

March 15, 2021

Senator Rafferty
Representative Sylvester
Members of the Labor & Housing Committee

Re: TESTIMONY IN OPPOSITION TO LD 616, AN ACT TO INCREASE
ACCOUNTABILITY FOR WAGE VIOLATIONS

Senator Rafferty, Representative Sylvester and members of the Labor &
Housing Committee

My name is Debra Hart. I am a resident of Manchester, Maine and I own Hart Public Policy. I'm testifying today in opposition to LD 616 on behalf of my client, the Retail Association of Maine. The Retail Association of Maine has more than 350 members statewide and they represent retailers of all sizes. Maine retailers employ more than 85,000 Mainers. Our testimony today is in opposition to LD 616, which is essentially the same as LD 857, a bill that was presented and ultimately amended.

Under current Maine law, the Department of Labor has the power to fine a Maine employer for wage violations of not less than \$100 and no more than \$500 for each violation. As with the bill last year, LD 616 significantly increases those fines to \$500 for the first offense and not more than \$2,500 for each subsequent violation. In addition, this bill proposes to add a civil action clause to the law including a penalty of two times wages as liquidated damages and reasonable attorney's fees.

While we believe wage violations should be addressed, this proposed bill takes that to a whole new level. Maine businesses have certainly been through a lot this past year with the State shutdown, ultimate reopening, and stresses for both employers and employees. It is our belief that wage violations 'can' occur, however often an honest mistake made by people who are trying to run a business and do the right thing by their employees. Payroll companies are often used by smaller employers and those companies may make an honest mistake, which can be corrected when it is brought to the attention of the employer.

In closing, we believe the Department can assess whether an employer is behaving in a way that warrants further action, and they have the tools available currently to respond to such a violation. This bill, as with the bill last year sends a message to the business community that any violation whether willful or not will be met with a severely strong penalty.

Thank you for your time and attention. I'd be happy to answer any questions or provide the committee with any additional information.