

MAINE STATE LEGISLATURE

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LABOR

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
132ND LEGISLATURE
FIRST SPECIAL SESSION

COMMITTEE AMENDMENT "A" to H.P. 445, L.D. 706, "An Act Regarding the Laws Relating to Unemployment Insurance"

Amend the bill by striking out all of section 1.

Amend the bill in section 12 in §1192-A in subsection 2 in paragraph C in the blocked paragraph in the 3rd line (page 6, line 19 in L.D.) by inserting after the following: "or" the following: 'or represented by.'

Amend the bill in section 12 in §1192-A in subsection 2 in paragraph C in the blocked paragraph in the 3rd line (page 6, line 19 in L.D.) by inserting after the following: "labor union," the following: 'or is otherwise authorized to use the services of a bona fide union hiring hall.'

Amend the bill in section 12 in §1192-A in subsection 3 in paragraph C in the last 2 lines (page 8, lines 16 and 17 in L.D.) by striking out the following: "as long as the training is in accordance with rules adopted by the commissioner"

Amend the bill in section 14 in subsection 2 in paragraph A in subparagraph (6) in the last line (page 13, line 13 in L.D.) by striking out the following: "timeframe" and inserting the following: 'time frame'

Amend the bill in section 14 in subsection 2 in paragraph A by inserting at the end a new blocked paragraph to read:

'The bureau may not withhold benefit payments pursuant to subparagraph (6) for claimants receiving benefit payments unless the bureau has credible evidence on the record that substantiates a reasonable basis for establishing an issue of potential fraud and withholding payment. If there is such evidence, the bureau shall issue timely notice to the claimant informing the claimant that benefit payments are withheld and include with that notice instructions for how the claimant may satisfy identity verification requirements and how to submit those documents to the bureau. The notice must give a reasonable time frame for submitting documents and describe the consequences for failing to provide documentation, as well as the claimants' appeal and hearing rights. The bureau shall allow individuals a reasonable time frame to submit documents that

1 comply with an identity verification request and provide a list of acceptable documents
 2 and alternatives. The bureau shall also allow multiple means by which a claimant may
 3 submit documents for identity verification. If the claimant fails to comply with the
 4 request for documents in the time frame allowed or the documents provided are
 5 insufficient or determined to be fraudulent, the bureau shall render a timely decision
 6 denying further benefits.'

7 Amend the bill by striking out all of section 23 and inserting the following:

8 'Sec. 23. 26 MRSA §1221-A, sub-§3, as enacted by PL 1991, c. 468, §3 and
 9 affected by §6, is amended to read:

10 3. **Reporting requirements.** The Until January 1, 2026, the employee leasing
 11 company shall report and pay all contributions under its state employer identification
 12 number; using its the employee leasing company's contribution rate. Beginning January 1,
 13 2026, the employee leasing company shall report and pay all contributions under the client
 14 company's state employer identification number using the client company's contribution
 15 rate. The employee leasing company shall keep separate records and submit separate
 16 quarterly wage reports for each of its client companies to the bureau.

17 Sec. 24. 32 MRSA §14055, sub-§3, as amended by PL 1995, c. 560, Pt. G, §18, is
 18 further amended to read:

19 3. **Unemployment insurance.** An employee leasing company's responsibility for
 20 unemployment insurance is governed by Title 26, section 1221-A and as follows.

21 ~~A. During the term of the leasing arrangement, the employee leasing company is~~
 22 ~~responsible for payment of unemployment contributions, penalties and interest due~~
 23 ~~pursuant to Title 26, chapter 13 on wages paid to employees leased to client companies,~~
 24 ~~except for compensation paid to sole proprietors or partners in the client company.~~

25 ~~B. The employee leasing company shall report all unemployment contributions due~~
 26 ~~under its state employer identification number, using its contribution rate. The~~
 27 ~~employee leasing company shall keep separate records and submit separate quarterly~~
 28 ~~wage reports to the Bureau of Unemployment Compensation for each of its client~~
 29 ~~companies.'~~

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

32 SUMMARY

33 This amendment makes the following changes to the bill.

34 1. It removes the authorization of the Department of Labor, Bureau of Unemployment
 35 Compensation to use facial recognition software for identity verification purposes.

36 2. It provides that, in addition to an individual who is a member of a bona fide labor
 37 union, an individual who is represented by a bona fide labor union or who is otherwise
 38 authorized to use the services of a bona fide union hiring hall, who maintains contact with
 39 that union and who uses and complies with the placement services of the union hiring hall
 40 in seeking work is considered to be actively seeking work for the purposes of the Maine
 41 Revised Statutes, Title 26, section 1192-A.

- 1 3. It removes the requirement that an individual enrolled in a training program under
- 2 the Governor's Jobs Initiative Program, established in Title 26, section 2031, or the
- 3 Competitive Skills Scholarship Program, established in Title 26, section 2033, qualifies for
- 4 a waiver of eligibility requirements to collect unemployment benefits as long as the training
- 5 is in accordance with rules adopted by the Commissioner of Labor.
- 6 4. It also provides that the bureau may not withhold payment for claimants receiving
- 7 benefits due to the claimant's failure to adequately respond to a written request for
- 8 documentation to verify the claimant's identity unless the bureau has credible evidence that
- 9 substantiates a reasonable basis for establishing an issue of potential fraud and withholding
- 10 payment. If there is evidence, the bureau must issue timely notice to the claimant informing
- 11 the claimant that benefit payments are withheld and instructions to the claimant on how the
- 12 claimant may satisfy identity verification requirements and where to submit that
- 13 documentation. The notice must include a reasonable time frame and the consequences for
- 14 failing to provide that documentation. The bureau must allow individuals a reasonable time
- 15 frame to submit documents that comply with an identity verification request. The bureau
- 16 must also provide a list of acceptable documents and allow multiple methods to submit
- 17 documents for identity verification. If the claimant fails to comply with the request for
- 18 documents in the time frame provided by the bureau or if the documents are insufficient or
- 19 determined to be fraudulent, the bureau must render a timely decision denying further
- 20 benefits.
- 21 5. It also provides that the changes made to the provision of law governing employee
- 22 leasing company reports and contributions begin January 1, 2026. It also makes a technical
- 23 change in Title 32 referencing employee leasing companies.

FISCAL NOTE REQUIRED

(See attached)



Approved: 05/19/25 **LRL**

132nd MAINE LEGISLATURE

LD 706

LR 140(02)

An Act Regarding the Laws Relating to Unemployment Insurance

Fiscal Note for Bill as Amended by Committee Amendment

Committee: Labor

Fiscal Note Required: Yes

A' (H-379)

Fiscal Note

Minor cost increase - General Fund

Fiscal Detail and Notes

Additional costs to the Department of Labor to implement the changes in this legislation can be absorbed within existing budgeted resources.