how the funds were used;~~

~~B. the number of students served by the funds disaggregated by income and racial demographics;~~

~~C. the amount encumbered; and~~

~~D. plans to use remaining funds.~~

~~(ii) The information provided under subparagraph (i) of this paragraph for public schools in each county may be aggregated for each county.~~

~~SECTION 8. AND BE IT FURTHER ENACTED, That, notwithstanding any other provision of law, on or before June 30, 2021, the Governor may process a budget amendment to transfer from the Blueprint for Maryland's Future Fund established under § 5–219 of the Education Article to the Blueprint for Maryland's Future Grant Program (R00A02.60) the following amounts for the following purposes:~~

~~(1) $50,000,000 to the county boards of education to provide 8 weeks of summer school or tutoring services during the summer, provided that the amounts shall be distributed proportional to the number of public school students who qualify for free or reduced–priced meals in the county as compared to the number of total public school students who qualify for free or reduced–priced meals in the State; and~~

~~(2) $50,000,000 to county boards of education to safely move toward delivering in–person education with priority given to special education students, students without reliable broadband service, and students who have shown a need for in–person education in order to succeed, and the amounts shall be distributed proportional to the number of public school students enrolled in the county as compared to the number of total public school students enrolled in the State.~~

~~SECTION 8. AND BE IT FURTHER ENACTED, That:~~

~~(a) (1) In this section the following words have the meanings indicated.~~

~~(2) "Eligible schools" includes:~~

~~(i) public schools in each county;~~

~~(ii) the Maryland School for the Deaf;~~

~~(iii) the Maryland School for the Blind;~~

~~(iv) the SEED School of Maryland; and~~

~~(v) nonpublic placement schools.~~

~~(3) "Students" includes students enrolled in:~~

~~(i) public schools in each county;~~

~~(ii) the Maryland School for the Deaf;~~

~~(iii) the Maryland School for the Blind;~~

~~(iv) the SEED School of Maryland; and~~

~~(v) nonpublic placement schools.~~

~~(b) Notwithstanding any other provision of law, on or before June 30, 2021, the Governor may process a budget amendment to transfer from The Blueprint for Maryland's Future Fund established under § 5–219 of the Education Article to The Blueprint for Maryland's Future Grant Program (R00A02.60) the following amounts for the following purposes:~~

~~(1) $50,000,000 to the State Department of Education to distribute to the eligible schools to provide 8 weeks of summer school or tutoring services during the summer for at least 25,000 students, provided that the amounts shall be distributed proportional to the number of students who qualify for free or reduced price meals in the eligible school as compared to the number of total students who qualify for free or reduced price meals in the State, and provided that the funds allocated to public schools shall be distributed by the Department to the county boards of education; and~~

~~(2) $50,000,000 to the State Department of Education to distribute to the eligible schools to safely move toward delivering in–person education with priority given to special education students, students without reliable broadband service, and students who have shown a need for in–person education in order to succeed, provided that the amounts shall be distributed proportional to the number of students enrolled in the eligible school as compared to the number of total students enrolled in the State, and provided that the funds allocated to public schools shall be distributed by the Department to the county boards of education.~~

~~(c) (1) On or before the second Wednesday after enactment of this Act and every 2 weeks thereafter, the State Department of Education shall report to the General Assembly, in accordance with § 2–1257 of the State Government Article, and to the Department of Budget and Management on:~~

~~(i) distributions to each eligible school; and~~

~~(ii) for each item in subsection (b) of this section:~~

~~1. how the funds were used;~~

~~2. the number of students served by the funds disaggregated by income and racial demographics;~~

~~3. the amount encumbered; and~~

~~4. plans to use remaining funds.~~

~~(2) The information provided under paragraph (1) of this subsection for public schools in each county may be aggregated for each county.~~

*SECTION 10. AND BE IT FURTHER ENACTED, That:*

*(a) (1) Notwithstanding any other provision of law, $23,000,000 from the money derived from the AltaGas Ltd. and WGL Holdings, Inc. merger approved by the Public Service Commission in Case No. 9449 Order No. 88631 on April 4, 2018, for the Maryland Gas Expansion Fund and deposited into the Maryland Strategic Energy Investment Fund established under § 9–20B–05 of the State Government Article may be expended only for utility arrearage assistance in fiscal 2021.*

*(2) The Governor is authorized to submit a budget amendment to appropriate the funds described under paragraph (1) of this subsection to the Public Service Commission.*

*(b) (1) Notwithstanding any other provision of law, $30,000,000 of funds in the Maryland Strategic Energy Investment Fund from among all the allocations of the Regional Greenhouse Gas Initiative revenue established under § 9–20B–05 of the State Government Article that are not already appropriated in fiscal 2021 may be expended only for utility arrears in fiscal 2021.*

*(2) The Governor is authorized to submit a budget amendment to appropriate the funds described under paragraph (1) of this subsection to the Public Service Commission.*

*(c) (1) Subject to paragraph (2) of this subsection, funds directed to utility arrearages programs under subsections (a) and (b) of this section shall be used for grants to electric and natural gas utilities, including cooperatives and municipal utilities.*

*(2) The fund shall be used in the following priority order:*

*(i) eliminate all arrearages for households that have qualified for Office of Home Energy Assistance benefits in the past 4 years;*

*(ii) eliminate all arrearages for residential special needs customers; and*

*(iii) eliminate the oldest arrearages.*

*SECTION 11. AND BE IT FURTHER ENACTED, That:*

*(a) In this section, "unrestricted fund balance" means all committed, unassigned, and "rainy day" funds, including rainy day funds reported by a county as restricted funds.*

*(b) Subject to subsection (c) of this section, the Comptroller may distribute to a county a grant from the Local Reserve Account established under § 2–606 of the Tax – General Article in an amount equal to the difference between a county's audited fiscal year 2021 unrestricted fund balance and the amount necessary to bring the unrestricted fund balance to 5% of the county's general fund revenues in fiscal year 2021.*

*(c) A county may not receive a grant under this section if federal legislation enacted after February 15, 2021, directs revenue in excess of 5% of general fund revenues to the county in federal fiscal 2021.*

SECTION ~~9.~~ *12.* AND BE IT FURTHER ENACTED, That it is the intent of the General Assembly that:

(1) to the extent practicable, funds authorized under Sections ~~7 and 8~~ *9 and 10* of this Act be distributed ~~equally~~ proportionally by population across the State; ~~and~~

(2) grants that are required to go to disadvantaged businesses under subparagraph (f)(11)(ii)1 and (12)(ii)1 of Section ~~7~~ *9* of this Act be distributed to businesses that qualify for investment capital and loans under § 5–1501 of the Economic Development Article; and

(3) if federal funds become available for any purpose authorized under Section ~~7 or 8~~ *9 or 10* of this Act, the federal funds shall be used to supplant and may not supplement the funds otherwise authorized under Section ~~7 or 8~~ *9 or 10* of this Act.

SECTION ~~10.~~ *13.* AND BE IT FURTHER ENACTED, That:

(a) The Comptroller shall perform a cash flow analysis of the Local Reserve Account established to comply with § 2–606 of the Tax – General Article, beginning with the April 30, 2021, distribution through the September 30, 2022, distribution to determine how much of the balance is needed to make income tax distributions to the local jurisdictions during this period and how much can be used to support COVID–19–related expenses.

(b) On or before April 1, 2021, the Comptroller shall report to the Senate Budget and Taxation Committee and the House Appropriations Committee, in accordance with § 2–1257 of the State Government Article, and the Maryland Association of Counties on the results of the cash flow analysis required under subsection (a) of this section.

*SECTION 14. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be applicable to all taxable years beginning after December 31, 2019.*

*SECTION 15. AND BE IT FURTHER ENACTED, That Section 3 of this Act shall apply prospectively only to computations of earned rates of contribution occurring on or after July 1, 2021.*

*SECTION 16. AND BE IT FURTHER ENACTED, That Section 4 of this Act shall be construed to apply only prospectively to bills for reimbursement or contributions and employment reports due on or after the effective date of this Act.*

SECTION ~~6.~~ ~~11.~~ *17.* AND BE IT FURTHER ENACTED, That, at the end of June 30, 2025, Section ~~2~~ *3* of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.

*SECTION 18. AND BE IT FURTHER ENACTED, That, at the end of June 30, 2023, Section 4 of this Act, with no further action required by the General Assembly, shall be abrogated and of no further force and effect.*

SECTION ~~7.~~ ~~12.~~ *19.* 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.

**Approved by the Governor, February 15, 2021.**