



132nd MAINE LEGISLATURE

LD 2101

LR 2689(03)

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

**Fiscal Note for Bill as Engrossed with:
C "A" (H-870)
Committee: Labor**

Fiscal Note

	FY 2025-26	FY 2026-27	Projections FY 2027-28	Projections FY 2028-29
Appropriations/Allocations				
Other Special Revenue Funds	\$0	\$7,000	\$7,000	\$7,000
Revenue				
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 bill allocates \$7,000 to the Department of Labor (department) 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.