

Testimony of Jake Lachance

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Before the Joint Standing Committee on Labor and Housing

In Opposition to LD 372 "An Act to Increase Enforcement and Accountability for Wage and Hour Violations"

Sen. Tipping, Rep. Roeder, and members of the Joint Standing Committee on Labor and Housing, my name is Jake Lachance, and I am a Government Relations Specialist for the Maine State Chamber of Commerce, which advocates for over 5,000 large and small businesses across the State of Maine. I am here to give testimony in opposition to LD 372 "An Act to Increase Enforcement and Accountability for Wage and Hour Violations".

This bill acts as an additional measure to current wage and hour law violations, by introducing the Department of Labor and the Office of the Attorney General as an additional party regarding the collection on claims and the recovery of damages. In current law, the private right of action already exists for employees, and introducing the Department of Labor and the Office of the Attorney General is an unnecessary redundancy. It is the opinion of the Chamber that if the Department of Labor and Office of the Attorney General initiates an action on behalf of an employee, the employee should be prohibited from also pursuing a private right of action. In effect, an employee should not have the opportunity to recover unpaid wages, liquidated damages and interest twice for the same violations.

I would also like to provide the committee with some statistics, all of which were found on the Department of Labor website.

- In 2021, 31 businesses were found to be in violation of Labor Standards under Wage and Hour Law
- In 2022, 16 businesses were found to be in violation, but only 3 businesses were the same as 2021.
- In 2023, 11 businesses were found to be in violation, none of those businesses were the same as 2022.
- There was no recidivism in 2023 from the 2021 businesses found in violation.

The Chamber also has significant issues with the expanded subchapters to include all of Chapter 7 and Chapter 15. The expansion into Chapter 7 would include subchapter 6-C which is Paid Family and Medical Leave. It would be a disservice to the current rulemaking process the DOL is undertaking to include a subchapter that has not been cemented into law and furthermore puts the employer at a disadvantage to penalize them for a provision which has not been finalized.

The Chamber feels as though these statistics are proof that the current system is working the way it is intended, the goal being for less and less businesses being found in violation of Wage and Hour Laws and proves that the presumption of bad actors is in fact decreasing. It is for these reasons that the Chamber urges committee members to oppose this legislation.