

May 9, 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 1756 – An Act to Protect Employee Freedom of Speech

This statement <u>opposed to LD 1756</u> 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 1756 prohibits employers from taking or threatening to take adverse action against an employee who "declines to attend or participate in an employer-sponsored meeting ... or listen to a communication from the employer" if the activity is to communicate the employer's opinion about religious matters, political matters or decisions to join or support a labor union.
- An exception is made for communication of legally required information "but only to the extent
 of the lawful requirement" as well as communication "that is necessary for such employees to
 perform their lawfully required job duties."
- Employers may conduct meetings where attendance is voluntary.
- LD 1756 also creates a private right of action by an aggrieved employee.

It is our understanding that only three states have a passed law similar to what is envisioned in LD 1756 and that the issue has led to significant litigation. Connecticut passed a law in 2022 that employer groups including NFIB are challenging in federal court, for example.

LD 1756 would create constraints on the ability of thousands of small employers in Maine to discuss legislation that could impact the operation and viability of the business, along with the job security of their workforce, including how regulations and union organizing efforts may affect the small business. The legislation also would create new legal traps for small employers – most of whom do not have human resource professionals – and subject them to costly lawsuits even if the small employer is found to have properly complied with the law.

Small employers struggle every day to operate successfully, meet customer needs, take care of employees, pay bills, repay bank loans, meet payroll, respond to competitive pressures, set aside money for updating equipment, and think about ways to survive the challenging and everchanging economic environment. LD 1756 would add to this struggle and undermine the ability of small employers to be strong and succeed.

Thank you for being mindful of Maine small business owners. We strongly urge you to vote Ought Not to Pass on LD 1756.