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HOUSE OF REPRESENTATIVES

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RE: LD 1453

Senator Hickman, Representative Sylvester and fellow members of the Committee on Labor and Housing – good morning! My name is Dick Bradstreet and I am the Representative for House District 80, which is comprised of Windsor, Somerville, part of Augusta, the Unorganized Territory of Hibberts Gore and my home town of Vassalboro. I'm here today to present to you LD 1453, An Act to Protect Small Employers by Prohibiting Municipalities from Adopting Ordinances Regarding Employee Work Benefits Other Than Ordinances Regarding Minimum Wage Rates. The bill will prohibit municipalities from enacting or enforcing an ordinance, regulation or order regarding wages or benefits of an employee provided by an employer except for an ordinance concerning a life safety matter or establishing a minimum wage rate for a particular class of workers during a particular period of time. The purpose of the bill is to enable small businesses to operate free of confusing, costly and unpredictable municipal ordinances concerning labor regulations.

The recent initiatives in some municipalities in implementing minimum wage levels that are higher than those of the state, along with several other related wage issues, lead to the question of what other work related requirements can conceivably be instituted at local levels that are not in alignment with existing state laws or regulations. A small example of these may include the minimum tip wage, the overtime salary threshold, holiday leave, job applicant hiring process, etc. Without a state pre-emption, will municipalities be able to adopt ordinances that go beyond current Maine labor laws or regulate areas that federal or state laws do not speak to? To many, these possibilities may appear unimportant or irrelevant in the face of a strong desire to accommodate what is known as Home Rule at any or all costs. But I think as state policy makers, it is incumbent on us to look deeper into the subject.

The Maine Municipal Association describes Home Rule as "the right of a town or city to enact laws that are municipal in nature and do not frustrate or run counter to a state law and/or which the state has not prohibited it from passing." The Illinois Municipal League says that, "the purpose of home rule is to allow for local solutions to local issues and problems." So the concept of Home Rule should not be without boundaries. I believe what has happened in Portland and some other places go beyond the proper boundaries. Maine should be concerned about local ordinances that step too far outside state regulations. At other Public Hearings, we have heard how difficult it is for many businesses, especially small businesses that are not able to absorb expenses in a way that a larger concern can, to not only pay

these extra expenses but also to navigate their way through differing major compliance requirements that can vary from town to town. The administrative aspect alone can be a logistical nightmare for people who just want to get their work done in a quality fashion and in a timely manner. But you may say that that this is their problem and it's just another cost of doing business, so they'll just have to adapt. If that is our stance, we're failing to acknowledge a truism – businesses will eventually end up in a place where they are most likely to be successful. We want that place to be Maine. To be sure, entrepreneurs often find ways to adapt, and some businesses have been able to accommodate the local ordinances that go beyond state requirements. But at what point does it come when local employment-related mandates are too much? What is the tipping point? How much can a small business endure before it moves elsewhere or closes altogether? The answer is not what we as individual legislators think it should be, but rather what the people who actually create the jobs and pay the bills tell us it should be. We need to heed their input.

We've already heard how Maine's reimbursement rates for health care providers don't even cover the increased wages that must be paid in light of Portland's new minimum wage ordinances. There is not an unlimited supply of funding we can simply dish out to cover these extra costs let alone accommodate increases we will undoubtably see in the near future if more municipalities enact well meaning but counterproductive employment measures. Nor can we expect other communities to pick up the bill for the extra costs that some places have inflicted on themselves. The inevitable result will be fewer workers helping fewer people who are in desperate need for help. We can't sit back and let that happen.

Maine's policy makers have a responsibility to acknowledge and advocate for what is in the state's best interests. As I have indicated above, complete adherence to the home rule concept when it is erroneously applied can cost the state dearly. We need to ensure to the best of our ability that Maine provides predictable, stable, coherent and consistent state-wide employment laws if we wish our economy to flourish. We need to enable businesses to not only do well but that they can also afford to create the jobs that will provide the income that will continue to fund the state's obligations to the neediest among us. LD 1453 is a step forward towards helping us achieve this goal, and we really should pass it! Thank you.

Dick Bradstreet House District 80

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