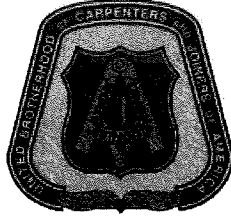# NORTH ATLANTIC STATES REGIONAL COUNCIL OF CARPENTERS
United Brotherhood of Carpenters and Joiners of America
Locals 349 & 352

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Maine   New Hampshire   Vermont
John M. Leavitt
Business Manager-Clean Energy Development

February 6, 2024
Committee on Labor and Housing

Chair Sen Michael Tipping	Rep Amy Roeder Chair	Rep Joe Galletta	Rep Marc Malon
Sen Matthea Daughty	Rep Dick Bradstreet	Rep Valli Geiger	Rep Ronald Russell
Sen Matthew Pouliot	Rep Gary Drinkwater	Rep Traci Gere	Rep Charles Skold
			Rep Mike Soboleski

LD 2184 Resolve, Regarding Legislative Review of Chapter 9: Rules Governing Administrative Civil Money Penalties for Labor Law Violations, a Major Substantive Rule of the Department of Labor, Bureau of Standards

Senator Tipping, Representative Roeder, and Members of the Committee,

My name is John Leavitt, I am the Manager of Carpenter Locals 349 & 352.
Please accept this testimony in support of LD 2184 as I believe this is a great loss of tax revenue for the state and a disservice to legitimate contractors trying to compete in the state.

We have lobbied for many years to pass legislation to address tax fraud/misclassification of employees in the state. We passed stop work order and several executive orders through various Governors:

2000: Gov King suggested amnesty for all who came on board by a specific moratorium date.
2005: Harvard University which proved 18% misclassification of employees.
2007: ME DOL Study proved 49% misclassification of employees.
2009: Gov Baldacci Executive Order to establish Misclassification Task Force-where DOL, UI, and WC work together on enforcement.
2011: Gov LePage abolish Task Force
2013: Predetermination of Independent Contractor with WC Director Paul Sighnpolfi
2016: 60% misclassification
2024: ?

Yet the issues of misclassification of employees continues to grow. This proposal simplifies the enforcement process and can propose a meaningful fine to clean up our industry and allow fair competition through the bid/award process.
I/we can provide many examples of tax fraud which have not been addressed due to various department guidelines, communication between departments, understaffed, etc. I believe the fines collected will fund the state to hire more inspectors and allow the departments to run more efficiently.

I urge you to support LD 2184, I am happy to answer any questions and attend any workshops, etc
Thank you for your time,
John Leavitt