HOUSE OF REPRESENTATIVES



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Senator Tipping, Representative Roeder, and my fellow colleagues of the Labor Committee, I am here today to present LD 1169 "An Act Regarding Employer Payments for the Paid Family and Medical Leave Benefits Program."

I am pleased to bring forward this bill, which focuses on fairness and supporting Maine's employers who've gone the extra mile for their employees. Many businesses in our state have taken the initiative to establish private family and medical leave plans well before the state program was implemented. These employers have demonstrated leadership and a genuine commitment to their workers, and they deserve to be treated fairly.

This bill ensures that employers who had private plans in place by January 1, 2025, can receive a refund for the premiums they paid into the state program while waiting for their plans to be approved. It's only right—if a business has already met or exceeded the requirements of the state program, they shouldn't be financially penalized for their efforts.

Moreover, this bill aligns with constitutional principles, specifically those enshrined in the Takings Clause of the Fifth Amendment to the U.S. Constitution. The Takings Clause prohibits the government from taking private property for public use without just compensation. Requiring businesses to pay into the state program while simultaneously funding their own qualifying private plans amounts to taking funds without proper restitution. Such a practice risks being perceived as "taxation without representation," which stands in direct conflict with the constitutional protections afforded to all. This legislation safeguards businesses from such unconstitutional overreach and ensures fairness in how the Paid Family and Medical Leave program is administered.

The refund process is straightforward and efficient. Employers will have access to a user-friendly form, and the Department of Labor will process refunds—including interest—within a reasonable timeframe. By simplifying this process, we aim to make it easy for businesses to get back what they're owed.

This legislation goes beyond refunds—it fosters a spirit of collaboration and trust between the state and Maine's business community. It acknowledges the value of employers who take care of their teams and reinforces the idea that the state is a partner, not a roadblock.

I believe this bill strikes a fair balance by rewarding initiative and promoting equity. It's a step toward building stronger partnerships between the state and employers while ensuring that Maine remains a great place to live and work. For these reasons, I strongly urge support for this bill.

Sincerely,

Michael A. Soboleski

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State Representative