



# 132nd MAINE LEGISLATURE

LD 2101

LR 2689(01)

## An Act to Establish a Monetary Penalty for Employers Whose Unemployment Payment Is Returned Unpaid

### Preliminary Fiscal Impact Statement for Original Bill

Sponsor: Rep. Roeder of Bangor

Committee: Labor

Fiscal Note Required: Yes

### Preliminary Fiscal Impact Statement

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
<b>Appropriations/Allocations</b>				
Other Special Revenue Funds	\$0	\$7,000	\$7,000	\$7,000
<b>Revenue</b>				
Other Special Revenue Funds	\$0	\$8,750	\$8,750	\$8,570

#### Fiscal Detail and Notes

This bill provides that if a payment made under the Employment Security Law is returned for any reason (such as for insufficient funds), the Commissioner of Labor must assess a penalty equal to \$25 or 1% of the payment amount, whichever is greater. The Department of Labor (department) would require an allocation of \$7,000 for the payment of bank fees charged for returned payments. The department processes approximately 350 returned payments per year, averaging about \$360 per payment. This fiscal note assumes that a \$25 penalty will be greater than 1% of each returned payment, given that 1% of the average returned payment is about \$3.60. The department is expected to collect approximately \$8,750 in returned payment penalties each year, of which \$20 per payment, or approximately \$7,000 each year, will be paid directly to the bank used by the department for collecting payments made under the Employment Security Law.