



March 15, 2021

Testimony of Brian Moran

Government Affairs Director, New England Convenience Store & Energy Marketers Association

130th Maine Legislature
Joint Committee on Labor and Housing

LD 616 – An Act To Increase Accountability for Wage Violations

Co-Chair Rafferty, Co-Chair Sylvester, and Members of the Committee on Labor and Housing

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience store and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. NECSEMA members own, operate and/or supply the majority of the 1,000+ convenience stores in Maine which employ over 16,000 people.

As proposed, the penalty for an initial unlawful wage violation would rise from \$100 to a \$500, and a second or multiple violations, likely a common occurrence, would then rise to no less than \$500 and no more than \$2,500 for each subsequent violation. The plaintiff would also be awarded attorney fees and double the wages in dispute. **NECSEMA opposes LD 616.**

We appreciate the need to update the penalties for wage violations to encourage compliance with the lawful payment of wages. However, the proposed penalties are heavy-handed, and may lead to scenarios where any lost wages recovered are far less than the penalties assessed by the state. Valid disputes that may exist today between workers and their employees, are for the most part routinely resolved without litigation. Instituting these high penalty amounts, and double benefit awards into these disputes may have unintended consequences and unfairly advantages one party over the other. If enacted, it may incentivize employees who would have settled, to now proceed with litigation given a potential windfall. Worse still, such an approach may put businesses at risk of closing. This is not an equitable approach or desired outcome that anyone would want from these updated penalties and financial awards.

We suggest the Committee consider far less onerous penalties and awards to promote compliance, and not overly advantage one party over another. We also take issue with the appearance of tying these increased penalty amounts to the hiring of more inspectors. Thereby setting into motion, an incentive for more penalty assessments to justify and support these additional positions.

The practical realities noted above, cannot be ignored. **We urge the Committee to not support LD 616.** Thank you for your thoughtful consideration of our positions on this matter.

Respectfully,

A handwritten signature in blue ink that reads "Brian P. Moran".

Brian P. Moran
Director Government Affairs
Brian@necsema.net | 781-297-9600 x5

1044 Central Street, Suite 203
Stoughton, MA 02072
(781) 297 – 9600