

MAINE STATE LEGISLATURE

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Date: 4/10/19

MINORITY

L.D. 1098
(Filing No. S-40)

LABOR AND HOUSING

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STATE OF MAINE SENATE 129TH LEGISLATURE FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 330, L.D. 1098, Bill, "An Act To Help Small Employers by Making the Minimum Wage Increase More Gradual in Nonurban Areas"

Amend the bill by adding after section 3 the following:

Sec. 4. Appropriations and allocations. The following appropriations and allocations are made.

LABOR, DEPARTMENT OF Regulation and Enforcement 0159

Initiative: Provides ongoing funds for one Labor and Safety Inspector position and related All Other costs necessary to respond to an anticipated increase in the number of reported violations due to the establishment of an alternative minimum wage in certain areas of the State.

GENERAL FUND	2019-20	2020-21
POSITIONS - LEGISLATIVE COUNT	1,000	1,000
Personal Services	\$59,386	\$81,976
All Other	\$8,678	\$9,570
GENERAL FUND TOTAL	<u>\$68,064</u>	<u>\$91,546</u>

Amend the bill by relettering or renumbering any nonconsecutive Part letter or section number to read consecutively.

COMMITTEE AMENDMENT

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SUMMARY

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This amendment, which is the minority report of the committee, adds an appropriations and allocations section.

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FISCAL NOTE REQUIRED

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(See attached)



129th MAINE LEGISLATURE

LD 1098

LR 1024(02)

An Act To Help Small Employers by Making the Minimum Wage Increase More Gradual in Nonurban Areas

Fiscal Note for Bill as Amended by Committee Amendment "A" (S-40)

Committee: Labor and Housing

Fiscal Note Required: Yes

Fiscal Note

	FY 2019-20	FY 2020-21	Projections FY 2021-22	Projections FY 2022-23
Net Cost (Savings)				
General Fund	\$68,064	\$91,546	\$94,415	\$97,565
Appropriations/Allocations				
General Fund	\$68,064	\$91,546	\$94,415	\$97,565

Fiscal Detail and Notes

This bill includes General Fund appropriations of \$68,064 in fiscal year 2019-20 and \$91,546 in fiscal year 2020-21 to the Regulation and Enforcement program within the Department of Labor for one Labor and Safety Inspector position and related All Other costs necessary to respond to an anticipated increase in the number of reported instances of violations associated with the establishment of an alternative minimum wage for certain areas of the State.

This bill establishes an alternative minimum wage for all areas of the State other than Cumberland County except for the towns of Baldwin, Bridgton, Harrison and Naples. The alternative minimum wage increases the hourly wage by 50 cents per hour on January 1, 2021 and an additional 50 cents per hour on January 1, 2022 instead of \$1.00 per hour on January 1, 2020. The bill also delays the cost-of-living adjustment for the current minimum wage to January 1, 2024, changes the timing of the increase from every year to every 3 years and changes the calculation of the increase from the average increase over the prior year to the average increase over the prior 3 years.

These changes in the minimum wage law may result in savings to the State and municipalities beginning in fiscal year 2019-20, depending on the wages currently in place and decisions on future wages when increases required by law are less than they would have been under current law.