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February 17, 2026

## Testimony In Opposition To

### LD 2049, An Act to Clarify Indemnification When Seeking Remedy for Labor Law Violations

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Senator Tipping, Representative Roeder, and Honorable Members of the Labor Committee,

My name is Alexander Price, and I am testifying on behalf of the Maine Jobs Council in opposition to LD 2049, as amended. The Maine Jobs Council is a statewide, nonpartisan, member-driven advocacy organization that advances public policies to support the creation and preservation of foundational jobs in Maine. We oppose LD 2049 because it would impose new administrative, financial, and legal burdens on employers at a time when many are already struggling to remain competitive.

A recent assessment of the competitiveness of Maine's statewide economy by the Porter Development Initiative (PDI) found that Maine is not attracting new employment at the same rates as other areas of the U.S. and that existing firms in Maine are not achieving the high levels of productivity that would support increasing wage levels for employees. We are among the least productive states in the nation, despite high levels of labor force participation among working-age Mainers; we create fewer jobs, attract less investment, and start fewer businesses than most other states; our worker wages are low and contrast with higher cost burdens; and we lack many of the hallmarks of a competitive location for business.

The Maine Jobs Council strongly supports the fair and timely payment of wages and benefits. Workers should be paid what they are owed. However, LD 2049, as amended, goes far beyond targeting bad actors. It would impose automatic joint and several liability on contractors, developers, and owners for wage violations committed by subcontractors, regardless of whether those upstream parties had control over or involvement in the violation. In practice, this could require owners or general contractors who have fully met their contractual obligations to pay wages a second time, effectively rewriting private contracts and limiting the ability to determine fault through normal investigative processes.

Expanding wage-and-hour liability in this matter would increase insurance costs, complicate construction and real estate transactions, and ultimately raise the cost of housing and development in Maine. It also duplicates existing remedies without demonstrating that current enforcement tools are insufficient. At a time when Maine faces both economic competitiveness challenges and a housing shortage, this added layer of uncertainty and cost move the state in the wrong direction.

Individual pieces of legislation, like LD 2049, are not the solution to solving our state's economic problems. We encourage this committee to start taking a more comprehensive look at how workforce challenges, taxes, regulations, infrastructure, and other issues act as a barrier to job creation in our state. If Maine is not a competitive and productive place for businesses, workers, and families, its economic plans and efforts will falter. Maine needs to develop a comprehensive, integrated, and strategic plan that focuses legislation, regulation, and public policy on talent attraction, investment, and job creation.

The MJC thanks the committee for its time and consideration of this issue, and we would welcome any opportunity to discuss it with you.

Thank you,

Alexander Price, Pierce Atwood  
On behalf of the Maine Jobs Council