



HOUSE OF REPRESENTATIVES

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April 17, 2025

Testimony of Rep. Tiffany Roberts presenting

LD 1392, An Act to Limit the Applicability of the Laws Regulating Payroll Processors to Services Provided by Payroll Processors to Employers with a Legal Address in the State

Before the Joint Standing Committee on Health Coverage, Insurance and Financial Services

Senator Bailey, Representative Mathieson, and Esteemed Members of the Joint Standing Committee on Health Coverage, Insurance and Financial Services:

I am Representative Tiffany Roberts, and I represent House District 149, which includes parts of North and South Berwick. Thank you for the opportunity to present LD 1392, a bill to bring clarity and fairness to the regulatory framework that governs payroll processors—particularly as it relates to the rapidly evolving world of remote work.

The question at the heart of LD 1392 is this: should a payroll processor located outside of Maine, serving a business that is also located outside of Maine, be required to obtain a Maine license solely because one of that business's employees is located here?

Right now, the answer to that question is unclear. And in the absence of clear statutory language, businesses, payroll providers, and regulators alike are left with uncertainty.

LD 1392 resolves that ambiguity and makes a simple but important clarification—it specifies that Maine's licensing laws apply only to payroll services provided to *employers* with a legal address in Maine. It does not extend those requirements to processors who are only serving *workers* who happen to reside here.

As the sponsor of this bill, I've heard directly from small, independent payroll providers who are struggling to navigate this uncertainty. These are businesses that want to do the right thing—but when they process payroll for an out-of-state business that suddenly hires a remote employee in Maine, they are left wondering whether they now need to go through a robust new licensure process in a matter of days.

It's important to recognize the growing prevalence of remote work in our economy. Many people live in Maine while working remotely for employers in New York, Massachusetts, or even California. LD 1392 acknowledges that reality and ensures that our state's laws don't unintentionally create regulatory burdens for out-of-state businesses or discourage them from employing Maine workers.

LD 1392 is a common-sense and narrowly tailored fix. It provides clarity, supports modern employment practices, and ensures that Maine's regulations remain fair, enforceable, and focused on our in-state business community.

I respectfully urge the Committee to support this bill and move it forward. I'm happy to answer any questions you may have. Thank you.