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Testimony of Mike Roland, Bureau of Labor Standards Maine Department of Labor

Neither For Nor Against LD #741

To the Joint Standing Committee on Labor and Housing Public Hearing, March 21, 2023

Good afternoon, Senator Tipping, Representative Roeder, and members of the Joint Standing Committee on Labor and Housing. I'm Mike Roland, Director of the Bureau of Labor Standards at the Maine Department of Labor. I'm here today to testify neither for nor against LD 741, An Act to Prohibit Training Repayment Agreements by Employers.

This bill would create a new statutory section prohibiting employers from requiring financial reimbursement for training costs. The Department understands and appreciates the purpose behind this bill but has some technical concerns about it.

First, while the proposed statute would prohibit employers from *requiring* such an agreement, it does *permit* such an agreement (presumably voluntary) to be made between an employer and employee. Other statutes in Chapter 7 prohibit both, and the contrast might prevent the new statute from having its desired effect.

Another concern is that there is no penalty included in the new section that would enable effective enforcement. We note that section 600-A (which would be its neighboring statute) and several other sections depend for such enforcement on section 626-A, which enables penalties and remedies including interest, attorney's fees and liquidated damages. New section 600-B could be brought under section 626-A for purposes of enforcement with a simple amendment to the latter.

Lastly, our existing section 629 regarding Unfair Agreements contains language that may in some cases already prohibit some or many of the actions that LD 741 seeks to prohibit. Language could be added to the former that would ensure achievement of the purpose of the latter, with the additional benefit of current inclusion in coverage by section 626-A regarding penalties and remedies.

Thank you for your time and attention. I would be happy to answer any questions you may have now or at a future work session.

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