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April 16, 2025

Senator Mike Tipping, Chair Representative Amy Roeder, Chair Members of the Labor Committee

RE: Testimony in OPPOSITION to LD 1587, An Act to Establish Greater Alignment of Penalties for Certain Labor Law Violations

Dear Senator Tipping, Representative Roeder and members of the Labor Committee:

The Maine Grocers & Food Producers Association and the Retail Association of Maine are providing joint testimony in opposition to LD 1587, An Act to Establish Greater Alignment of Penalties for Certain Labor Law Violations. Our business trade associations represent Main Street businesses including independently owned and operated grocery stores and supermarkets, general merchandise and specialty retailers, convenience stores, distributors, and supporting partners — together representing more than 450 members statewide. Maine's retail sector employs more than 85,000 Mainers.

While I understand the intent to ensure consistency across labor law enforcement, this bill would further increase penalties at a time when Maine has already taken significant steps to strengthen labor law enforcement. The need for this bill, in our view, is unwarranted and would unnecessarily raise the cost and complexity of doing business in our state.

In 2024, Maine implemented a robust set of changes to increase labor law compliance. These included:

- Substantially higher fines for wage and hour violations, with increases based on employer size and severity of the infraction.
- A shift by the Bureau of Labor Standards (BLS) toward "strategic enforcement," enabling proactive investigations and audits—even in the absence of formal complaints.

These reforms reflect a clear and comprehensive policy shift toward stronger enforcement. Before layering on additional penalties, the state should evaluate the impact and effectiveness of these new tools.

LD 1587, by aligning and often increasing penalties across various labor laws, adds to the growing concern among employers that Maine is becoming one of the most difficult and costly states in which to operate. Many businesses—especially small retailers, restaurants, and service providers—are already navigating complex and evolving rules around scheduling, paid leave, and classification of workers. Additional penalty escalation may discourage job creation and inhibit recovery and reinvestment, particularly as businesses contend with inflation and workforce shortages.

Maine businesses support fair and reasonable labor laws, and many take compliance seriously. But LD 1587 would increase penalties beyond what is necessary or constructive—especially given the significant recent changes to enforcement. The bill risks tipping the balance in a way that penalizes good-faith employers and dampens economic activity across the state.

We urge the Committee to reject LD 1587. Thank you for your time and consideration.

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