

April 20, 2017

## LCRED committee divides on paid sick leave bill

*Party line vote sends the issue to the full Legislature for debate*

Unsurprisingly, the Joint Standing Committee on Labor, Commerce, Research and Economic Development (LCRED) has split along party lines, giving narrow approval to a proposal that would mandate large and small businesses in Maine provide some type of sick leave to their employees.

**LD 1159, *An Act To Support Healthy Workplaces and Healthy Families by Providing Paid Sick Leave to Certain Employees***, sponsored by Sen. Rebecca Millett (D-Cumberland), would allow full and part time workers at a business with more than 50 employees to accrue one hour of paid sick time for every 30 hours of work, up to a limit of 40 hours in a year. The employee would also be allowed to roll over up to 40 hours of unused leave into the next year, but again, the employer is allowed to cap leave used at 40 hours. The leave begins to accrue upon initiation of work, but the employee cannot use the leave until they have been employed at least 90 days.

The employee of an impacted business would be eligible to use the leave to take care of themselves or a sick family member, or if the employee or a member of the employee's family has been the victim of domestic abuse, sexual assault, or stalking. The employee may give oral or written notice of intent to use the leave, but the law doesn't indicate whether the notice is given before or after invoking their rights under this law. Similarly, the definition of "family" or "family member" is undefined.

In addition to requiring larger

employers provide *paid* sick time, small businesses with fewer than 50 workers would be required to provide *unpaid* sick leave to their workers in the same manner as described above.

The issue of providing mandatory paid sick leave to employees who currently do not get such a benefit has been discussed and debated by previous Maine legislatures. The last time the bill saw serious consideration was in 2010. In addition, the legislature considered legislation on the issue in 2004 and again in 2007. In each case, the Maine State Chamber of Commerce led a coalition of dozens of other business associations, opposing such a law as adding considerably to the cost of doing business here.

Many Maine employers already provide some form of paid leave, in the form of vacation, holiday or sick time. However, many businesses do not extend those benefits to part-time, temporary and seasonal workers. Requiring employers to provide these workers with paid leave is a significant departure from current practice. Under the proposal, part-time, seasonal, and temporary workers would accrue leave time.

In 2005, the Legislature considered LD 1044, *An Act to Care for Families*. Submitted by former Senate President Beth Edmonds, the bill proposed that employers in Maine be required to allow their employees to use any type of employer-provided paid time off in order to care for a sick family member. Working with the Senate President, as well as individuals from the Maine Women's Lobby and other

*Continued on Page 2...*

## Governor LePage nominates the Hon. Barry J. Hobbins to serve as Public Advocate

On Friday, April 14, Governor Paul R. LePage nominated the Hon. Barry J. Hobbins of Saco to serve as the Public Advocate, a position that represents the interests of Maine ratepayers in proceedings before the Maine Public Utilities Commission, including issues regarding electricity and natural gas prices. The Office of the Public Advocate also supports Mainers on matters related to telecommunications, including accessibility to broadband internet.

Hobbins, a lawyer in private practice for 39 years, has concentrated in telecommunications law, real estate, municipal and administrative law, land use planning, business and corporate law, criminal and family law.

A well-known and respected legislator, he was first elected in 1972 as the youngest member of the 106th Maine Legislature. He also served in the 114th Legislature, then the 122nd through 125th Legislatures. During his time in the Statehouse, he was a member of many legislative committees, including business legislation, labor and judiciary, and served as both House Chair and Senate Chair of the Joint Standing Committee on Energy, Utilities and Technology (EUT).

While serving on the EUT committee, he developed a thorough knowledge of energy issues and was in charge of overseeing the Office of the Public Advocate as it related to wholesale electricity markets, interstate electricity transmission and interstate gas transportation. He also became

*Continued on Page 2...*

## **Paid Sick Leave...** **(Continued from Page 1...)**

employee advocates, representatives of the Maine State Chamber developed compromise language that later became Public Law 2005, chapter 455. The 2005 law provided the following:

- ♦ Applied to employers with more than 25 employees;
- ♦ Defined immediate family members as the employee's child, spouse, or parent;

## **Public Advocate...** **(Continued from Page 1...)**

familiar with the workings of the Federal Communications Commission, which regulates interstate communications of radio, television, satellite and cable systems.

A lifelong resident of Saco, Hobbins is a graduate of Thornton Academy. He earned a B.A. degree from University Maine Orono and his law degree from the Franklin Pierce Law Center, now known as the New Hampshire School of Law.

"Thanks to the misguided energy policies of the past that have been thrust upon us by wealthy special interests, Mainers are now burdened with the 11th highest energy prices in the nation. The high cost of doing business in Maine, especially in our high-tech, agricultural, manufacturing and forest products industries, is a huge jobs killer," said Governor LePage. "We must have a public advocate who understands the challenges companies are facing because of high energy prices and who is strongly dedicated to helping Maine compete for good-paying jobs in the domestic and global markets." □

- ♦ Allowed the employer to cap the amount of leave an employee may use for this purpose at 40 hours in a 12-month period;
- ♦ Prohibited the employee to use any paid leave for this purpose unless leave has actually been earned;
- ♦ Gave the employee a choice of which type of paid leave to use, if they receive more than one type of paid leave – however, the employer is free to adopt a *uniform* employment policy governing which leave is to be used under this section of the bill;
- ♦ Required the employee using this leave to provide notice or verification of illness to the employer, as long as they also require such notice due to the employee's own illness; and,
- ♦ Allowed the employee to take the leave for any illness suffered by the immediate family member as they themselves may take in the case of their own illness.

With the enactment of Chapter 455, Maine became one of the first states in the country to allow employees the use of their paid leave in such a flexible manner. Others have followed suit since then.

Adding mandated paid sick leave will not only increase the bottom line costs of many businesses due to increased paid time off, but it will also add to the very cumbersome tracking requirements to calculate leave for full and part-time employees, as well as tracking the utilization of that leave time. The tracking of this leave time, particularly for seasonal and temporary workers, will be complicated and expensive. Currently, only five states – California, New York, Massachusetts, Oregon and Connecticut – mandate such leave, making multi-state employers with

operations here in Maine responsible for establishing a separate tracking system just for their Maine operations. Once again, we will be making it more expensive to do business here than in our competitor states.

The majority report of the committee makes amendments to the original language as proposed. First, it clarifies that if a company offers their employees leave through a paid time off (PTO) format, they do not need to add additional leave time to their plans. Second, the amendment clarifies that employers are not required to "cash out" any unused leave at the time an employee leaves, is terminated, or resigns.

Despite these changes, businesses' resources are limited, and they will absolutely not be able to simply absorb the costs associated with this bill. This is particularly true in light of the recently approved minimum wage increase, the 3% tax surcharge for education funding – both approved by referendum last fall – and the recent, significant increases in health insurance premiums experienced by many Maine small businesses. Therefore, their options are less than desirable in this current economic reality: Should they eliminate or reduce other forms of leave currently, and voluntarily, provided to workers; reduce costs in other benefit areas, like employer contributions to health care premiums; put off creating a new job or returning a laid-off worker to work; or, lay off employees to cover their costs?

The Maine State Chamber will continue to follow and oppose this bill as it moves through the House and Senate. We will keep chamber members apprised as to the bill's status in the process. For additional information or questions, please contact Peter Gore by calling (207) 623-4568, ext. 107, or by emailing [pgore@mainechamber.org](mailto:pgore@mainechamber.org). □

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**About the Maine State Chamber of Commerce:** Since 1889, the Maine State Chamber has been fighting to lower your cost of doing business. Through our Grassroots Action Network and OneVoice program, we work with a network of approximately 5,000 companies statewide who see the value in such a service and provide the financial support that keeps our access, advocacy, and assistance efforts going strong. As Maine's Chamber, we make sure that the business environment of the state continues to thrive. The Maine State Chamber of Commerce advocates on behalf of their interests before the legislature and regulatory agencies and through conferences, seminars, and affiliated programs.

# Public Hearings

Public hearings are open to everyone. This public hearing schedule is subject to change. Questions may be directed to the Secretary of the Senate's Office at (207) 287-1540. For the most current schedule, please visit <http://legislature.maine.gov/lia/committee-membership/9089/> or contact the committee clerk.

## MONDAY, APRIL 24, 2017

### Labor, Commerce, Research and Economic Development

#### 10:00 a.m.; Cross Building, Room 208

**LD 1464**, An Act Regarding Unemployment Compensation for Full-time Seasonal Workers (Sen. Volk of Cumberland)

### Taxation

#### 1:00 p.m.; State House, Room 127

**LD 621**, An Act To Retain Professionals and Attract Professionals to Maine by Amending Maine's Income Tax Code (Rep. Tipping of Orono)

**LD 783**, An Act Regarding Business Income Tax (Rep. Stewart of Presque Isle)

**LD 1317**, An Act To Encourage Family-friendly Businesses through a Tax Credit for Child Care (Rep. Herbig of Belfast)

## TUESDAY, APRIL 25, 2017

### Education and Cultural Affairs

#### 1:00 p.m.; Cross Building, Room 202

**LD 1228**, An Act To Ensure That Charter School Students Have Access to Extracurricular Activities (Rep. Pouliot of Augusta)

### Energy, Utilities and Technology

#### 1:00 p.m.; Cross Building, Room 211

**LD 260**, An Act To Create the Maine Energy Office (Rep. Fredette of Newport)

**LD 1342**, An Act Regarding Grid-scale Wind Energy Development (Sen. Dion of Cumberland)

### Insurance and Financial Services

#### 1:00 p.m.; Cross Building, Room 220

**LD 1417**, An Act To Require Insurance Coverage for the Diagnosis and Treatment of Lyme Disease (Rep. Fredette of Newport)

### Taxation

#### 1:00 p.m.; State House, Room 127

**LD 1283**, An Act To Modernize the Mining Excise Tax (Sen. Saviello of Franklin)

## WEDNESDAY, APRIL 26, 2017

### Education and Cultural Affairs

#### 9:00 a.m.; Cross Building, Room 202

**LD 1297**, An Act To Set Standards in the System of Learning Results for Financial Literacy (Rep. Pouliot of Augusta)

### Energy, Utilities and Technology

#### 10:30 a.m.; Cross Building, Room 211

**LD 1372**, An Act To Increase Broadband Access for Rural Communities (Rep. Herbig of Belfast)

**LD 1399**, An Act To Encourage Broadband Coverage in Rural Maine (Sen. Bellows of Kennebec)

**LD 1472**, An Act To Lower the Costs of Broadband Service by Coordinating the Installation of Broadband Infrastructure (Rep. McLean of Gorham)

### Taxation

#### 1:00 p.m.; State House, Room 127

**LD 1172**, An Act To Repeal the Maine Personal Property Tax (Sen. Cushing of Penobscot)

**LD 1195**, An Act To Allow Municipalities To Opt Out of the Collection and Assessment of Personal Property Taxes (Rep. Cebra of Naples)

**LD 1270**, An Act To Allow Municipalities To Include Itemized Fees on Property Tax Bills (Rep. Moonen of Portland)

**LD 1338**, An Act To Create and Sustain Jobs through Development of Cooperatives and Employee-owned Businesses (Rep. Grohman of Biddeford)

**LD 1479**, An Act To Modernize and Improve Maine's Property Tax System (Rep. Stanley of Medway)

## THURSDAY, APRIL 27, 2017

### Education and Cultural Affairs

#### 1:00 p.m.; Cross Building, Room 202

**LD 1416**, An Act To Amend High School Diploma Standards (Rep. Sampson of Alfred)

### Energy, Utilities and Technology

#### 2:00 p.m.; Cross Building, Room 211

**LD 1124**, An Act To Promote the Development of Solar Energy in Maine (Sen. Breen of Cumberland)

**LD 1444**, An Act Regarding Large-scale Community Solar Procurement (Sen. Woodsome of York)

### Environment and Natural Resources

#### 1:00 p.m.; Cross Building, Room 216

**LD 1235**, An Act Concerning Pavement Sealing Products (Rep. Daughtry of Brunswick)

**LD 1298**, An Act To Update Maine's Water Quality Standards (Rep. Harlow of Portland)

### Taxation

#### 1:00 p.m.; State House, Room 127

**LD 708**, An Act To Use Taxes on Nonmedical Marijuana and Increase the Tax on Cigarettes To Partially Offset the 3% Income Tax Surcharge (Rep. Denno of Cumberland)

**LD 936**, An Act To Modernize and Simplify the Tax Code (Rep. Harvell of Farmington)

**LD 959**, An Act To Expand Property Tax Relief for Maine Residents (Sen. Chenette of York)

**LD 1276**, An Act To Change the Exemption Amount under the Estate Tax (Rep. Brooks of Lewiston)

**LD 1285**, An Act To Tax Political Expenditures Made Immediately before an Election (Sen. Saviello of Franklin)

## MONDAY, MAY 1, 2017

### Environment and Natural Resources

#### 1:00 p.m.; Cross Building, Room 216

**LD 1453**, An Act To Regulate Hydraulic Fracturing To Prevent Threats to Maine's Drinking Water (Rep. Martin of Eagle Lake)

## THURSDAY, MAY 4, 2017

### Energy, Utilities and Technology

#### 1:00 p.m.; Cross Building, Room 211

**LD 1373**, An Act To Protect and Expand Access to Solar Power in Maine (Rep. Berry of Bowdoinham)

### Insurance and Financial Services

#### 1:00 p.m.; Cross Building, Room 220

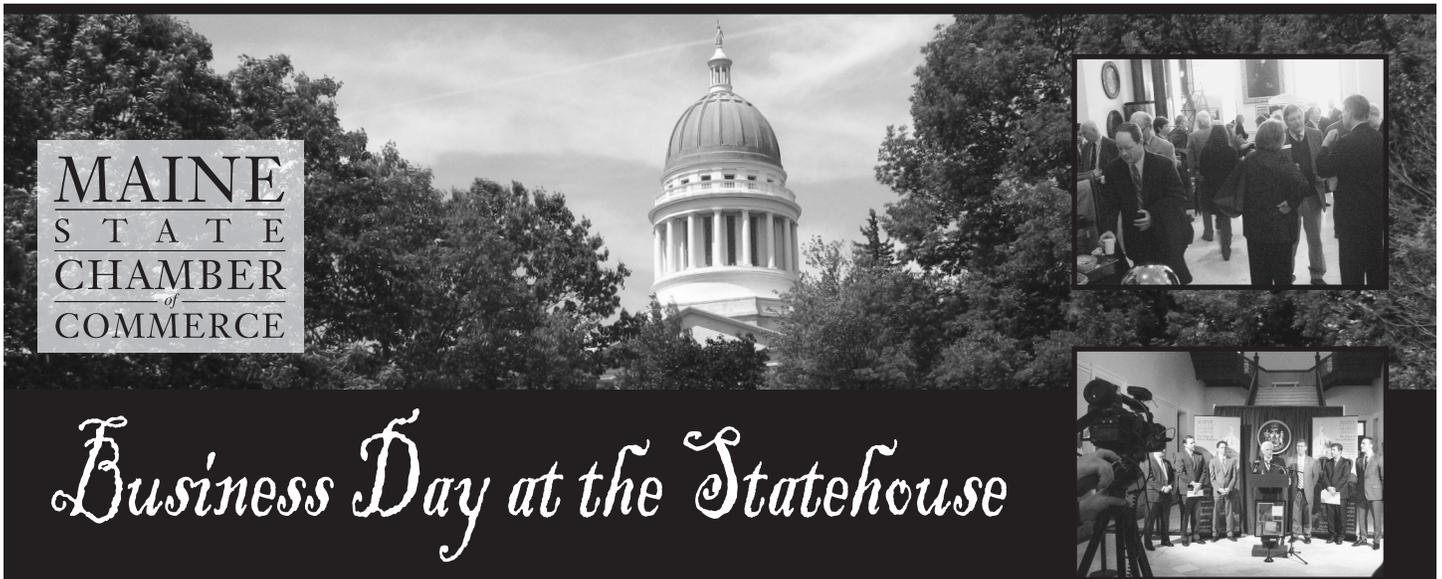
**LD 1274**, An Act To Promote Universal Health Care, Including Dental, Vision and Hearing Care (Rep. Brooks of Lewiston) □

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**Thursday, May 11 ♦ 8:00 a.m. to Noon ♦ Statehouse Hall of Flags**

The Maine State Chamber is hosting its annual Business Day at the Statehouse on Thursday, May 11, 2017, from 8:00 a.m. to 12:00 p.m. in the Hall of Flags (Statehouse, Second Floor).

**For more information or to RSVP**, please contact Linda Caprara, senior government relations specialist / director of grassroots advocacy, by calling (207) 623-4568, ext. 106, or by emailing [lcaprara@mainechamber.org](mailto:lcaprara@mainechamber.org). With your participation, the “Voice of Maine Business” will resonate throughout Augusta!

