

## Testimony in Opposition to LD 372, An Act to Increase Enforcement and Accountability for Wage and Hour Violations

Senator Tipping, Representative Roeder, and Honorable Members of the Labor and Housing Committee,

My name is Alexander Price, and I am testifying in opposition to LD 372 on behalf of the Maine Jobs Council, which is a statewide, nonpartisan, member-driven advocacy organization that advances public policies to support the creation and preservation of foundational jobs in Maine.

We oppose LD 372 because it is antithetical to our mission of advocating for economic prosperity by promoting the growth and maintenance of foundational jobs. If passed, LD 372 would have a negative impact on attracting and keeping foundational jobs in Maine. There are several laws dealing with enforcement and accountability for wage and hour violations, and employers already face a number of penalties for such violations. The statistics show that the current laws are working. Since 2021, the number of businesses found to be in violation of wage and hour laws has dramatically decreased, as well as recidivism rates among those businesses who were found to be in violation of the laws.

Adding another law and harsher fines would make things more complicated and continue to make Maine an outlier in New England. This legislation would make Maine less competitive at a time when we should be addressing legislation that helps make us more competitive. Maine's economic, regulatory, and demographic rankings are consistently in the bottom ten in the nation. We are 44th in the nation in overall economic ranking and 42nd in the nation in venture capital investment. Increasingly, Maine businesses are being sold out of state, which often results in the loss of executive positions, salaries, and taxes; career paths for young people; ancillary legal, accounting, and insurance services; spin-off income for airports, hotels, and restaurants from vendors who visit the new headquarters; and reduced connection to Maine communities, charities, and social services.

The MJC supports making workers a top priority. The best way to do that is with a robust economy full of quality jobs that provide choices, career growth, and increasing wages. This law would lead to the reverse. Supporting working people is critical, but the important word is working. If our companies cannot compete, if money isn't invested here, if jobs stagnate or leave, then we'll have more and more people who are not working. There is no substitute for a good job and those jobs come from companies that compete successfully to provide goods and services. If fact, if we are going to truly improve the lives of Maine's working men and women, we need to help our employers be more competitive not less.

Individual pieces of legislation like the ones that have been introduced to this committee today are not the solution to solving our economic problems. We encourage this committee to start taking a more comprehensive look at how taxes, regulations, infrastructure, workforce challenges, and other issues act as a barrier to job creation in our state. Before any further requirements or costs are added, there should be a comprehensive study of Maine's standing vis-à-vis other states, and goals with limits set to make Maine competitive. It is virtually certain that improving Maine's competitive standing and chances to attract foundational jobs and investment requires fewer mandates and requirements, not more.

The MJC thanks the committee for its time and consideration of this issue, and we would welcome any opportunity to discuss it with you.

Thank you,

Alexander Price, Pierce Atwood  
On behalf of the Maine Jobs Council