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Testimony of Brian Moran

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

130th Maine Legislature
Joint Committee on Labor and Housing

LD 1279 – An Act To Increase the Minimum Wage

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, LD 1279 increases the minimum hourly wage, starting January 1, 2022, to \$13.00 per hour, and by an additional \$1.00 per hour each year until the minimum wage on January 1, 2025 is \$16.00 per hour. Beginning January 1, 2026 and every year after, the minimum wage increases by the increase, if any, in the cost of living.

NECSEMA opposes LD 1279. When state government tells small business owners that they must raise wages, the business owner has few choices. He or she can either pass on these increased costs through higher prices on the goods and services they provide, reduce working hours, or cutback on the number of employees. The bottom line is that small business owners must find the resources to offset these wage increases, as well as offset the hidden costs resultant from raising the minimum wage including increased employer contributions to workers compensation, unemployment insurance costs, and increased social security and Medicare taxes.

The timing of this approach is especially problematic, even tone deaf, due to the closing of many retail businesses, and those that remain operating are struggling due to the financial ruin and wreckage caused by the pandemic. Fortunately, widespread vaccination is expected to be largely complete by this summer and fall, and with it a much welcome return to in person socialization, and the economic benefits that will come from it. This is not the time to be considering these wage increases even if it were for a one-year interval, let alone four consecutive annual increases, and a permanent annual increase based on the cost of living.

The practical realities noted above, cannot be ignored. **We urge the Committee to not support LD 1279.** 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