

**Testimony of Jake Lachance**

**Government Relations Specialist**

**Maine State Chamber of Commerce**

**Before the Joint Standing Committee on Labor**

**In Opposition to LD 598 “An Act to Require Minimum Pay for Reporting to Work”**

Sen. Tipping, Rep. Roeder, and members of the Joint Standing Committee on Labor, 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. Thank you for the opportunity to testify in respectful opposition to LD 598, “An Act to Require Minimum Pay for Reporting to Work.”

While we appreciate the intent behind this legislation—to ensure fairness and predictability for employees—we are deeply concerned about the unintended consequences this bill would have on Maine’s small business community. For many local businesses, this bill represents yet another proposed piece of legislation that increases costs and limits operational flexibility at a time when many are still struggling to recover from economic uncertainty and workforce shortages.

**Disproportionate Impact on Small Businesses**

LD 598 applies to employers with just 10 employees—casting a wide net that ensnares many small, locally-owned businesses. These businesses often lack the sophisticated scheduling software and administrative staff needed to manage complex compliance requirements and they cannot absorb additional costs as easily, and each new mandate represents a very real financial strain.

Even paying two hours of wages for canceled shifts—regardless of cause or business necessity—can compound over time, especially for retail, hospitality, and food service sectors that deal with last-minute cancellations, fluctuations in customer traffic, or uncontrollable staffing issues.

**A One-Size-Fits-All Approach Doesn’t Work for Maine**

Maine’s business landscape is diverse, with seasonal tourism, part-time specialties, and regionally unique operating models. LD 598 assumes all businesses function the same way and can predict their staffing needs with certainty. This simply isn’t true for businesses that are reactive by nature—whether it’s due to customer flow, supply chain issues, or infinite amount of situations that would be impossible to gameplan for.

A rigid statewide policy like this does not reflect the local nuance needed to support responsible business practices while still respecting workers. Businesses that already treat their employees fairly shouldn’t be penalized or restricted in the name of uniformity.

**An Added Cost in an Already Challenging Economic Climate**

This legislation adds yet another layer of financial pressure to an already heavily regulated and taxed business environment. From rising minimum wage requirements to increased energy costs and supply expenses, Maine’s small business community is being stretched thin. LD 598 creates an additional financial penalty for circumstances often beyond a business owner’s control.

The bill may unintentionally encourage businesses to reduce overall staff, cut hours across the board, or avoid hiring in the first place to minimize liability—all outcomes that hurt the very workers this bill aims to protect.

The Chamber also seeks clarification for section 3 of the proposed legislation:

***3. Notice. An employer that makes a documented good faith effort to notify an employee not to report to work is not liable to pay wages under subsection 2. If the employee reports to work after the employer's attempt to notify the employee has been unsuccessful or if the employer is prevented from making notification for any reason, the employee shall perform whatever duties are assigned by the employer at the time the employee reports to work, as long as the employee is physically able to perform those duties.***

It is unclear what the employer's responsibility is under this section. Is it that if an employee still shows up for work, they can still have them work and must pay them? If the employee still shows up but the employer sends them home, do they have to pay them for 2 hours? Guidance on the practical nature of this paragraph would clarify the intent behind it.

In closing, LD 598, while well-intentioned, would result in increased costs, limited flexibility, and another compliance hurdle for Maine's job creators, especially the smallest among them. We urge the Committee to consider more targeted, flexible solutions that support both employee well-being and the sustainability of Maine's small businesses.

Thank you for your time and consideration and I am happy to answer any questions you may have.