

MAINE STATE LEGISLATURE

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LAWS
OF THE
STATE OF MAINE

AS PASSED BY THE

ONE HUNDRED AND NINETEENTH LEGISLATURE

FIRST REGULAR SESSION
December 2, 1998 to June 19, 1999

THE GENERAL EFFECTIVE DATE FOR
FIRST REGULAR SESSION
NON-EMERGENCY LAWS IS
SEPTEMBER 18, 1999

PUBLISHED BY THE REVISOR OF STATUTES
IN ACCORDANCE WITH MAINE REVISED STATUTES ANNOTATED,
TITLE 3, SECTION 163-A, SUBSECTION 4.

J.S. McCarthy Company
Augusta, Maine
1999

any federally recognized period of conflict, served on active duty in the United States Armed Forces at any time during the period December 22, 1961 to August 5, 1964 or was eligible for an Armed Forces Expeditionary Medal or campaign medal, and who:

(i) If discharged, received an honorable discharge or a general discharge under honorable conditions, provided that the discharge was not upgraded through a program of general amnesty; and

(ii) Was a resident of the State at the time of entering military service, death or the death of an eligible dependent;

(b) Served in the Maine National Guard and died as a result of injury, disease or illness sustained while serving on state active duty as provided in chapter 3, subchapter III; or

(c) Served in the Armed Forces in the United States at any time and was killed or died as a result of hostile action and was a resident of the State at the time of entering military service, at the time of death or at the time of the death of an eligible dependent.

(3) "Federally recognized period of conflict" means World War I, April 6, 1917 to November 11, 1918, or March 31, 1920 if service was in Russia; World War II, December 7, 1941 to December 31, 1946; Korean Conflict, June 27, 1950 to January 31, 1955; the Vietnam War, August 5, 1964 to May 7, 1975 and the period beginning on February 28, 1961 and ending on May 7, 1975 in the case of a veteran who served in the Republic of Vietnam during that period; and the Persian Gulf War, August 7, 1990 to ~~April 11, 1991~~ the date that the United States Government recognizes as the end of the Persian Gulf War.

See title page for effective date.

CHAPTER 463

H.P. 984 - L.D. 1382

An Act to Require That Both the Northern Maine Regional Juvenile Detention Facility and the Maine Youth Center Receive Detainees

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 34-A MRSA §3802, sub-§1, ¶C, as amended by PL 1997, c. 752, §37, is further amended to read:

C. To rehabilitate juveniles committed to a juvenile correctional facility pursuant to Title 15, section 3314, subsection 1, paragraph F; ~~and~~

Sec. 2. 34-A MRSA §3802, sub-§1, ¶D, as enacted by PL 1995, c. 502, Pt. F, §28, is amended to read:

D. To protect the public from dangerous juveniles; and

Sec. 3. 34-A MRSA §3802, sub-§1, ¶E is enacted to read:

E. To confine juveniles ordered detained pursuant to Title 15, section 3314, subsection 1, paragraph H.

See title page for effective date.

CHAPTER 464

H.P. 1372 - L.D. 1970

An Act to Address the Solvency of the Unemployment Compensation Fund

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 26 MRSA §1043, sub-§19, ¶A, as amended by PL 1983, c. 13, §2, is further amended to read:

A. For purposes of section 1221, the term "wages" ~~shall~~ does not include ~~that part of remuneration which after remuneration equal to \$3,000 through December 31, 1971, \$4,200 through December 31, 1977, \$6,000 through December 31, 1982, and on and after January 1, 1983, that part of remuneration equal to that exceeds the first \$7,000 has been through December 31, 1999, and on and after January 1, 2000.~~

the first \$12,000 that is paid in a calendar year to an individual by an employer or ~~his~~ the employer's predecessor with respect to ~~for~~ employment during any calendar year, is paid to the individual by the employer during that calendar year, unless that ~~part of the~~ remuneration is subject to a tax under a federal law imposing a tax against which credit may be taken for contributions required to be paid into a state unemployment fund. The wages of an individual for employment with an employer ~~shall be~~ are subject to this exception whether earned in this State or any other state when the employer-employee relationship is between the same legal entities;

Sec. 2. 26 MRSA §1043, sub-§23, as enacted by PL 1965, c. 381, §5, is repealed and the following enacted in its place:

23. Misconduct. "Misconduct" means a culpable breach of the employee's duties or obligations to the employer or a pattern of irresponsible behavior, which in either case manifests a disregard for a material interest of the employer. This definition relates only to an employee's entitlement to benefits and does not preclude an employer from discharging an employee for actions that are not included in this definition of misconduct. A finding that an employee has not engaged in misconduct for purposes of this chapter may not be used as evidence that the employer lacked justification for discharge.

A. The following acts or omissions are presumed to manifest a disregard for a material interest of the employer. If a culpable breach or a pattern of irresponsible behavior is shown, these actions or omissions constitute "misconduct" as defined in this subsection. This does not preclude other acts or omissions from being considered to manifest a disregard for a material interest of the employer. The acts or omissions included in the presumption are the following:

- (1) Refusal, knowing failure or recurring neglect to perform reasonable and proper duties assigned by the employer;
- (2) Unreasonable violation of rules that are reasonably imposed and communicated and equitably enforced;
- (3) Unreasonable violation of rules that should be inferred to exist from common knowledge or from the nature of the employment;
- (4) Failure to exercise due care for punctuality or attendance after warnings;
- (5) Providing false information on material issues relating to the employee's eligibility

to do the work or false information or dishonesty that may substantially jeopardize a material interest of the employer;

(6) Intoxication while on duty or when reporting to work or unauthorized use of alcohol while on duty;

(7) Using illegal drugs or being under the influence of such drugs while on duty or when reporting to work;

(8) Unauthorized sleeping while on duty;

(9) Insubordination or refusal without good cause to follow reasonable and proper instructions from the employer;

(10) Abusive or assaultive behavior while on duty, except as necessary for self-defense;

(11) Destruction or theft of things valuable to the employer or another employee;

(12) Substantially endangering the safety of the employee, coworkers, customers or members of the public while on duty;

(13) Conviction of a crime in connection with the employment or a crime that reflects adversely on the employee's qualifications to perform the work; or

(14) Absence for more than 2 work days due to incarceration for conviction of a crime.

B. "Misconduct" may not be found solely on:

(1) An isolated error in judgment or a failure to perform satisfactorily when the employee has made a good faith effort to perform the duties assigned;

(2) Absenteeism caused by illness of the employee or an immediate family member if the employee made reasonable efforts to give notice of the absence and to comply with the employer's notification rules and policies; or

(3) Actions taken by the employee that were necessary to protect the employee or an immediate family member from domestic violence if the employee made all reasonable efforts to preserve the employment.

Sec. 3. 26 MRSA §1051, sub-§7, as enacted by PL 1981, c. 284, is amended to read:

7. Limitation on recovery. Deduction from benefits that may be or may become payable to an individual as provided for in subsection 5 ~~shall be~~ is limited to not more than 10% of the first \$100 and 50% of any amount above \$100 of any weekly benefit payment otherwise due the claimant.

Sec. 4. 26 MRSA §1051, sub-§§9 and 10 are enacted to read:

9. Interest on overpayments. Benefit payments owed to the commissioner bear interest at the rate of 1.0% per month or per fraction of a month. Except as provided in this subsection, interest accrues on any balance that remains unpaid one year after the first of the month following the date the determination establishing the benefit overpayment becomes final until payment plus accrued interest is received by the bureau. If the benefit overpayment was established in a determination rendered under section 1193, subsection 6, interest accrues from the first of the month following the date the determination establishing the benefit overpayment becomes final until payment plus accrued interest is received by the bureau.

10. Application of benefit repayments. Amounts received through any means to repay benefit payments owed to the commissioner must be applied first to any outstanding penalties, 2nd to any outstanding interest and 3rd to any benefit payments owed to the commissioner.

Sec. 5. 26 MRSA §1164, as amended by PL 1991, c. 9, Pt. KK, is further amended to read:

§1164. Special Administrative Expense Fund

The Special Administrative Expense Fund, ~~as heretofore is created,~~ is as a special fund in the State Treasury. All interest, fines and penalties collected under this chapter, ~~together with any and all~~ and all voluntary contributions tendered as a contribution to this fund, must be paid into this fund. The money may not be expended or available for expenditure in any manner ~~which that~~ which would permit its substitution for, or a corresponding reduction in, federal funds ~~which that~~ which would in the absence of that money be available to finance expenditures for the administration of the Employment Security Law. Nothing in this section ~~may prevent~~ prevents the money from being used as a revolving fund to cover expenditures, necessary and proper under the law, for which federal funds have been duly requested but not yet received, subject to the charging of those expenditures against those funds when received. The money in this fund must be used by the commissioner either for the payment of costs of administration ~~which that~~ which are found not to have been properly and validly chargeable against federal grants or other funds received for or in the Employment Security Administration Fund on or after January 1,

1943, to finance the Maine Wage Assurance Fund established in section 632; ~~or for the payment of costs of administering chapter 26, for which federal funds are not available, except that on or before June 30, 1991, the Commissioner of Labor is authorized to transfer \$100,000 of this fund to General Fund undedicated revenues; or to fund activities that will improve the solvency of the Unemployment Compensation Fund.~~ The money must be available either to satisfy the obligations incurred by the bureau directly or by requesting the Treasurer of State to transfer the required amount from the Special Administrative Expense Fund to the Employment Security Administration Fund or the Maine Wage Assurance Fund. The Treasurer of State shall upon receipt of a written request of the commissioner make any such transfer. The commissioner shall give notice to the commission prior to any expenditures from this fund. The commissioner shall order the transfer of the funds or the payment of any such obligation and the funds must be paid by the Treasurer of State on requisitions drawn by the commissioner directing the State Controller to issue the State Controller's warrant ~~therefor for them.~~ The warrant must be drawn by the State Controller based upon bills of particulars and vouchers certified by an officer or employee designated by the commissioner. The money in this fund is specifically made available to replace, within a reasonable time, any money received by this State pursuant to section 302 of the Federal Social Security Act as amended ~~that, which~~ because of any action or contingency, has been lost or has been expended for purposes other than, or in amounts in excess of, those necessary for the proper administration of the Employment Security Law. The money in this fund must be continuously available to the commissioner for expenditure in accordance with this section and may not lapse at any time or be transferred to any other fund except as provided. Any money in the Special Administrative Expense Fund may be used to make refunds of interest, penalties or fines erroneously collected and deposited in the Special Administrative Expense Fund. On June 30th of each year all money in excess of \$100,000 in this fund must be transferred to the Unemployment Compensation Fund, ~~except that on June 30, 1986, all money in excess of \$100,000 in this fund must be placed in a Dislocated Workers Fund to be used in fiscal year 1986-87 to provide training and supportive services for persons displaced from employment by imports in accordance with chapter 26. Eligibility for assistance is not related to an individual's income or resources.~~

Sec. 6. 26 MRSA §1191, sub-§2, as amended by PL 1997, c. 745, §1, is further amended to read:

2. Weekly benefit amount for total unemployment. Each eligible individual establishing a benefit year on or after October 1, 1983 and before

January 1, 2000 who is totally unemployed in any week must be paid with respect to that week benefits equal to 1/22 of the wages, rounded to the nearest lower full dollar amount, paid to that individual in the high quarter of the base period, but not less than \$12. Each eligible individual establishing a benefit year on or after January 1, 2000 who is totally unemployed in any week must be paid with respect to that week benefits equal to 1/22 of the average of the wages, rounded to the nearest lower full dollar amount, paid to that individual in the 2 highest quarters of the base period. The maximum weekly benefit amount for claimants requesting insured status determination beginning October 1, 1983 and thereafter from June 1st of a calendar year to May 31st of the next calendar year may not exceed 52% of the annual average weekly wage, rounded to the nearest lower full dollar amount, paid in the calendar year preceding June 1st of that calendar year. ~~No increase in the maximum weekly benefit amount may occur for the period from June 1, 1992 to October 28, 1995. For the periods from October 29, 1995 to May 31, 1997 and period from September 28, 1997 to December 31, 1999, the maximum weekly benefit amount is limited to 94% of the amount calculated previously in this subsection, rounded to the nearest lower full dollar amount. For claimants requesting insured status determination on or after April 1, 1993 and before January 1, 1995, the weekly benefit amount must be the amount determined by this subsection minus \$6. For claimants requesting insured status determination on or after April 1, 1995 and before January 1, 2000, the weekly benefit amount must be the amount determined by this subsection minus \$3.~~

Sec. 7. 26 MRSA §1193, sub-§6, as amended by PL 1973, c. 555, §14, is further amended to read:

6. Has falsified. For any week for which the deputy finds that the claimant made a false statement or representation knowing it to be false or knowingly ~~fails~~ failed to disclose a material fact in ~~his~~ the ~~claimant's~~ application to obtain benefits, ~~and in.~~ In addition, the claimant ~~shall be~~ is ineligible to receive any benefits for a period of not less than 6 months nor more than one year from the mailing date of the determination, and the commissioner shall assess a penalty of 50% of the benefits falsely obtained for the first occurrence, 75% for the 2nd occurrence and 100% for the 3rd and any subsequent occurrences; or

Sec. 8. 26 MRSA §1194, sub-§2, ¶B, as enacted by PL 1987, c. 365, §2, is repealed.

Sec. 9. 26 MRSA §1221, sub-§4-A is enacted to read:

4-A. Employer's experience classifications after January 1, 2000. For rate years commencing

on or after January 1, 2000, the commissioner shall compute annually contribution rates for each employer based on the employer's own experience rating record and shall designate a schedule and planned yield.

A. The standard rate of contributions is 5.4%. A contributing employer's rate may not be varied from the standard rate unless the employer's experience rating record has been chargeable with benefits throughout the period of 24 consecutive calendar months ending on the computation date applicable to such a year. A contributing employer newly subject to this chapter shall pay contributions at a rate equal to the greater of the predetermined yield or 1.0% until the employer's experience rating record has been chargeable with benefits throughout the period of 24 consecutive calendar months ending on the computation date applicable to such a year. For rate years thereafter, the employer's contribution rate is determined in accordance with this subsection and subsection 3.

B. Subject to paragraph A, an employer's contribution rate for the 12-month period commencing January 1st of each year is based upon the employer's experience rating record and determined from the employer's reserve ratio. The employer's reserve ratio is the percent obtained by dividing the amount, if any, by which the employer's contributions, credited from the time the employer first or most recently became an employer, whichever date is later, up to and including June 30th of the preceding year, including any part of the employer's contributions due for that year paid on or before July 31st of that year, exceed the employer's benefits charged during the same period, by the employer's average annual payroll for the period of 36 consecutive months ending June 30th of the preceding year. The employer's contribution rate is determined under subparagraphs (1) to (7).

(1) The commissioner shall prepare a schedule listing all employers for whom a reserve ratio has been computed pursuant to this paragraph, in the order of their reserve ratios, beginning with the highest ratio. For each employer, the schedule must show:

(a) The amount of the employer's reserve ratio;

(b) The amount of the employer's annual taxable payroll; and

(c) A cumulative total consisting of the amount of the employer's annual taxable payroll plus the amount of the annual taxable payrolls of all other

employers preceding the employer on the list.

(2) The commissioner shall segregate employers into contribution categories in accordance with the cumulative totals under subparagraph (1), division (c). The contribution category is determined by the cumulative payroll percentage limits in column B. Each contribution category is identified by the contribution category number in column A that is opposite the figures in column B, which represent the percentage limits of each contribution category. If an employer's taxable payroll falls in more than one contribution category, the employer must be assigned to the lower-numbered contribution category, except that an employer may not be assigned to a higher contribution category than is assigned any other employer with the same reserve ratio.

A Contribution Category	B % of Taxable Payrolls		C Experience Factors	D Phase-in Experience Factors 2002 and 2003	E Phase-in Experience Factors 2000 and 2001
	From	To			
1	00.00	05.00	.30	.38750	.4750
2	05.01	10.00	.35	.43125	.5125
3	10.01	15.00	.40	.47500	.5500
4	15.01	20.00	.45	.51875	.5875
5	20.01	25.00	.50	.56250	.6250
6	25.01	30.00	.55	.60625	.6625
7	30.01	35.00	.60	.65000	.7000
8	35.01	40.00	.65	.69375	.7375
9	40.01	45.00	.70	.73750	.7750
10	45.01	50.00	.75	.78125	.8125
11	50.01	55.00	.80	.82500	.8500
12	55.01	60.00	.90	.91250	.9250
13	60.01	65.00	1.00	1.00000	1.0000
14	65.01	70.00	1.10	1.08750	1.0750
15	70.01	75.00	1.25	1.21875	1.1875
16	75.01	80.00	1.40	1.35000	1.3000
17	80.01	85.00	1.60	1.52500	1.4500
18	85.01	90.00	1.90	1.78750	1.6750
19	90.01	95.00	2.20	2.05000	1.9000
20	95.01	100.00	2.60	2.40000	2.2000

(3) The planned yield is 1.10%.

(4) The commissioner shall compute the predetermined yield by multiplying the ratio of total wages to taxable wages for the preceding calendar year by the planned yield.

(5) The commissioner shall determine the contribution rates effective for a rate year by multiplying the predetermined yield by the experience factors for each contribution

category. Contribution category 20 in the table in subparagraph (2) must be assigned a contribution rate of at least 5.4%. The employer's experience factor is the percentage shown in column C in the table in subparagraph (2) that corresponds with the employer's contribution category in column A, except that the experience factors in column E must be used to determine the contribution rates for rate years 2000 and 2001 and those in column D must be used for rate years 2002 and 2003.

(6) If, subsequent to the assignment of contribution rates for a rate year, the reserve ratio of an employer is recomputed and changed, the employer must be placed in the position on the schedule prepared pursuant to subparagraph (1) that the employer would have occupied had the corrected reserve ratio been shown on the schedule. The altered position on the schedule does not affect the position of any other employer.

(7) In computing the contribution rates, only the wages reported by employers liable for payment of contributions into the fund and net benefits paid that are charged to an employer's experience rating record or to the fund are considered in the computation of the average benefit cost rate and the ratio of total wages to taxable wages.

C. The commissioner shall:

(1) Promptly notify each employer of the employer's rate of contributions as determined for the 12-month period commencing January 1st of each year. The determination is conclusive and binding upon the employer unless within 30 days after notice of the determination is mailed to the employer's last known address or, in the absence of mailing, within 30 days after the delivery of the notice, the employer files an application for review and redetermination, setting forth the employer's reasons. If the commission grants the review, the employer must be promptly notified and must be granted an opportunity for a hearing. An employer does not have standing in any proceedings involving the employer's rate of contributions or contribution liability to contest the chargeability to the employer's experience rating record of any benefits paid in accordance with a determination, redetermination or decision pursuant to section 1194, except upon the ground that the services for which benefits

were found to be chargeable did not constitute services performed in employment for the employer and only when the employer was not a party to the determination, redetermination or decision or to any other proceedings under this chapter in which the character of the services was determined. The employer must be promptly notified of the commission's denial of the employer's application or the commission's redetermination, both of which are subject to appeal pursuant to Title 5, chapter 375, subchapter VII; and

(2) Provide each employer at least monthly with a notification of benefits paid and chargeable to the employer's experience rating record. In the absence of an application for redetermination filed in the manner and within the period prescribed by the commission, a notification is conclusive and binding upon the employer for all purposes. A redetermination made after notice and opportunity for hearing and the commission's findings of fact may be introduced in subsequent administrative or judicial proceedings involving the determination of the rate of contributions of an employer for the 12-month period commencing January 1st of any year and has the same finality as provided in this section with respect to the findings of fact made by the commission in proceedings to redetermine the contribution rates of an employer.

Sec. 10. 26 MRSA §1221, sub-§6, as amended by PL 1985, c. 348, §11, is further amended to read:

6. Definitions. The following words ~~terms~~, as used in this section, ~~shall~~ have the following meanings, unless the context ~~already requires~~ otherwise indicates.

A. "Computation date" ~~shall be~~ means June 30th of each calendar year, and the reserve ratio of each employer ~~entitled to this section shall be~~ is determined by the commissioner as of that date.

B. "Effective date" ~~shall be~~ means the date on which the new rates ~~shall~~ become effective and ~~shall be~~ is January 1st of each calendar year.

C. "Fund reserve ratio" means the percentage obtained by dividing the net balance available for benefits payments as of September 30th of each calendar year by the total wages for the preceding calendar year.

D. "Cost rate" means the percentage obtained by dividing net benefits paid for a calendar year by the total wages for the same period.

E. "Net balance available for benefit payments" means the sum of the balance in the trust fund, the benefit fund; and the clearing account after adjustment for outstanding checks; and adjustment for funds in transit between either of ~~said~~ the funds or said the account.

F. "Rate year" ~~shall be~~ means the 12-month period commencing January 1st of each year.

G. "Reserve multiple" ~~is~~ means a measure of the fund reserve ~~which that~~ expresses the current fund reserve ratio as a multiple of the composite cost rate. The reserve multiple ~~shall~~ must be rounded to 2 decimal places. For rate years that begin on and after January 1, 2000, the "reserve multiple" is a measure of the fund reserve that expresses the current fund reserve ratio as a multiple of the average benefit cost rate.

H. "Total wages" means the aggregate total wages paid in Maine for a calendar year in covered employment by contributing employers, as reported on employer contribution reports.

I. "Composite ~~Cost Rate~~ cost rate" means the arithmetic average of the annual cost rates for the last 15 completed calendar years multiplied by a factor of 1.95; ~~either~~. Either the resulting composite rate ~~shall apply~~ applies for the reserve multiple calculation or the rate of 2.20, whichever is greater; ~~but in no case will~~ may a composite cost rate higher than 2.83 apply.

J. "Average benefit cost rate" means the percentage obtained by averaging the 3 highest cost rates for the last 20 completed calendar years preceding the computation date. The rate is rounded down to the nearest 0.1%.

K. "Planned yield" means the percentage of total wages determined by the reserve multiple for the rate year in accordance with the table in subsection 4-A, paragraph B, subparagraph (3).

L. "Ratio of total wages to taxable wages" means the factor obtained by dividing total wages for the preceding calendar year by taxable wages for the same period, except that a ratio of total wages to taxable wages equal to 2.4 must be used to determine the contribution rates effective for rate year 2000 and a ratio equal to 2.5 must be used to determine the contribution rates effective for rate year 2001.

M. "Predetermined yield" means the amount determined by multiplying the ratio of total wages

to taxable wages by the planned yield. The pre-determined yield is rounded up to the nearest 0.01% and is the calculated average contribution rate for the rate year.

N. "Experience factors" means the weights in subsection 4-A, paragraph B, subparagraph (2) assigned to the contribution categories and used to calculate the contribution rates.

O. "Contributions credited" means the contributions credited to the experience rating record of an employer as provided in subsection 3, including all contributions due and paid on or before July 31st following the computation date.

P. "Benefits charged" means the benefits paid and charged against the experience rating record of an employer as provided in subsection 3, including all benefits paid and charged on or before the computation date.

Sec. 11. 26 MRSA §1225, sub-§§1-A and 1-B are enacted to read:

1-A. Liability of employer and certain individuals. The liability for contributions or fees and the interest or penalties due on contributions are enforceable by assessment and collection, in the manner prescribed in this section, against the employer and against any officer, director or member of that employer who, in that capacity, is responsible for the control or management of the funds or finances of that employer or is responsible for the payment of that employer's contribution.

1-B. Responsible individual. Each employer liable for contributions shall inform the commissioner or the commissioner's duly authorized representative, at the time an audit of that employer's account is performed, of the name and position of the individual who generally is responsible for the control or management of that employer's funds or finances and, if different, the individual who is specifically responsible for the collection and paying over of those contributions.

Sec. 12. 26 MRSA §1233 is enacted to read:

§1233. Collection by levy on 3rd parties

1. Notice of levy. If an employer fails to pay any part of the contribution, interest or penalties due under this chapter, the Director of Unemployment Compensation may notify by mail a 3rd party who has possession or control of property in which the delinquent employer may have an interest or who may owe a debt to the delinquent employer, other than earnings.

A. A notice under this section may be given any time after the amount due under this Title becomes delinquent. The notice must state the aggregate amount of contributions, penalties, interest or other amounts due and any additional amount that will accrue by operation of law in a period not to exceed the computation ending date of the month in which the notice is given and, in the case of a credit, bank, or savings account or deposit, is effective only up to that amount.

2. Notification and freezing assets. Upon receipt of a notice provided under this section, the person receiving the notice:

A. Shall advise the Director of Unemployment Compensation no later than 20 calendar days after the date the notice was sent of any property belonging to the delinquent employer that is possessed or controlled by the person receiving the notice and of any debt owed by the person receiving the notice to the delinquent employer, except earnings; and

B. May not transfer or dispose of the property or debt possessed, controlled or owed by the person receiving the notice during the period of 60 calendar days after the date the notice was sent.

A notice sent under this section that attempts to prohibit the transfer or disposition of any property possessed or controlled by a bank is effective if it is mailed to the principal or any branch office of the bank, including any office of the bank at which the deposit is carried or the credit or property is held.

A person who has received a notice under this section and who transfers or disposes of any property or debt in a manner that violates this section is liable to the Director of Unemployment Compensation for the amount of the indebtedness of the delinquent person with respect to whose obligation the notice was given to the extent of the value of that property or debt.

3. Levy on property. At any time during the period of 60 calendar days described in this section, the Director of Unemployment Compensation may levy on the property or debt by delivery of a notice of levy. Upon receipt of the levy notice, the person possessing the property or debt shall transfer the property to the director or pay to the director the amount owed to the delinquent employer.

4. Effect of levy. A notice is effective:

A. At the time of delivery against all property, rights to property, credits and debts involving the delinquent employer that are not, as of the date of the notice, subject to a preexisting lien, attachment, garnishment or execution issued through a judicial process; and

B. Against all property, rights to property, credits and debts involving the delinquent employer that come into the possession or control of the person served with the notice within the period of 60 calendar days described in this section.

A person acting in accordance with the terms of the notice of freeze or levy issued by the Director of Unemployment Compensation is discharged from any obligation or liability to the delinquent employer with respect to the affected property, rights to property, credits and debts of the person affected by compliance with the notice of freeze or levy.

5. Property subject to levy. The delinquent employer property subject to levy includes:

A. A credit, bank or savings account or deposit that is subject to execution pursuant to Title 14, section 4751; or

B. Any other interest or personal property that is not exempt from attachment or execution pursuant to Title 14, sections 4421 to 4426.

Sec. 13. Report. The Department of Labor, within existing resources, shall report to the Second Regular Session of the 119th Legislature and submit proposed legislation by January 1, 2000 that establishes a method for setting the planned yield for future rate years and addresses the issue of a cap on the Unemployment Compensation Fund.

Sec. 14. Appropriation. The following funds are appropriated from the General Fund to carry out the purposes of this Act.

	1999-00	2000-01
AGRICULTURE, FOOD AND RURAL RESOURCES, DEPARTMENT OF		
Departmentwide		
Personal Services	\$1,567	\$1,506
Provides funds for additional unemployment compensation costs. Notwithstanding the Maine Revised Statutes, Title 5, section 1585, the State Budget Officer is authorized to transfer funds within the department to General Fund accounts as required to provide funding for these unemployment compensation costs.		

Sec. 15. Allocation. The following funds are allocated from Other Special Revenue funds to carry out the purposes of this Act.

	1999-00	2000-01
BAXTER STATE PARK AUTHORITY		
Baxter State Park Authority		
Personal Services	\$5,148	\$4,946
Provides funds for additional unemployment compensation costs.		

See title page for effective date.

CHAPTER 465

H.P. 214 - L.D. 292

An Act to Enhance the Payment Options for Certain Employers

Be it enacted by the People of the State of Maine as follows:

Sec. 1. 26 MRSA §621, as amended by PL 1995, c. 340, §1, is repealed.

Sec. 2. 26 MRSA §621-A is enacted to read:

§621-A. Timely payment of wages

1. Minimum frequency. At regular intervals not to exceed 16 days, every employer must pay all wages earned by each employee. Each payment must include all wages earned to within 8 days of the payment date. An employee who is absent from work at a time fixed for payment must be paid on demand after that time.

2. Regular payment required. Wages must be paid on an established day or date at regular intervals made known to the employee. When the interval is less than the maximum allowed by subsection 1, the interval may not be increased without written notice to the employee at least 30 days in advance of the increase.

Sec. 3. 26 MRSA §622, as amended by PL 1975, c. 113, §1, is repealed and the following enacted in its place:

§622. Records

Every employer shall keep a true record showing the date and amount paid to each employee pursuant to section 621-A. Every employer shall keep a daily record of the time worked by each such employee unless the employee is paid a salary that is fixed