

SENATE BILL 517

K3, F5, Q3

8lr1155
CF HB 1226

By: **Senators Rosapepe, Astle, Benson, Conway, Currie, Feldman, Ferguson, Guzzone, Kagan, Kelley, Klausmeier, Lee, Madaleno, Manno, Mathias, McFadden, Middleton, Muse, Nathan–Pulliam, Oaks, Peters, Ramirez, Robinson, Smith, Young, and Zucker**

Introduced and read first time: January 29, 2018

Assigned to: Finance

Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 6, 2018

CHAPTER _____

1 AN ACT concerning

2 **Career Apprenticeship Investment Act**

3 FOR the purpose of requiring the Maryland 529 Board, beginning on a certain date, to
4 provide an option to account holders who participate in the Maryland Prepaid
5 College Trust, the Maryland College Investment Plan, or the Maryland
6 Broker–Dealer College Investment Plan to opt in to receiving information from
7 Maryland 529 regarding certain workforce development programs and
8 apprenticeship training programs; increasing the amount of a certain appropriation
9 that the Governor is required to provide in the annual budget to the Maryland
10 Higher Education Commission for Workforce Development Sequence Scholarships;
11 authorizing the Governor to include in the annual budget a certain additional
12 amount of funding to the Maryland Higher Education Commission for Workforce
13 Development Sequence Scholarships; requiring the Department of Labor, Licensing,
14 and Regulation to create a statewide media campaign to promote participation by
15 employers and students in career and technical education ~~and~~, apprenticeships, and
16 workforce development in workforce shortage occupations in the State; requiring the
17 Governor each fiscal year, subject to a certain limitation, to include in the State
18 budget at least a certain amount for the Department for the statewide media
19 campaign; establishing certain grant programs in the Department for certain
20 purposes; providing for the eligibility for certain grants based on certain regulations
21 adopted by the Secretary of Labor, Licensing, and Regulation; requiring the
22 Governor in certain fiscal years to include in the State budget at least certain

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 amounts to the Department for a certain grant program subject to certain
 2 limitations; requiring the Secretary to adopt regulations that provide for the
 3 administration, distribution, and oversight of certain grant programs; altering the
 4 formula for determining the maximum amount of the tax credit allowed against the
 5 State income tax for the first year of employment of an eligible apprentice; ~~repealing~~
 6 ~~the limit on the amount of certain tax credits that may be approved by the~~
 7 ~~Department for employment of certain apprentices;~~ requiring the Maryland 529
 8 Board, on or before a certain date, to enhance certain marketing efforts for a certain
 9 purpose; providing for the application of certain provisions of this Act; ~~repealing a~~
 10 ~~certain termination date;~~ providing for the effective dates of this Act; and generally
 11 relating to career and technical education and apprenticeships in the State.

12 BY adding to
 13 Article – Education
 14 Section 18–1905.2
 15 Annotated Code of Maryland
 16 (2014 Replacement Volume and 2017 Supplement)

17 BY repealing and reenacting, with amendments,
 18 Article – Education
 19 Section 18–3303
 20 Annotated Code of Maryland
 21 (2014 Replacement Volume and 2017 Supplement)

22 BY adding to
 23 Article – Labor and Employment
 24 Section 11–410
 25 Annotated Code of Maryland
 26 (2016 Replacement Volume and 2017 Supplement)

27 BY repealing and reenacting, with amendments,
 28 Article – Tax – General
 29 Section 10–742
 30 Annotated Code of Maryland
 31 (2016 Replacement Volume and 2017 Supplement)

32 ~~BY repealing and reenacting, with amendments,~~
 33 ~~Chapter 149 of the Acts of the General Assembly of 2017~~
 34 ~~Section 9~~

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

37 **Article – Education**

38 **18–1905.2.**

1 BEGINNING JULY 1, 2019, THE BOARD SHALL PROVIDE AN OPTION TO
2 ACCOUNT HOLDERS WHO PARTICIPATE IN THE TRUST, THE PLAN, OR THE
3 BROKER-DEALER PLAN TO OPT IN TO RECEIVING INFORMATION FROM THE
4 PROGRAM REGARDING APPROVED WORKFORCE DEVELOPMENT PROGRAMS AND
5 ~~APPROVED~~ REGISTERED APPRENTICESHIP TRAINING PROGRAMS IN THE STATE.

6 18-3303.

7 (a) An individual may apply to the Office for a scholarship under this section if
8 the individual is an eligible student.

9 (b) An eligible student who receives a Workforce Development Sequence
10 Scholarship under this subtitle may use the award for tuition, mandatory fees, and other
11 associated costs of attendance.

12 (c) The annual amount of a scholarship awarded to an eligible student may not
13 exceed \$2,000.

14 (d) **(1)** The Governor shall provide in the annual budget an appropriation of at
15 least ~~[\$1,000,000]~~ ~~\$3,000,000~~ to the Commission for the Workforce Development
16 Sequence Scholarship.

17 **(2)** IN ADDITION TO THE FUNDING REQUIRED UNDER PARAGRAPH (1)
18 OF THIS SUBSECTION, THE GOVERNOR MAY PROVIDE IN THE ANNUAL BUDGET AN
19 ADDITIONAL \$2,000,000 TO THE COMMISSION FOR THE WORKFORCE
20 DEVELOPMENT SEQUENCE SCHOLARSHIP.

21 **Article – Labor and Employment**

22 11-410.

23 (A) **(1)** THE DEPARTMENT SHALL CREATE A STATEWIDE MEDIA
24 CAMPAIGN TO PROMOTE PARTICIPATION BY EMPLOYERS AND STUDENTS IN CAREER
25 AND TECHNICAL EDUCATION ~~AND~~, APPRENTICESHIPS, AND WORKFORCE
26 DEVELOPMENT IN WORKFORCE SHORTAGE OCCUPATIONS IN THE STATE.

27 **(2)** SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, FOR EACH
28 FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AT LEAST
29 \$5,000,000 TO THE DEPARTMENT TO FUND THE STATEWIDE MEDIA CAMPAIGN
30 CREATED UNDER PARAGRAPH (1) OF THIS SUBSECTION.

31 (B) **(1)** THE FOLLOWING GRANT PROGRAMS ARE IN THE DEPARTMENT.

32 **(2)** (I) THERE IS A MATCHING GRANT PROGRAM TO ESTABLISH
33 LOCAL MEDIA CAMPAIGNS TO PROMOTE PARTICIPATION BY EMPLOYERS AND

1 ~~STUDENTS FOR CAREER AND TECHNICAL EDUCATION AND, APPRENTICESHIPS, AND~~
2 WORKFORCE DEVELOPMENT IN WORKFORCE SHORTAGE OCCUPATIONS IN LOCAL
3 JURISDICTIONS.

4 (II) LOCAL WORKFORCE BOARDS ARE ELIGIBLE TO RECEIVE
5 MATCHING GRANTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BASED ON
6 REGULATIONS ADOPTED BY THE SECRETARY.

7 (III) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, FOR
8 EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AT
9 LEAST \$3,000,000 TO THE DEPARTMENT TO FUND THE MATCHING GRANT PROGRAM
10 FOR LOCAL MEDIA CAMPAIGNS ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS
11 PARAGRAPH.

12 (3) (I) THERE IS A MATCHING GRANT PROGRAM THAT PROVIDES
13 GRANTS TO LOCAL GOVERNMENTS TO CREATE APPRENTICESHIPS FOR
14 HARD-TO-FILL LOCAL GOVERNMENT JOBS.

15 (II) LOCAL GOVERNMENTS ARE ELIGIBLE TO RECEIVE
16 MATCHING GRANTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BASED ON
17 REGULATIONS ADOPTED BY THE SECRETARY.

18 (III) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET, FOR
19 EACH FISCAL YEAR, THE GOVERNOR SHALL INCLUDE IN THE STATE BUDGET AT
20 LEAST \$1,000,000 TO THE DEPARTMENT TO FUND THE MATCHING GRANT PROGRAM
21 ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH.

22 (4) (I) THERE IS A GRANT PROGRAM IN THE DEPARTMENT THAT
23 PROVIDES GRANTS TO APPRENTICESHIP SPONSORS TO CREATE DEGREE
24 APPRENTICESHIPS IN WORKFORCE SHORTAGE EMPLOYMENT CATEGORIES,
25 INCLUDING:

- 26 1. CONSTRUCTION TRADES AND MANAGEMENT;
- 27 2. CHILD CARE MANAGEMENT;
- 28 3. CYBERSECURITY AND INFORMATION TECHNOLOGY;
- 29 AND
- 30 4. NURSING AND ALLIED HEALTH CENTERS.

31 (II) APPRENTICESHIP SPONSORS ARE ELIGIBLE TO RECEIVE
32 GRANTS UNDER SUBPARAGRAPH (I) OF THIS PARAGRAPH BASED ON REGULATIONS
33 ADOPTED BY THE SECRETARY.

1 (III) SUBJECT TO THE LIMITATIONS OF THE STATE BUDGET:

2 1. FOR FISCAL YEAR 2020, THE GOVERNOR SHALL
3 INCLUDE IN THE STATE BUDGET AT LEAST \$2,000,000 TO THE DEPARTMENT TO
4 FUND THE GRANT PROGRAM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS
5 PARAGRAPH;

6 2. FOR FISCAL YEAR 2021, THE GOVERNOR SHALL
7 INCLUDE IN THE STATE BUDGET AT LEAST \$2,000,000 TO THE DEPARTMENT TO
8 FUND THE GRANT PROGRAM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS
9 PARAGRAPH; AND

10 3. FOR FISCAL YEAR 2022, THE GOVERNOR SHALL
11 INCLUDE IN THE STATE BUDGET AT LEAST \$2,000,000 TO THE DEPARTMENT TO
12 FUND THE GRANT PROGRAM ESTABLISHED UNDER SUBPARAGRAPH (I) OF THIS
13 PARAGRAPH.

14 (5) THE SECRETARY SHALL ADOPT REGULATIONS THAT PROVIDE
15 FOR THE ADMINISTRATION, DISTRIBUTION, AND OVERSIGHT OF THE GRANT
16 PROGRAMS ESTABLISHED UNDER THIS SUBSECTION.

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

19 Article – Tax – General

20 10–742.

21 (a) In this section, “eligible apprentice” means an individual who:

22 (1) is enrolled in an apprenticeship training program registered with the
23 Maryland Apprenticeship and Training Council in accordance with § 11–405 of the Labor
24 and Employment Article; and

25 (2) has been employed by the taxpayer for at least 7 full months of the
26 taxable year.

27 (b) Subject to the limitations of this section, a taxpayer may claim a credit against
28 the State income tax for the first year of employment of an eligible apprentice.

29 (c) (1) For any taxable year, the credit allowed under this section may not
30 exceed the lesser of:

31 (i) \$1,000 for each eligible apprentice; [or]

1 **(II) \$2,000 FOR EACH ~~ELIGIBLE~~ YOUTH APPRENTICE WHO IS 16**
 2 **~~OR 17 YEARS OLD~~ IN A YOUTH APPRENTICESHIP REGISTERED WITH THE**
 3 **DEPARTMENT OF LABOR, LICENSING, AND REGULATION UNDER § 11-603 OF THE**
 4 **LABOR AND EMPLOYMENT ARTICLE; OR**

5 **[(ii)] (III)** the State income tax imposed for the taxable year
 6 calculated before the application of the credits allowed under this section and under §§
 7 10-701 and 10-701.1 of this subtitle but after the application of any other credit allowed
 8 under this subtitle.

9 (2) If the credit otherwise allowable under subsection (b) of this section
 10 exceeds the limit under paragraph (1) of this subsection, an individual may apply the excess
 11 as a credit against the State income tax for succeeding taxable years until the full amount
 12 of the excess is used.

13 ~~[(3)]~~ (3) For any taxable year, the total amount of credits approved by the
 14 Department of Labor, Licensing, and Regulation under this section may not exceed
 15 \$500,000.~~]~~

16 (d) A taxpayer claiming the credit allowed under this section shall attach to the
 17 taxpayer's return, for each eligible apprentice for which the credit is claimed, proof of:

18 (1) the enrollment of the eligible apprentice in a registered apprenticeship
 19 program; and

20 (2) the duration of the eligible apprentice's employment by the taxpayer.

21 (e) The Department of Labor, Licensing, and Regulation shall adopt regulations
 22 to:

23 (1) implement the provisions of this section; and

24 (2) specify criteria and procedures for application for, approval of, and
 25 monitoring continuing eligibility for the tax credit under this section.

26 ~~Chapter 149 of the Acts of 2017~~

27 ~~SECTION 9. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall take~~
 28 ~~effect July 1, 2017, and shall be applicable to all taxable years beginning after December~~
 29 ~~31, 2016[, but before January 1, 2020. It shall remain effective for a period of 3 years and,~~
 30 ~~at the end of June 30, 2020, with no further action required by the General Assembly,~~
 31 ~~Section 2 of this Act shall be abrogated and of no further force and effect].~~

32 SECTION 3. AND BE IT FURTHER ENACTED, That, on or before July 1, 2019, the
 33 Maryland 529 Board shall enhance the Program's marketing efforts to highlight the ability

1 to use college savings plans account proceeds for approved workforce development
2 programs and approved apprenticeship training programs in the State.

3 SECTION 4. AND BE IT FURTHER ENACTED, That Section 2 of this Act shall be
4 applicable to all taxable years beginning after December 31, 2017.

5 SECTION 5. AND BE IT FURTHER ENACTED, That Section 1 of this Act shall take
6 effect October 1, 2018.

7 SECTION 6. AND BE IT FURTHER ENACTED, That, except as provided in Section
8 5 of this Act, this Act shall take effect July 1, 2018.

Approved:

Governor.

President of the Senate.

Speaker of the House of Delegates.