

Senator Rafferty, Representative Sylvester and distinguished members of the Joint Committee of Labor and Housing, my name is Greg Dugal and I am here representing Hospitality Maine, in opposition to LD 616, An Act To Increase Accountability for Wage Violations.

This bill is remarkably similar to a bill in the 127th and a bill in the 128th titled LD 857. This bill looks to be the amended version of LD 857. We are opposed to this bill as it is currently written because it could effectively put someone out of business for what could be an honest mistake, especially in these perilous economic times. Though we believe that all parts of the statute reflected in this bill are very important parts of Maine's labor laws, we do believe the penalties suggested by this bill could be excessive because of a miscalculation that could affect multiple employees, thereby potentially levying a knockout punch of \$2500 fines. If businesses could not afford to pay income tax on their PPP forgiven loans, they certainly cannot afford this.

Perhaps the fines should be increased as they have not been addressed since 1999, but increasing the subsequent violation fine from \$100 to \$500 to a range of \$500 to \$2500 for subsequent offenses is too much. Maybe keeping it between \$500 and \$1000 per violation for multiple violations would be a good first step. We also definitely feel that the double damages payment to the employee, though reduced from treble damages in the first version of this bill is excessive, as well. Add in attorney's fees for both the employer and employee and you can easily see why this could jeopardize a small business' survival, during and shortly after a pandemic. We have no comment on the extra inspectors.

It is almost like there is an intention to create an "us versus them" mentality with the employer and employee, which is not helpful in any way. People need jobs and employers need good workers especially in these very difficult times, so while protections for workers are a good thing, this goes too far. We would respectfully suggest to the committee that LD 616 be voted out ought not to pass

Gregory Dugal
HospitalityMaine

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