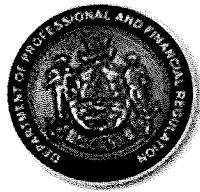




STATE OF MAINE
DEPARTMENT OF PROFESSIONAL &
FINANCIAL REGULATION BUREAU OF CONSUMER
CREDIT PROTECTION



Janet T. Mills
Governor

Linda Conti
Superintendent

Joan F. Cohen
Commissioner

**Testimony of Linda Conti
Superintendent
Bureau of Consumer Credit Protection
Department of Professional and Financial Regulations
Neither for nor Against LD 1392**

“An Act to Require Remittance Fees for Money Transmissions”

**Before the Committee on Health Coverage, Insurance and Financial
Services**

Thursday, April 17, 2025; 1:00 P.M.

Senator Bailey, Representative Mathieson and Members of the Committee on Health Coverage, Insurance and Financial Services, I am Linda Conti and I serve as the Superintendent of the Bureau of Consumer Credit Protection (BCCP).

This bill amends the definition of “Employer” in 10 MRS § 1495 (1) of the payroll processor statute. The changes the definition from applying to “a person that maintains an office or otherwise transacts business” in Maine to “a person that maintains a legal address in this state”. It further defines “legal address” as the address that the employer uses with the United States Internal Revenue Service. The impact of this change will be to reduce the number of businesses that need to obtain licenses as payroll processors in the state of Maine.

Currently, payroll processors with out-of-state employer clients that have a single Maine employee who lives in Maine on their payroll must obtain a license from BCCP. Under the proposed amendment, businesses that would otherwise qualify as payroll processors under Title 10 § 1495 for clients headquartered outside of Maine with Maine employees would not have to obtain payroll processor licenses, even if they are processing payroll and handling income withholding tax payments for Maine residents.

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The current definition of employer found in 10 M.R.S. § 1495(1) appears to be taken from Title 36 which is Maine's tax code. For purposes of income tax withholding, 36 M.R.S. § 5250 applies to "every employer maintaining an office or transacting business in this state. Making these definitions inconsistent could cause confusion as MRS does not accept filings from entities that are not registered with BCCP.

Finally, entities that register as payroll processors in Maine are exempt from money transmission licensing. Depending on the business model, some payroll companies that do business in Maine but do not obtain a payroll processor registration could be subject to state money transmission laws.

Thank you for your time and I would be happy to answer any questions now or at the work session.