



April 27, 2023

To: Sen. Michael Tipping and Rep. Amy Roeder, co-chairs
Members, Committee on Labor & Housing

From: David R. Clough – Maine State Director

Re: LD 936 – An Act to Require Disclosure of Pay Ranges and Record Keeping of Pay History

This statement opposed to LD 936 is on behalf of the thousands of small business owners in Maine who are members of the National Federation of Independent Business. Member businesses collectively span a wide range of economic activities; provide jobs and paychecks to about 30,000 people; and, help form the economic backbone of hundreds of communities and the state.

- LD 936 requires employers with fewer than 10 employees to disclose to a job applicant “on request ... the range of pay the employer will offer to a successful applicant.” For employers with 10 or more employees, the employer must include that range of pay information on any posting of a job opening.
- And, for all employers, LD 936 requires the employer to disclose, if requested by an employee, range of pay the employer offers “for the position the employee holds.”
- Lastly, LD 936 requires that a record of an employee’s “position title” and “payment history” be kept for “3 years after termination of the employee’s employment.”

While LD 936 makes some attempt to differentiate (arbitrarily) between the sizes of employers in Maine, the fact is that most small businesses would be disproportionately burdened by the extra administrative duties and new potential compliance pitfalls envisioned by the legislation. Most small employers do not have a staff person who is dedicated to human resources. Instead, human resources is a role that is part of many duties of someone in the business, and that role may be shared among several people depending on the particular job opening.

LD 936 demonstrates a lack of understanding of the nature of a small business’ labor and workplace needs. Job responsibilities, titles, and specific roles are often nebulous and ever-evolving. Compensation and wage ranges may not be uniform for any given position; they can fluctuate based on an individual’s qualifications, experience, and availability of potential employees for the particular position.

Proponents believe enactment of LD 936 will improve expectations of prospective employees and attract a more focused pool of applicants, as well as lead to more “pay parity” in the workplace. Those aspirations are well intended but we believe the additional administrative and recordkeeping requirements would further weigh on thousands of small employers that are already being required to follow many employment directives as well as manage the daily workplace, take care of customers, and be mindful of ways to remain successful in a highly competitive business environment.

Thank you for being mindful of Maine small business owners. We urge you to defer passage of LD 936.